

Limited Fixed Base Operator Agreement

This Limited Fixed Base Operator Agreement (“Agreement”) entered into as of September 23, 2024, between the CITY OF ROCHELLE, an Illinois municipal corporation (“City”), and TRIANGLE AIRCRAFT MAINTENANCE LLC, (“TAM”):

WITNESSETH

THAT WHEREAS, the City is the owner of a public airport located in Rochelle, Ogle County, Illinois, known as “Rochelle Municipal Airport/Koritz Field” (“Airport”), consisting generally of certain runways, taxiways, a maintenance hangar, storage hangars, a terminal building, connecting offices, an underground fueling system, fuel tanks and attendant equipment, and public areas, and a Community Hangar (“Com Hangar”); and

WHEREAS, the City has employed an Airport Manager to oversee all operational duties as required of a general aviation airport; and

WHEREAS, the parties have agreed that TAM shall serve as a limited Fixed Base Operator at the Airport on the terms set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual agreement set forth herein, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. **Fixed Base Operator.** For the term of this Agreement, TAM shall serve as a limited Fixed Base Operator (“FBO”) at the Airport for the purpose of providing the following aviation services to the public (“FBO aviation services”):
 - (a) operation of an aircraft inspection station for the convenience of the Airport and its patrons;
 - (b) operation of a service shop for repairs and service to aircraft for the convenience of the Airport and its patrons; and
 - (c) sale of aircraft, aircraft accessories, parts and products.

All other operations at the Airport shall be reserved to the City, to be overseen by the Airport Manager or designee.

2. **Term of Agreement.** This Agreement shall be five (5) years, commencing on January 1, 2025, and shall terminate on December 31, 2029. Lessee shall have the option to extend this lease five (5) additional years at \$4,500.00 per month, by notifying Lessor in writing at least 90 days prior to the expiration of this Agreement, stating that it that it seeks to extend the lease for an additional five (5) years. The extended lease shall commence on January 1, 2030, and shall terminate on December 31, 2034, by agreement of the parties or sooner terminated in accordance with its terms. Any holdover in the absence of an express agreement for an extension shall be on a month-to-month basis. This Agreement may thereafter be terminated by either party on ninety (90) days prior written notice to the other party.
3. **Use of Airport Facilities.** TAM shall have the use of the following Airport Facilities for providing the FBO aviation services enumerated in paragraph one (1):
 - (a) shared use of one-third (1/3) of the Community Hangar and conference room with the City of Rochelle for the first year (2025), of this agreement; and
 - (b) the entire Community Hangar beginning January 1, 2026.
4. **Specific Obligations of TAM.** In addition to any other general obligations set forth in this Agreement, TAM shall:
 - (a) comply with all provisions of Chapter 18 (“Aviation”) of the Rochelle Municipal Code, and all other laws, rules and regulations governing the duties of Fixed Base Operators, except as may be limited by the terms of this Agreement;
 - (b) offer FBO aviation services during regular business hours of at least Monday through Friday from 8:00 a.m. to 4:00 p.m.;
 - (c) purchase all fuel used in connection with the FBO aviation services from the City at 0.30c per gallon discount which will be passed onto TAM customers;

- (d) use its best efforts in its dealings with its customers to promote the Airport and the City, including using its best efforts to service all aircraft, and provide any other aviation services which would promote the use of the Airport;
- (e) instruct all of its employees to assist all patrons of the Airport, whether or not they are customers of TAM, in a prompt and courteous manner, including providing general information and directions to available resources;
- (f) keep the Community Hangar facilities in a safe, sanitary and clean condition, disposing of all debris and waste matter which may accumulate, providing metal containers with proper covers for any waste within the Com Hangar Facilities, and complying with all laws, rules and regulations of the Illinois Department of Labor and the United States Occupational Safety and Health Administration governing workplaces;
- (g) make the ramp and apron area available to the City to conduct the City's annual Fly-In-Drive-In event or other City functions if feasible;
- (h) provide a copy of its insurance policy on an annual basis or when requested by the Airport Manager, as filed for the previous year;
- (i) exercise reasonable care in the use of the Community Hangar Facilities, promptly report any damages to the Community Hangar Facilities to the Airport Manager, and reimburse the City for the reasonable cost of repairs for any such damage caused by TAM, or by TAM employees, agents, customers or invitees;
- (j) promptly remove all of TAM's personal property from the FBO Facilities (or from other places within the Airport, if applicable) upon the termination of this Agreement;
- (k) promptly report to the Airport Manager any matters of concern relating to the obligations of either party conducted at the Airport;
- (l) provide a current copy of all FAA certificates to the city;
- (m) provide all maintenance under FAR parts 43, 65 and 145, excluding major painting operations;
- (n) pay the monthly lease rate in full by the 10th of each month. (2025, year 1, \$3,600.00 per month. 2026, year 2, \$3,825.00 per month. 2027, year 3, \$4,050.00 per month. 2028, year 4, \$4,225.00 per month. 2029, year 5, \$4,500.00 per month);

- (o) pay a \$3,600.00 security deposit prior to January 1st, 2025;
- (p) pay any leasehold property taxes as required and assessed by the County Assessor;
- (q) pay all utility charges, including natural gas, water and sewer, trash collection, electric, phone and internet;
- (r) pay for and/or maintain any light bulbs or fixtures, pest control, and janitorial supplies; and

5. **Compensation of FBO.** Subject to the provisions of Section 2 relating to lease payments and termination, TAM shall receive no monetary compensation from the City, but shall be entitled to retain all revenues received from providing the FBO aviation services for the term of this contract.

6. **Specific Obligations of the City.** In addition to any general obligations which may be set forth in this Agreement, the City shall:

- (a) provide for structural maintenance of all Airport Facilities, except for the repair of damages caused by TAM, or by TAM employees, agents, customers or invitees;
- (b) maintain the Airport Facilities in good repair, including making all repairs to roofs, drains, gutters, pavement, plumbing, sewers, pipes and electrical conduits to Com Hangar, including HVAC, water heater, hangar door, and the boiler system for radiant floor heating of the apron;
- (c) furnish all labor and material for mowing, snow removal of runway, ramps, taxiways and any major improvements necessary for the operation of the Airport (does not include the Community Hangar, west sidewalk);
- (d) promulgate and publish Airport flying rules and regulations applicable to the use of the Airport by private, commercial or public aircraft flying, taking off, or being in or about the Airport for any purpose; and
- (e) exercise sole and general control and supervision of all activities of the public or other persons on the Airport premises, consistent with the reasonable rules and regulations of the Airport and the reasonable conduct of the FBO aviation services.

7. **Indemnity; Insurance.** TAM shall indemnify and hold harmless the City from any all claims, demands, lawsuits, liabilities and judgements of whatsoever nature made by or on

behalf of any person, firm, or entity arising from acts or omissions of TAM or TAM's employees, agents, customers and invitees related to the FBO aviation services or the Community Hangar including claims for personal injury, property damages, or economic injury, and including all costs of the City to defend any such claims, demands or lawsuits (including the City's reasonable attorney's fees, expert witness fees and litigation expenses).

TAM shall at all times maintain in full force and effect, the following insurance policies:

- (a) public and product liability insurance in the amount of \$1,000,000.00/\$1,000,000.00 minimum, insuring against any loss, property or personal injury caused in whole or part by TAM, or TAM's employees, agents, customers or invitees, in the conduct of the FBO aviation services, or in connection with the Community Hangar Facility;
- (b) insurance on property owned by and located at the Airport, insuring said property against loss by fire, wind and other hazards, and insuring others against damage or fire or other casualty to aircraft or other personal property of third persons stored, placed or otherwise lawfully located in the Community Hangar Facility; and
- (c) adequate worker's compensation insurance, and unemployment insurance in such amounts as may be required by applicable laws, rules or regulations of the State of Illinois or the United States.

All insurance policies required to be maintained by TAM under this Agreement shall name the City as an additional insured, shall require the insurance company to provide a certificate verifying coverage upon request of the City from time to time, and shall contain a clause requiring the insurer to give notice to the City at least fifteen (15) days prior to cancellation or discontinuance of insurance. Additionally, TAM shall promptly provide a current certificate of insurance to the City for any insurance required under this Agreement when requested.

8. **Remedies.** Each party shall have all of the rights and remedies available under Illinois law for breach of this Agreement by the other party, and the prevailing party in any litigation arising under this Agreement shall be entitled to recover its reasonable costs of litigation, including attorney's fees and expert witness fees, in addition to any other relief obtained;

provided, however, that either party shall have thirty (30) days after written notice from the other party to cure any claimed breach which is curable.

9. **Non-Assignability.** This Agreement may not be assigned, in whole or in part, by TAM, without the prior written consent of the City, which consent shall not be unreasonably withheld.
10. **Subordination to State and Federal Laws, Rules and Regulations.** The provisions of this Agreement shall be subject to, and subordinate to, the following:
 - (a) during any time of war or national emergency, City shall have the right to enter into an agreement for the use and possession of the Airport Facilities, including the Community Hangar Facilities, or any part thereof, by the United States for military or naval use, and, if such agreement is executed, the provisions of this contract, insofar as they are inconsistent with the provisions of said agreement to the United States, shall be suspended;
 - (b) the provisions of any existing or future agreements between the City and the United States relative to the operation or maintenance of the Airport, the execution of which has been, or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport;
 - (c) City specifically reserves the right to further develop or improve the Airport Facilities as it sees fit, and to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, including the right to prevent the erection of any building or other structure upon the Airport or within the obstruction limits of the Airport established by the Federal Aviation Administration or the Division of Aeronautics of the State of Illinois which, in the opinion of the City, would limit the usefulness of the Airport or constitute a hazard to aircraft;
 - (d) City reserves the right, but shall not be obligated to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of said Airport, together with the right to direct and control all activities of TAM in such regard;
 - (e) TAM shall conduct the FBO aviation services and use the Community Hangar Facilities for the use and benefit of the public and without unjust discrimination, and upon reasonable terms and conditions; and shall refrain from imposing or levying excessive, discriminatory, or otherwise unreasonable charges or fees for same. TAM shall grant

no favor, privilege or discriminatory right to any patron, customer, or other person serviced by TAM in the furnishing of any service or products, which are not extended to other members of the public. TAM shall have such access to the service apron, runway, and landing area on said Airport as may be accorded to any other person or the public, subject to the rules and regulations of the City, and provided, as aforesaid, that any such access or use by TAM shall be non-exclusive and that nothing contained in this paragraph shall be deemed to confer or give to TAM any rights incident to the carriage of passenger, cargo or freight by air as a public carrier, or any rights or privileges reserved by law, by agreement or otherwise, for military, naval or other aircraft of the United States, the State of Illinois, or the City;

- (f) the use and occupancy by TAM of the Community Hangar Facilities shall be subordinate to any program or undertaking by the City for the development, expansion, extension or improvement of said Airport. This Agreement shall not be construed to grant to TAM an exclusive right for use of the landing area or navigation facility of the Airport upon which Federal Funds have been, are to be, will be or may be expended contrary to Title 49, U.S.C., Subtitle VII, as amended, in such a way as to inhibit the City from receiving funds or financial aid or other assistance from the Federal Aviation Administration or its successor for the development, expansion, extension and improvement of the Airport. Any provision of this Agreement found to be in conflict with said Title 49, U.S.C., Subtitle VII, as amended, or to inhibit the receipt of funds, financial aid, or assistance from the Federal Aviation Administration shall be and become inoperative upon the execution hereafter of any agreement between the City and the Federal Aviation Administration or any other Agency of the United States or of the State of Illinois for the release or expenditure of Federal Funds or giving of other financial aid or assistance by the Federal Aviation Administration for the further development, expansion, extension or improvement of said Airport;
- (g) TAM for itself and its successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that:
 - i. 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 the Community Hangar Facilities,

- ii. that in the furnishing of the FBO aviation services, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination,
- iii. that TAM shall use the Community Hangar Facilities and provide the FBO aviation services 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 Regulations may be amended;

(h) TAM agrees to furnish services on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provide, however, that TAM may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers; and

(i) the City reserves the right to access the Community Hangar for maintenance and repair of Airport equipment and facilities and to use the conference room.

11. **Severability.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term or any extended term hereof, such provision shall be fully severable, and this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part thereof, and the remaining provisions thereof shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance therefrom. Furthermore, in lieu of such illegal, invalid, or unenforceable provision there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable to accomplish the expressed intent of this Agreement.

12. **Notices.** All notices required to be given under the terms of this Agreement shall be sufficient if given by certified mail, postage prepaid, return receipt requested, addressed to the parties as follows:

TO LESSOR:

Airport Manager
The City of Rochelle,
P.O. Box 601
Rochelle, IL 61068

with a copy to:
Rochelle City Manager
P.O. Box 601
Rochelle, IL 61068

TO LESSEE :

Triangle Aircraft Maintenance LLC
1205 West Gurler Road
Rochelle, IL 61068

13. **Successor/Assigns.** The agreements herein contained shall extend to and be binding upon the successors and assigns, when permitted, of the parties hereto.
14. **Modifications.** This Agreement represents the entire agreement between the parties, and supersedes all prior oral or written or contemporaneous oral agreements. This Agreement may be modified only by a writing signed by the parties.
15. **Construction.** The rule of strict construction against the drafting party shall not apply to this Agreement. The term “including”, when used in this Agreement, shall mean “including, without limitation”.
16. **Choice of Law, Jurisdiction and Venue.** This Agreement shall be construed in accordance with the laws of the State of Illinois with exclusive jurisdiction and venue being in the Circuit Court located in Ogle County, Illinois.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have hereunto executed this instrument as of the day and year first above written.

THE CITY OF ROCHELLE, IL

Triangle Aircraft Maintenance LLC,

By: _____
City Manager

By: _____
President

Attest: _____
City Clerk