

RESOLUTION NO. 2022 - 50

A RESOLUTION RELATING TO AUTHORIZING THE APPROVAL OF GROUND HANGAR #7 LEASE AGREEMENT AT THE COMMERCE MUNICIPAL AIRPORT BETWEEN THE CITY OF COMMERCE AND BRAD COONROD; GRANTING AUTHORITY TO THE MAYOR TO EXECUTE SAID RESOLUTION AND AUTHORIZING CITY SECRETARY TO AUTHENTICATE MAYOR'S SIGNATURE TO SAID RESOLUTION, AND AUTHORIZING CITY MANAGER TO EXECUTE ANY AND ALL OTHER INSTRUMENTS REQUISITE IN IMPLEMENTING SAID RESOLUTION AND AUTHORIZING CITY SECRETARY TO AUTHENTICATE CITY MANAGER'S SIGNATURE TO THE AGREEMENT AND ANY AND ALL INSTRUMENTS REQUISITE IN IMPLEMENTING THIS RESOLUTION.

A regular meeting of the City Council of the City of Commerce, Texas, was held in Commerce, Texas, at City Hall, on the 13th day of December 2022, at 6:00 p.m.; a majority of council members being present and constituting a quorum, the following resolution was adopted:

WHEREAS, Chapter 18, Section 18-78, (a) General Rules and Regulations, (12) Licensed Pilots of the Commerce Code of Ordinances states, "only aircraft with current and correct FAA certificates of registration and airworthiness and persons holding valid and current airman and medical certificates issued by the FAA, for those flight operations requiring medical certificates, shall be authorized to operate aircraft upon the airport except as provided in this section/order";

AND WHEREAS, Chapter 18, Section 18-78, (a) General Rules and Regulations, (13) Registration and Log Entries of the Commerce Code of Ordinances states, "each person owning an aircraft based at the airport, or any person based and receiving flight instruction toward an FAA rating at the airport shall register at the office of the airport manager their name, address, telephone number, aircraft model, aircraft registration "N" number, or make and model of aircraft for those aircraft not requiring registration (ultralight), and the name, address, and telephone number of their next of kin or person to be notified in case of an accident or emergency. Additionally, the log entries for each aircraft shall be presented to the airport manager for annual inspection";

AND WHEREAS, Chapter 18, Section 18-78, (f) Lease of Airport Property and Construction on Airport of the Commerce Code of Ordinances allows for "hangars and other buildings or structures owned by the city may be leased to private individuals, companies, or corporations on a monthly or yearly basis for the storage of aircraft and ancillary equipment or to conduct a commercial fixed base operation (FBO)";

AND WHEREAS, the Commerce Municipal Airport currently has Ground Hangar #7 available for lease;

AND WHEREAS, Brad Coonrod has requested to enter into a lease agreement with the City of Commerce to lease Ground Hangar #7 at the Commerce Municipal Airport;

AND WHEREAS, Brad Coonrod has provided confirmation of a current FAA aircraft registration, current pilot's license, current aircraft insurance, and adequate contact information;

AND WHEREAS, after careful deliberation by the City Council of the City of Commerce, it is deemed to be in the best interest and general welfare of the City of Commerce Municipal Airport, that said Ground Hangar #7 lease and agreement be approved, a copy of which is attached hereto and marked Exhibit "A" and made a part hereof as if copied herein verbatim;

AND WHEREAS, the proposed agreement between Brad Coonrod and the City of Commerce, be approved and accepted and is hereby approved and accepted in all respects.

THEREFORE, BE IT RESOLVED, that the Mayor of the City of Commerce, Texas, be authorized and he is hereby authorized to execute this resolution; and that the City Secretary be authorized, and she is hereby authorized to attest to the signature of the Mayor to this resolution;

BE IT FURTHER RESOLVED, that the City Manager be authorized, and he is hereby authorized to execute the agreement and any and all instruments requisite in implementing said resolution; and that the City Secretary be authorized, and she is hereby authorized to attest to the signature of the City Manager to any and all instruments requisite in implementing this resolution;

PASSED BY THE GOVERNING BODY of the City of Commerce, Texas, at a regular meeting of the City Council of the City of Commerce, Texas, on the 13th day of December 2022.

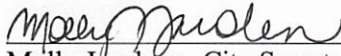
CITY OF COMMERCE, TEXAS



Howdy Lisenbee, City Manager

(Seal)

ATTEST:

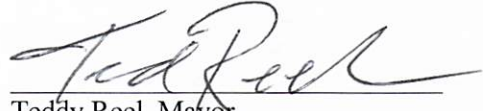


Molly Jacobsen, City Secretary

I, Molly Jacobsen, City Secretary of the City of Commerce, Texas, do hereby certify that the above is a true and correct copy of a resolution and that the same has not been repealed and is in full force and effect.

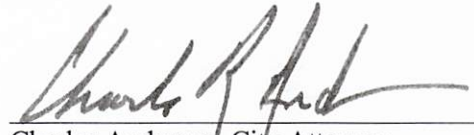
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CITY OF COMMERCE, TEXAS

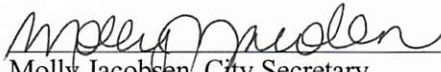


Teddy Reel, Mayor

APPROVED AS TO FORM:



Charles Anderson, City Attorney



Molly Jacobsen, City Secretary
City of Commerce, Texas

GROUND LEASE

Date: December 13, 2022

Lease

Date: December 13, 2022

Landlord: City of Commerce

Tenant: Brad Lyn Coonrod/Edge Aviation LLC
1339 County Road 2909
Dodd City, Texas 75438

Description of Ground Space Leased (Premises):
Hangar #7 A0403 HART J, TRACT 207-F (HANGAR ONLY)

Lease Commencement Date: December 13, 2022

Lease Termination Date: December 13, 2052

Rent: \$360.00/Annual

Term: Thirty (30) years

Use: For Aeronautical Activities only. Subject to any other terms and conditions hereof, the leased premises may be used by the TENANT for Aeronautical Activities only. TENANT shall have, and is hereby granted by the City, the nonexclusive use of all of the CITY's improvements for the common use of Tenants. TENANTS shall not use the leased premises for non-aviation activities. TENANT shall prepare and submit such reports as may be required by the Airport Manager concerning any fees collected by TENANT on such forms and at such reasonable intervals as directed by the Airport Manager.

Subject to these conditions hereof, the leased premises may NOT be used by the TENANT for any commercial activities unless the activity to be performed has been approved by the CITY and attached to this agreement as an "Exhibit".

Amount of Liability Insurance: \$1,000,000 liability insurance naming the City of Commerce as additional insured.

DEFINITIONS

“Rent” means Base Rent plus any other amounts of money due Landlord by Tenant.

“Landlord” means Landlord and its agents, employees, invites, licensees, or visitors.

“Tenant” means Tenant and its agents, employees, invitees, licensees, or visitors.

CLAUSES AND COVENANTS

A. Tenant Agrees to:

1. Lease the Premises for the entire Term beginning on the Commencement Date and ending on the Termination Date.
2. Accept the Premises in their present conditions “AS IS”.
3. Obey all laws, ordinances, orders, and rules and regulations applicable to the use conditions, and occupancy of the premises, including but not limited to any minimum standards, rules, and regulations and policies for the Commerce Municipal Airport as now exist or hereinafter by adopted by the City of Commerce, Texas.
4. Pay annually, in advance on the 1 day of January, the rent to Landlord at the Landlord’s Address.
5. Pay for all utility services used by tenant and not provided by Landlord.
6. Allow Landlord to enter the Premises to inspect the premises for compliance this Lease Agreement.
7. The following rules govern. Landlord’s approving construction, additions, and alterations of building or other improvements on the premises:
 - a. Written Approval Required. NO building or other improvements may be constructed on the premises unless the plans, specifications, and proposed location of the building or other improvement has received Landlord’s prior written approval and the building or other improvement complies with the approved plans, specifications, and proposed location. No material addition to or alteration of any building or structure erected on the premises may be begin until plans and specifications covering the exterior of the proposed addition or alteration have been first submitted to and approved by Landlord.
 - b. Submission of Plans. Tenant must, at his/its own expense, engage a licensed architect or engineer to prepare plans and specifications for constructing an R-panel building which matches pilots’ lounge or for constructing any other buildings or improvements that require Landlord’s approval under subparagraph (a) above. Tenant must submit 2 copies of the detailed working drawings, plans and specifications for constructing a R-panel building for Landlord’s approval within 90 days after this Lease is executed, and begin construction within 6 months. If tenant wishes to construct any other buildings or improvements for which Landlord’s approval is required

under Subsection (s) above, Tenant must submit 2 copies of detailed working drawings, plans, and specifications for any such projects for Landlord's approval before the project begins.

- c. Landlord's Approval. Landlord will promptly review and approve all plans submitted under subparagraph (b) above or note in writing any required changes or corrections that must be made to the plans. Any required changes or corrections that must be made, and the plans resubmitted to Landlord, within 30 days after the corrections or changes have been noted. Landlord's failure to object to the resubmitted plans and specifications within 30 days constitutes its approval of the changes. Minor changes in work or materials not affecting the general character of the building project may be made at any time without Landlord's approval, but a copy of the altered plans and specifications must be furnished to Landlord.
 - d. Exception to Landlord's Approval. The following items do not require submission to, and approval by, Landlord:
 - i. Minor changes and alterations necessary to maintain existing structures and improvements in a useful state of repair and operation.
 - ii. Changes and alterations required by an authorized public official with authority or jurisdiction over the buildings or improvements, to comply with legal requirements.
 - e. Effect of Approval. Landlord's approval of any plans and specifications applies only to the conformity of the plans and specifications to the general architectural plan for the premises, and Landlord may not reasonably withhold approval. Landlord's approval does not constitute approval of the architectural or engineering design, and Landlord, by approving the plans and specifications, assumes no liability or responsibility for the architectural or engineering design of for any defect in any building or improvement constructed from the plans or specifications.
- 8. Maintain public liability insurance for the premises and the conduct of Tenant's business, naming Landlord as an additional insured, in the amounts stated in the lease.
 - 9. Maintain insurance on Tenant's personal property.
 - 10. Deliver certificates of insurance to Landlord before the Commencement Date thereafter when requested.
 - 11. Indemnify, defend, and hold Landlord harmless from any loss, attorney's fees, court and other cost, or claims arising out of use of the Premises.
 - 12. Vacate the Premises on termination of this lease.
 - 13. Advise Landlord in writing of Tenant's address prior to the beginning of this Lease, and further advise Landlord of any change of address within 5 days of such change. Failure to accept mail or the return to sender of City's correspondence shall constitute proof of abandonment of the Lease.

B. Tenant Agrees NOT to:

1. Use the Premises for any purpose other than that listed in the lease.
2. Create a nuisance.
3. Interfere with any other tenants' normal business operations or Landlord's management of Airport.
4. Permit any waste.
5. Use the Premises in any way that is extra hazardous, or would increase insurance premiums of the Landlord.
6. Allow a lien to be placed on the Premises, provided, however, Tenant may, at any time and from time to time, encumber the leasehold interest, by Deed of Trust, mortgage, or other security instrument, without obtaining Landlord's consent, but no such encumbrance shall constitute a lien on Landlord's fee title. The indebtedness secured by the encumbrance will at all times be and remain inferior and subordinate to all the conditions, covenants, and obligations of this lease and to all Landlord's rights under this lease. References in this lease to "Lender" refer to any person or entity to whom Tenant has encumbered its leasehold interest.
7. At any time after execution and recording in Hunt County, Texas, of any mortgage or Deed of Trust encumbering Tenant's leasehold interest, Lender may notify Landlord in writing that the mortgage or Deed of Trust has been given and executed by the tenant and furnish Landlord with the address to which it wants copies of notices to be mailed, or designate some person or corporation in the City of Commerce, Texas, as its agent representative for the purpose of receiving by Lender, at the addresses given duplicate copies of all written notices that Landlord gives or serves on Tenant under this lease after receiving such a notice from Lender.
8. Lender may do any act required of Tenant to prevent forfeiture of Tenant's leasehold interest; all such acts are as effective to prevent a forfeiture of Tenant's rights under this lease as if done by Tenant.
9. Lender may realize on the security afforded by the leasehold estate by exercising foreclosure proceedings or power of sale or other remedy afforded in law or equity by the security documents and may transfer, convey, or assign Tenant's title to the leasehold estate created by this Lease to any purchaser at any such foreclosure sale. Lender also may acquire and succeed to Tenant's interest under this lease by virtue of any such foreclosure sale. Any purchases of the property at a foreclosure sale become obligated to Lender as the tenant under the Lease.
10. Assign this lease or sublease any portion of the premises without Landlord's written consent.

C. Landlord Agrees to:

1. Lease to Tenant the Premises for the entire Term beginning on the Commencement Date and ending on the Termination Date.
2. Obey all laws, ordinances, orders, and rules and regulations applicable to the use, condition, and occupancy of the Premises.
3. Provide such utility service connections to the property as the parties may agree in writing.

D. Landlord Agrees NOT to:

1. Interfere with Tenant's possession of the Premises as long as Tenant is not in default.
2. Unreasonably withhold consent to a proposed assignment or sublease.

E. Landlord and Tenant agree to the following:

1. Alterations: Any physical additions or physical improvements to the Premises made by Tenant will become the property of Landlord at the expiration of Lease. Landlord may require that Tenant, at termination of this Lease and at Tenant's expense to remove any physical additions and improvements, repair any alterations, and restore the Premises to the condition existing at the Commencement Date, normal wear and tear expected.
2. Default by Tenant/Event: Defaults by Tenant are (a) failing to pay timely Rent, (b) abandoning or vacating a substantial portion of the Premises, and (c) failing to comply within ten days after written notice with any provision of this lease other than the defaults set forth in (a) and (b) above.
3. Default by tenant/Landlord's Remedies: Landlord's remedies for Tenant's default are to (a) enter and take possession of the Premises, after which Landlord may relet the Premises on behalf of Tenant and receive the rent directly by reason of reletting, and Tenant agrees to reimburse Landlord for any expenditures made in order to relet; (b) enter the Premises and perform Tenant's obligations; and (c) terminate this lease by written notice and sue for damages. Landlord may enter and take possession of the Premises or any other person who may be occupying the Premises, until the default is cured, without being liable for damages.
4. Default/Waiver/Mitigation: It is not a waiver of default if the non-defaulting party fails to declare immediately a default or delays in taking any action. Pursuit of any remedies set forth in this lease does not preclude pursuit of other remedies in this lease or provided by law. Landlord and tenant have a duty to mitigate damages.
5. Holdover. If Tenant does not vacate the Premises following termination of this lease, Tenant will become a tenant at will and must vacate the Premises on receipt of notice from Landlord. No holding over by Tenant, whether with or without the consent of Landlord, will extend the term.
6. Alternative Dispute Resolution. Landlord and Tenant agree to mediate in good faith before filing a suit for damages.
7. Attorney's Fees: If either party retains an attorney to enforce this lease, the party prevailing in litigation is entitled to recover reasonable attorney's fees and court and other costs.
8. Venue. Venue is Hunt County.
9. Entire Agreement. This Lease, together with the attached exhibits and riders, is the entire agreement of the parties, and there are no oral representations, warranties, agreements, or promises pertaining to this Lease or to any expressly mentioned exhibits and riders not incorporated in writing in this lease.