

AVIATION BUSINESS PERMIT

THIS PERMIT is made and entered into as of the ____ day of _____, 20__, by and between the **METROPOLITAN KNOXVILLE AIRPORT AUTHORITY**, a public corporation of the State of Tennessee, (the "Authority") and _____, a _____ organized and existing under the laws of the State of _____ ("Permittee").

RECITALS:

A. Permittee is _____ (the "Business") [Insert Business description].

B. Permittee has submitted an Application for Aviation Business Permit (the "Application") which is attached hereto as Exhibit 1, and the Authority approved the Application on _____, 20__.

C. The Authority, as licensor, desires to license and grant certain rights to Permittee, and Permittee desires to use certain premises and facilities and have certain rights, licenses and privileges at [] McGhee Tyson Airport [] Knoxville Downtown Island Airport (the "Airport").

AGREEMENTS:

NOW, THEREFORE, in consideration of the recitals and of the mutual covenants set forth below, the parties agree as follows:

1. **PERMIT TO OPERATE.** The Authority hereby grants to Permittee the nonexclusive permit to operate Permittee's Business at the Airport, only on such premises described on Exhibit 1 attached hereto. Permittee's right to use specific Airport premises, including those provided in common to the public, for the carrying on of its business, is expressly limited to the grant contained in this paragraph.

2. **PERMIT FEES.** Upon execution of this Permit, Permittee shall pay to the Authority an application fee of five hundred dollars (\$500.00). Thereafter, provided this Permit is renewed by the Authority, Permittee shall pay to the Authority a yearly fee, due and payable on each January 1 of each renewal period hereof, of one hundred dollars (\$100.00). Permittee further agrees to reimburse any legal

expenses necessary to enforce this Permit and pay costs including reasonable attorney fees of the Authority in connection with such enforcement.

3. **TERM.** This Permit shall commence upon the date written above. The license to operate as provided herein, with the attendant operating rights and privileges, shall continue from the commencement hereof until the subsequent January 1, subject to being terminated by either party upon thirty (30) days advance written notice, unless sooner terminated pursuant to the provisions of paragraph 4. Thereafter, this Permit may be renewed for one year periods as provided herein and in Exhibit 1 and Exhibit 2 attached hereto.

4. **TERMINATION.**

a. The Authority may terminate this Permit immediately and without notice if Permittee, or its officers, employees, subcontractors, agents or invitees, conducts activities or business not specifically authorized by this Permit; acts in any illegal manner; or acts in any way that jeopardizes the Authority's activities or the health, safety and welfare of other persons or property at or near the Airport, or otherwise creates a nuisance at the Airport.

b. The Authority shall have the right to terminate this Permit immediately upon the occurrence of any one or more of the following:

(1) Abandonment by Permittee of and discontinuance of operations at the Airport hereunder.

(2) Issuance by a court of competent jurisdiction of an injunction substantially restricting the use of the Airport for airport purposes and the remaining in force of said injunction, whether permanent or temporary, for a period of thirty (30) days.

(3) The assumption by the United States Government or any authorized agency thereof, or any other governmental agency of the operation, control or use of the Airport facilities or any substantial part, or parts, thereof in a manner which substantially restricts Permittee's operations for a period of thirty (30) days or more.

(4) Any default by Permittee in any other agreement between Permittee (or an affiliated company), and the Authority or any other party operating at the Airport, remaining after the expiration of any applicable cure period.

(5) Default by Permittee in the performance of any of its obligations under this Permit and failure by Permittee to cure such default, to wit:

(i) In the event of Permittee's failure to make timely payments of any amounts due hereunder, and its failure to cure said default within ten (10) days after receipt of written notice thereof from the Authority.

(ii) In the event of Permittee's failure to perform any of its other obligations hereunder, and its failure to cure said default within thirty (30) days after receipt of written notice thereof from the Authority.

(iii) Written notice shall be deemed to be complete and received five (5) days after posting same in the United States mail to the last known address of Permittee.

5. **USE OF PREMISES.**

a. The Authority grants to Permittee the right to use the premises described in Exhibit 1 attached hereto (the "Premises") for its Business operation, and for such other limited purposes as may be directly related to such operation. Any use by the Permittee of the Premises for other business or commercial activities not directly related to its Business operation, must be approved in writing in advance by the Authority's President or his designee. Any use of the Premises shall be made in strict compliance with all applicable federal, state or local statutes, codes, ordinances or resolutions, and with the Authority's Rules and Regulations for the Use of Airports and Facilities (the "Rules and Regulations"), its Minimum Standards for Commercial Aeronautical Activities at the Airport (the "Minimum Standards"), respectively, as they may be amended by the Authority from time to time.

b. Permittee further agrees that no consumer products, food or beverages will be sold on the Premises, by machines or otherwise, for consumption by the general public.

6. **APPLICABLE LAWS; SECURITY.**

a. The Authority, acting in its sole discretion, has adopted and may amend the Rules and Regulations, with which Permittee shall comply. The Airport and its operation, and businesses operating on the Airport, are also regulated by various local, state and federal statutes, ordinances, rules, regulations, and other laws, including, but not limited to, various Federal Aviation Administration ("FAA"), Transportation Security Administration ("TSA"), environmental and civil rights laws, and ordinances of the City of Knoxville (collectively, "Applicable Laws"), with which Permittee shall comply.

b. Any fines incurred as a result of violations by Permittee or its employees of, or the failure of Permittee or its employees to fulfill its obligations with respect to, airport security measures adopted by the Authority in the form of the Airport Security Program under F.A.R. Part 107 (as said program may be amended from time to time) and/or any directive from the FAA or TSA within its assigned area of responsibility, shall be the sole responsibility of Permittee, once all appeals procedures reasonably agreed to by the parties have been exhausted. In any case where Permittee desires to have an appeal pursued at Permittee's expense, the Authority agrees to cooperate fully in such appeal, provided Permittee pays all expenses of the Authority related to such appeal.

7. **SIGNS**. Permittee shall not place any sign on or about the Airport premises without the prior written approval of the President of the Authority.

8. **OPERATOR REQUIREMENTS**. Permittee shall provide the following information to the Authority upon execution of this Permit and prior to operating, and shall update such information as necessary to keep it current:

a. Copies of appropriate operating and business authorizations, licenses, and/or certificates as required by the Authority from time to time or by federal, state, or local laws;

b. A description of activities to be conducted by Permittee on the Airport; and

c. Copies of all certificates of insurance for policies that Permittee is required to obtain under this Permit.

9. **ENVIRONMENTAL CONCERNS**.

a. Permittee shall operate at the Airport in accordance with Applicable Laws, and the rules and regulations of the United States Environmental Protection Agency, the Tennessee State Fire Marshal, the National Fire Protection Association codes, applicable building codes, and commonly accepted industry practice; with the Rules and Regulations of the Authority; and with the rules, regulations and practices approved or mandated by any other federal, state or local government or agency thereof having jurisdiction over disposal procedure and practices, water or air quality control, or other environmental concerns.

b. Permittee further covenants that neither it nor its employees, agents, contractors, subcontractors or invitees will under any circumstance dispose of unused or contaminated fuel, oil, solvents, paint or other petroleum or petrochemical products of any type, whether liquid or solid, or any other material deemed a Hazardous Material, by dumping or burning by fire, either upon or off the Airport premises in any manner or fashion, but shall dispose of the same only in accordance with environmentally accepted practices and disposal procedures and practices set forth above; and Permittee shall, at Permittee's expense, cause any soil or other portion of the Airport which has become contaminated by any Hazardous Materials stored or used by Permittee on the Airport to be decontaminated, detoxified or otherwise cleaned up in accordance with the requirements of governmental authorities, and surrender possession of the Premises free of contamination attributable to toxic materials or Hazardous Materials generated or used by Permittee or stored or disposed of by any party other than the Authority in or on the Premises during the term of this Permit.

c. Each capitalized term which is not defined in this paragraph shall have the meaning ascribed to such term in this Permit or in the Rules and Regulations.

10. **ALTERATIONS AND IMPROVEMENTS.**

a. Permittee shall not make any material alteration, extension, or improvement or install any fixtures or equipment to or at the Airport without the prior written consent of the Authority. Any such alteration, extension, improvement or installation must be made in compliance with the Airport

Design Guidelines and the Airport Supplemental Design Guidelines adopted by the Authority for the Airport.

b. Permittee shall not permit any mechanic's, materialman's, or other lien to be placed on the Airport or any other facilities of the Authority as a result of any improvements by Permittee, its agents, employees, contractors, or subcontractors. If such a lien is placed on the Airport in violation of this paragraph, the Authority may require Permittee to take whatever actions are necessary to have said lien removed or bonded off, or the Authority may take whatever actions are necessary to have said lien removed. If the Authority pays the debt and associated costs giving rise to said lien, Permittee shall immediately reimburse the Authority for such payment, plus interest and attorney fees.

11. **ASSIGNMENT OF PERMIT.** Permittee shall not assign this Permit or any part hereof without the prior written approval of the Authority. Any unauthorized assignment shall be void. For any assignment which is approved by the Authority, if any, Permittee agrees to reimburse the Authority upon demand for any fees or costs reasonably incurred by the Authority in connection with the assignment.

12. **RELATIONSHIP OF PARTIES; INDEMNIFICATION.**

a. It is expressly understood and agreed that Permittee is an independent contractor and operator, fully responsible for its acts or omissions and for those of its agents, employees, contractors, subcontractors or invitees, for which the Authority shall in no way be responsible.

b. Permittee shall protect, defend, indemnify and hold harmless the Authority and its Commissioners, officers and employees from and against any and all liabilities, losses, suits, claims, judgments, fines or other civil or criminal penalties resulting from any civil, criminal or administrative proceeding or order, or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to attorney fees, court costs, and expert fees), of any nature whatsoever arising out of or incident to this Permit and/or the use or occupancy of the Premises, or out of the acts or omissions of Permittee or its agents, employees, contractors, subcontractors, or invitees, regardless of where the injury, death or damage may occur, unless such injury, death or damage is caused solely by the negligence of the agents

or employees of the Authority. The Authority shall give to Permittee prompt and timely notice of any such claims or actions. The Authority shall be entitled to choose counsel, with Permittee's concurrence in the choice (which concurrence shall not be unreasonably withheld), to represent it, at Permittee's expense, in connection with matters covered by the provisions of this section, and said provisions shall survive the expiration or early termination of this Permit.

c. Permittee shall insure the above contractual obligation to Authority; Permittee and its insurer, or either of them, shall have the right to compromise and defend all claims, actions, suits or proceedings to the extent of Permittee's interest therein; and in connection therewith, the parties hereto agree to cooperate fully with each other and with Permittee's insurer in the defense thereof.

d. Permittee shall indemnify the Authority, defend it with counsel reasonable and acceptable to the Authority, and hold it free and harmless from any and all liabilities, damages, claims, penalties, fines, settlements, causes of action, costs or expense, including reasonable attorneys' fees, environmental consultant and laboratory fees and the costs and expense of investigation and defending any claims or proceedings, resulting from or attributable to (i) the presence, disposal, release or threatened release of any Hazardous Material that is on, from or affecting any of the Airport or any other premises which Permittee uses, including the soil, water, vegetation, buildings, personal property, persons, animals, or otherwise located on, under, or near such premises; (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or relating to the Hazardous Material; (iii) any lawsuits or administrative order relating to the Hazardous Material; or (iv) any violation of any laws applicable to the Hazardous Material. The terms of this paragraph shall apply only to Hazardous Material for which Permittee is responsible under this Permit.

e. The rights and indemnification under this paragraph are in addition to all other rights and remedies of the Authority under this Permit and available at law or in equity. The provisions of this section shall survive the expiration or early termination of this Permit.

13. **INSURANCE.**

a. Permittee shall maintain in force at all times during the Term hereof or during its occupancy of the Premises, insurance coverage with an insurance carrier reasonably acceptable to the Authority, and licensed to do business in the State of Tennessee. Permittee agrees to carry:

- (i) Workers' Compensation as required by law; and
- (ii) Employer's Liability with minimum statutory limit.

In addition to the above, Permittee shall provide the following policies, which shall have the limits indicated per occurrence and in the aggregate and shall name the Metropolitan Knoxville Airport Authority and its Commissioners, officers and employees as additional insureds:

(iii) Airport Liability, CGL Form, including bodily injury and property damage, and Products/Completed Operations Liability combined single limit, in the amounts required by the Minimum Standards, but in no event less than \$1,000,000, to include broad form contractual coverage in support of its indemnification obligations hereunder.

(iv) Hangarkeeper's Legal in the amount required by the Minimum Standards, but in no event less than \$1,000,000, for each accident for any period when Permittee leases or subleases hangar space on the Airport.

(v) Coverage for Motor Vehicle Liability of One Million Dollars (\$1,000,000.00) Combined Single Limit for bodily injury and property damage, or such other limits as may be required in the Rules and Regulations.

Permittee agrees to make a good faith effort to require all contractors, vendors and suppliers performing work or services for Permittee at the Airport to keep their vehicles off the aircraft ramp and to insure their vehicles for a minimum of One Million Dollars (\$1,000,000.00) Combined Single Limit, for bodily injury and property damage, or such higher limits as may be required by the Minimum Standards.

b. In the event of a breach of the above insurance provision, the Authority shall have the right to immediately terminate this Permit, including the operating license and hold the same as if this Permit had not been made. All policies of insurance required by this section shall provide that any loss shall be payable to the claimant notwithstanding any act of negligence of Permittee which might

otherwise result in a forfeiture of said insurance. Said policy or policies shall provide that they will not be reduced, allowed to lapse or canceled for any reason without thirty (30) days prior written notice to the Authority. Permittee shall furnish the Authority during the Term hereof proper certificate or certificates evidencing that such insurance is in force and reflecting the requirements of this Permit. These certificates of insurance must be provided prior to Permittee's occupying the Premises or commencing operations. The use of existing policies will be acceptable, provided Permittee delivers to the Authority written endorsements providing specific coverage for Permittee's operations at the Airport.

Both the General Insurance requirements and the Additional requirements are subject to the provisions of paragraph 5.6 of the Minimum Standards, and are subject to being adjusted by action of the Authority's Board of Commissioners.

14. **MISCELLANEOUS.**

a. The paragraph headings are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provision of this Permit.

b. Permittee shall be solely responsible for the payment of any taxes or assessments by any governmental authority upon any personal property, equipment, fixtures or improvements of Permittee on the Airport, and upon the privilege of doing business in the jurisdiction, including any license or other fees.

c. If any covenant, condition or provision contained in this Permit is held invalid, or unenforceable by any court of competent jurisdiction to be invalid, such invalidity or unenforceability shall not affect any other covenant, condition, or provision, or this Permit, but only if further operation does not materially prejudice either the Authority or Permittee in their respective rights and obligations hereunder.

d. Permittee, for itself, its successors in interest and assigns, as part of the consideration hereof, hereby covenants and agrees, as a covenant running with the land, that:

(1) no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said Airport facilities;

(2) that in the construction of any improvements on, over or under the Airport facilities, and the furnishing of services thereon, no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination; and

(3) Permittee shall use the Airport 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, Non-discrimination 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.

In the event of breach of this paragraph, the Authority shall have the right to terminate this Permit without notice, except that such termination shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21, have been fully complied with, including any exercise or expiration of appeal rights.

Permittee shall undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person on the grounds of race, creed, color, national origin or sex shall be excluded from participating in any employment activities covered in 14 CFR Part 152 Subpart E. Permittee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this Subpart. Permittee shall require that its covered suborganizations, if any, provide assurances to the Authority that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

d. This Permit shall be subordinate to the provisions of any existing or future agreement between the Authority and the United States of America relating to the operation or

(Facsimile No. 865-342-3050)

and for Permittee:

(Facsimile No. ___-___-____)

j. Execution of this Permit by any person as an officer or Commissioner of the Authority shall not create any individual liability in such individual, who is acting solely in a representative capacity.

IN WITNESS WHEREOF, the parties have executed this Permit, or caused it to be executed by their respective duly authorized officers, as of the day and year first above written.

METROPOLITAN KNOXVILLE AIRPORT AUTHORITY

By: _____

Its: President_____

Typed or printed name of Permittee:

By: (authorized signature)

Authority to sign:

(Corporate officer, general partner, sole owner, etc.)

EXHIBIT 1

METROPOLITAN KNOXVILLE AIRPORT AUTHORITY
MCGHEE TYSON AIRPORT
KNOXVILLE DOWNTOWN ISLAND AIRPORT

AVIATION SERVICE APPLICATION

INSTRUCTIONS

Complete all questions and provide all attachments which are applicable to your company. Put 'N/A' in those questions which do not apply.

A. Company Information:

1. Company-Name: _____

Address: _____

Telephone Number: _____

2. Nature of Company structure (proprietorship, partnership, public, private or non-profit corporation, LLC or LLP)

(If Incorporated, attach a copy of the Certificate of Incorporation.)

3. Owners or Shareholders:

NAME	ADDRESS	PERCENT OWNERSHIP
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4. Key Management Personnel:

	NAME	ADDRESS	PHONE
President:	_____	_____	_____
Operations:	_____	_____	_____
Finance:	_____	_____	_____
Maintenance:	_____	_____	_____
Station Manager:	_____	_____	_____
Other:	_____	_____	_____

Contact in case of emergency (name and phone number):

5. List names and personal, business and, if applicable, professional qualifications of the persons involved in operating the business or activity:

NAME	QUALIFICATIONS
_____	_____
_____	_____
_____	_____
_____	_____

(1) Brief description of the company (nature of business or activity, number of years in operation, recent changes, goals, etc.):

B. Financial Responsibility:

1. Current Balance Sheet and Income Statement. (Attach)

2. List a minimum of three financial references (principal creditors and/or financial institutions)

NAME	ADDRESS	PHONE
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

3. Primary Bank Operating Account:

Name: _____

Address: _____

Phone number: _____

Account or Loan Officer: _____

C. Proof of Insurance:

Attach a certificate of Insurance or Letter of Intent from an insurance company prepared to write the coverage specified in these minimum standards for the type of activity proposed. (Attach)

NOTE:

1. All policies must name the Metropolitan Knoxville Airport Authority and its commissioners, officers and employees as additional insureds.
2. Operator agrees to ensure its contractual liability to indemnify and hold harmless the Authority, its commissioners, officers and employees, as set forth in its operating agreement.
3. Operator will keep a current copy of any and all policies or certificate of insurance on file with the Vice President of Finance and Administration, and provide 30 day written notice of cancellation of coverage.

D. Operations:

1. Brief description of operations or services planned:

2. Requested or proposed date of commencement of activity:

3. Proof of operating authority. (Attach a copy of operating certificate)

4. Location(s) and facilities on the Airport from which services are to be offered:

5. Additional Airport facilities expected to be required:

6. Arrangements for providing operating facilities (FBO sublease, MKAA, other)

7. List a minimum of three (3) references as to the technical ability of the principals and/or principal employees to conduct the proposed business or activity:

NAME	ADDRESS	PHONE
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8. Scheduled Air Carrier, Cargo Operator or Air Taxi information:

a. Complete schedule (existing and proposed) at the Airport. (Attach)

(1) Flight numbers and itineraries:

(2) Departure and arrival times:

b. Aircraft type:

c. Planned time at gate and/or apron area between flights at the Airport:

d. Facility requirements at the Airport:

(1) Fuel supplier: _____

(2) Required gate (ramp) area:

(3) Maintenance facilities:

e. Description of arrangements for services at the Airport (If services will be provided by contract, attach a copy of agreement)

(1) Ticketing and checking in:

(2) Aircraft servicing:

(3) Baggage handling:

(4) Cargo handling:

(5) Gate Security:

(6) Public Address System:

f. Number of Station employees at the Airport:

g. Number of pilots by rating:

NUMBER OF PILOTS	RATING
_____	_____
_____	_____
_____	_____
_____	_____

I authorize the Metropolitan Knoxville Airport Authority to investigate and verify the information provided and to request and obtain such additional information from other sources relative to applicant and its principals and principal officers as the Metropolitan Knoxville Airport Authority may deem necessary in order to fully and properly evaluate this application. I certify that all the information provided is true and correct as to the best of my knowledge.

Signature: _____

Name: _____

Title: _____

EXHIBIT 2

METROPOLITAN KNOXVILLE AIRPORT AUTHORITY

AVIATION BUSINESS PERMIT

RENEWAL APPLICATION

A. Company Information:

Company-Name: _____

Address: _____

Telephone Number: _____

B. Changes (please list changes to the original permit application and attach any supporting documentation, if no changes please state so):

C. I certify that all the information provided in this renewal application is true and correct as to the best of my knowledge:

Signature: _____

Name: _____

Title: _____

D. Permit renewal fee received and Renewal Application approved/denied by the Metropolitan Knoxville Airport Authority's Board of Commissioners on _____.

METROPOLITAN KNOXVILLE AIRPORT AUTHORITY

By: _____

Its: _____