

Normandy Aircraft Lease at the Auburn Airport

September 19, 2019
Normandy Aircraft
Attn: Logan Sheperd & John Smutny

Term Sheet

Premises: 782 square feet in the Airport Administration Building, which shall include the Back East Room (628sqft), Bathroom located in the Back East Room (44sqft) and Instructor/Office 1 (110sqft).

19,000 square feet of land similar to the photo contained within for reference which also contains a temporary hangar owned by the tenant.

Tenant is taking the Premises As-is, where-is

Rate: \$14.00 per square foot, per year for the 782 square feet in the Airport Administration Building.

\$0.825 per square foot per year for the 19,000 square feet of airport land.

Leasehold Tax: A State mandated Leasehold Tax in the amount of 12.84% will be charged to the gross monthly rental payments.

Common Area Fees: Common areas shall include the Corridor/Hallway (242sqft), Front Lobby (190sqft), Guest Bathrooms (146sqft), Interior Storage Closet (41sqft), Kitchen area (77sqft), Coat Closet (11sqft) for a total of 707 square feet.

Common areas are charged at a rate of \$14.00 per square foot, per year. Normandy Aircraft's common area percentage allocation for common areas is 28%. Landlord is crediting the Tenant this fee in exchange for Tenant providing those certain services attached hereto as "Additional Services".

As part of the Common area fee, Normandy will have use of the large conference room for up to 5 hours per week. Scheduling of the conference room is done through the Airport Staff

Additional Services: Tenant agrees to perform those services described and attached hereto as "Additional Services". These services will be on behalf of the Landlord, and for the benefit of the airport. Landlord and Tenant agree that these services are in addition to Tenants normal business operations.

In exchange and in consideration for the tenant providing said services the Landlord agrees to credit the Tenant the current base rent value for the small office in the Administration Building, Tenants share of common area fees and the Tenants Leasehold Excise Tax charged on the value of credited rental amounts.

If at any time the Tenant ceases to provide all, or some the attached Additional Services, Tenant will become responsible for all or a proportionate share of the credited fees from that date onward

Rental Adjustments: Lease rate will be subject to annual rental adjustments based on CPI-W from August to August of the previous year. A negative CPI adjustment will not constitute a reduction in the rental rate. The first rental adjustment to be assessed beginning January 1st, 2021

Term: The term will run for 60 months following Commencement of the lease January 1, 2020. A separate "Companion Agreement" will outline the requirements for Normandy Aircraft's development of a permanent site at the Airport.

Companion Agreement: A separate "Companion Agreement" will be attachment to the lease and outline the requirements for Normandy Aircraft's development of a permanent site or occupancy within a future development site at the Airport. Failure to meet the requirements of the Companion Agreement will constitute default on the lease.

Removal of Temporary Hangar: Normandy will be responsible for the removal of their temporary hangar upon expiration or termination of this lease.

Utilities: Tenant will be responsible for having the power meter furnishing the Far East Room & the temporary hangar put into Tenant's name and will be responsible for all utility charges stemming from that meter. In addition Landlord will bill Tenant a pro-rata share (5%) of the power

bill servicing the remaining portion of the Administration building.

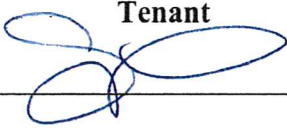
Landlord will bill Tenant a pro-rata share (28%) of the water, sewer and storm utility charge based up tenants percentage of dedicated space to the entire building.

Utility charges for the common areas are covered as part of the common area fees.

Tenant is responsible for establishing and maintaining their own communications and internet service accounts.

Auburn City Council: The terms contained within are subject to the ratification of the Auburn City Council. If approved both parties will take reasonable steps to execute a formal lease based in substantial conformity to the terms contained within and approved by City Council prior to January 1, 2020.

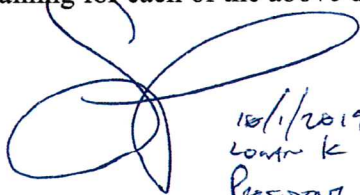
Each party by signing below acknowledges and agrees to the terms as set forth above.

Tenant
Signature: 
Print Name: Logan K. SHEPPARD
Title: PRESIDENT, NORMANSY ALCOHOL
Date: 09/28/2019

Landlord
Signature: _____
Print Name: _____
Title: _____
Date: _____

Additional Services

1. Provide twenty-four hour aircraft incident response and recovery services on the Auburn Airport at no charge to the City. Applicable charges to parties involved not affiliated with the City (employees, officials, electeds, management, etc. serving in their civic role at the time of the incident) may be billed as deemed necessary by Tenant. No cap on hours provided for this function.
 2. Assist Airport management as directed in hosting and planning two annual events: Auburn Airport Day and a Fly-in/tenant day. Tenant agree to provide up to 60 hours annually at no charge to the City for service in this function. Services provided for this function in addition to the 60 hours annually will be billed to the City at a rate of \$75/hr.
 3. Staff and hold open to the public the Airport Office on Saturdays & Sundays between the hours of 10am – 6pm. Should a Federal Holiday fall on either a Saturday or Sunday the Tenant is not expected to open the Airport Office that weekend.
 4. Provide up to 200 hours annually to the City at no charge for specialty maintenance and support requested by Airport Management. Requested maintenance and support services provided in addition to the 200 hours will be billed to the City at a rate of \$75/hr.
 5. Tenant will provide at no charge, facilities on their premises for other Auburn Airport tenants to dispose of their airplane waste oil. These facilities are only required to be made available during Tenant's normal business hours and will be limited to 4 gallons per tenant per month. Normandy will be responsible for tracking the individual usage of this service.
- ❖ Tenant is responsible for the tracking and maintaining of all hours provided and any applicable billing for the individual services described above. Time spent and billed for when applicable will be tracked and billed in .25/hr increments. Tenant will also provide a quarterly written report to the Airport Manager of the hours used and the hours remaining for each of the above described service.



10/1/2019
Louie K. SHEEHAN
President, Normandy Association