



**NOTICE OF REGULAR MEETING AND SPECIAL
WORK SESSION AGENDA
LANCASTER CITY COUNCIL
MUNICIPAL CENTER CITY COUNCIL CHAMBERS
211 N. HENRY STREET, LANCASTER, TEXAS**



Monday, August 9, 2021 - 7:00 PM

While the Mayor and other City Council Members may be physically present at the Municipal Center City Council Chambers, there may be Council members and staff that will attend and participate via video or audio link due to the COVID-19 emergency situation.

IMPORTANT NOTICE: Due to the COVID-19 (coronavirus) state of emergency and consistent with the Governor's Order regarding modifications to the Texas Open Meetings Act ("TOMA"), and executive orders, the public will not be admitted to the physical meeting location.

Please click the link below for forms:

<https://www.lancaster-tx.com/1413/Notice-Regarding-Public-Participation>

Please click the link below to join the webinar:

<https://us02web.zoom.us/join/register/tZUkc-yvqz4tGtV2Hv71xn3hPW-ZITQC7E5n>

The meeting will be broadcast live via video at the following address:

<http://www.lancaster-tx.com/324/Watch-Meetings>

7:00 P.M. REGULAR MEETING:

CALL TO ORDER

INVOCATION: Ministerial Alliance

PLEDGE OF ALLEGIANCE: Council Member Betty Gooden-Davis

PUBLIC TESTIMONY/CITIZEN'S COMMENTS: At this time, citizens who have pre-registered before the call to order will be allowed to speak on any matter for a length of time not to exceed three minutes. No Council action or discussion may take place on a matter until such matter has been placed on an agenda and posted in accordance with law. Anyone desiring to speak on an item scheduled for a public hearing is requested to hold their comments until the public hearing on that item.

CONSENT AGENDA: Items listed under the consent agenda are considered routine and are generally enacted in one motion. The exception to this rule is that a Council Member may request one or more items to be removed from the consent agenda for separate discussion and action.

1. Consider a resolution adopting the City of Lancaster Proposed Budget Calendar for Fiscal Year 2021/2022.

2. Consider a resolution authorizing the award of Bid 2021-29 to Titan Aviation Fuels, Inc. for aviation fuel supply services at the Lancaster Regional Airport.
3. Consider a resolution authorizing the City Manager to execute commercial and non-commercial leases, ground leases, and assignments and assumptions of ground leases at the Lancaster Regional Airport from August 1, 2021 to July 31, 2022.

ACTION:

4. Discuss and consider a resolution approving a negotiated settlement between Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2021 rate review mechanism filing; declaring existing rates to be unreasonable; and adopting tariffs that reflect rate adjustments consistent with the negotiated settlement.

ADJOURNMENT

7:15 P.M. SPECIAL WORK SESSION:

CALL TO ORDER

1. Receive a presentation and discuss the utility rate study prepared by NewGen Strategies and Solutions, LLC (NewGen).
2. Discuss number of City Council meetings at the request of Council Member Keithsha Wheaton.
3. Receive a presentation regarding the Fiscal Year 2021/2022 proposed budget.

ADJOURNMENT

EXECUTIVE SESSION: The City Council reserves the right to convene into executive session on any posted agenda item pursuant to Section 551.071(2) of the Texas Government Code to seek legal advice concerning such subject.

ACCESSIBILITY STATEMENT: Meetings of the City Council are held in municipal facilities that are wheelchair-accessible. For sign interpretive services, call the City Secretary's office, 972-218-1311, or TDD 1-800-735-2989, at least 72 hours prior to the meeting. Reasonable accommodation will be made to assist your needs.

PURSUANT TO SECTION 30.06 PENAL CODE (TRESPASS BY HOLDER WITH A CONCEALED HANDGUN), A PERSON LICENSED UNDER SUBCHAPTER H, CHAPTER 411, GOVERNMENT CODE (HANDGUN LICENSING LAW), MAY NOT ENTER THIS PROPERTY WITH A CONCEALED HANDGUN.

CONFORME A LA SECCION 30.06 DEL CODIGO PENAL (TRASPASAR PORTANDO ARMAS DE


FUEGO CON LICENCIA) PERSONAS CON LICENCIA BAJO DEL SUB-CAPITULO 411, CODIGO DEL GOBIERNO (LEY DE PORTAR ARMAS), NO DEBEN ENTRAR A ESTA PROPIEDAD PORTANDO UN ARMA DE FUEGO OCULTADA.

PURSUANT TO SECTION 30.07 PENAL CODE (TRESPASS BY HOLDER WITH AN OPENLY CARRIED HANDGUN), A PERSON LICENSED UNDER SUBCHAPTER H, CHAPTER 411, GOVERNMENT CODE (HANDGUN LICENSING LAW), MAY NOT ENTER THIS PROPERTY WITH A HANDGUN THAT IS CARRIED OPENLY.

CONFORME A LA SECCION 30.07 DEL CODIGO PENAL (TRASPASAR PORTANDO ARMAS DE FUEGO AL AIRE LIBRE CON LICENCIA) PERSONAS CON LICENCIA BAJO DEL SUB-CAPITULO H, CAPITULO 411, CODIGO DE GOBIERNO (LEY DE PORTAR ARMAS), NO DEBEN ENTRAR A ESTA PROPIEDAD PORTANDO UN ARMA DE FUEGO AL AIRE LIBRE.

Certificate

I hereby certify the above Notice of Meeting was posted at Lancaster City Hall on August 6, 2021 @ 6:59 p.m. and copies thereof were provided to the Mayor, Mayor Pro-Tempore, Deputy Mayor Pro-Tempore and Council members.

A handwritten signature in blue ink, reading "Carey D. Neal, Jr.", is written over a horizontal line.

Carey D. Neal, Jr.

Assistant City Manager

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

1.

Meeting Date: 08/09/2021

Policy Statement: This request supports the City Council 2020-2021 Policy Agenda

Goal(s): Financially Sound Government

Submitted by: Fabrice Kabona, Deputy City Manager

Agenda Caption:

Consider a resolution adopting the City of Lancaster Proposed Budget Calendar for Fiscal Year (FY) 2021/2022.

Background:

The City Manager will present the proposed FY 2021/2022 municipal budget for all funds at a Special Work Session on Monday, August 9, 2021, at the conclusion of this meeting. City Council should consider a resolution that establishes a calendar for the FY 2021/2022 tax rate and budget. The budget calendar establishes the public hearing dates, time and location for City Council meetings.

Operational Considerations:

Approving this resolution establishes the schedule relative to the adoption of the Fiscal Year 2021/2022 budget. Following is the proposed calendar for budget:

August 9, 2021	Work Session - budget presentation
August 16, 2021	Work Session
August 23, 2021	Regular Meeting - record vote to consider tax rate
August 30, 2021	Special Meeting (1st Public Hearing) - tax rate, budget, and PID service plans
September 13, 2021	Regular Meeting (2nd Public Hearing and consideration) - tax rate, budget, and PID service plans

Legal Considerations:

The resolution has been reviewed and approved as to form by the City Attorney.

Public Information Considerations:

This item is being considered at a meeting of the City Council noticed in accordance with the Texas Open Meetings Act.

Options/Alternatives:

1. City Council may approve the resolution, as presented.
2. City Council may deny the resolution.

Recommendation:

Staff recommends approval of the resolution, as presented.

Attachments

Resolution

Exhibit A

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, ADOPTING THE CITY OF LANCASTER PROPOSED BUDGET CALENDAR FOR THE FISCAL YEAR 2021/2022, INCLUDING THE PUBLIC IMPROVEMENT DISTRICTS, THE LANCASTER ECONOMIC DEVELOPMENT CORPORATION (TYPE A), AND THE LANCASTER RECREATIONAL DEVELOPMENT CORPORATION (TYPE B) BUDGET; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council finds that it is in the best interest of the City to establish a meeting schedule relative to the adoption of Fiscal Year 2021/2022 budget; and

WHEREAS, the City Council desires to adopt a proposed budget calendar for the Fiscal Year 2021/2022 budget cycle.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS:

SECTION 1. The City Council hereby adopts the Fiscal Year 2021/2022 proposed budget calendar as shown in the attached Exhibit "A". Dates are subject to adjustment due to scheduling requirements. Meetings will be posted in accordance with the Texas Open Meetings Act.

SECTION 2. That any prior Resolution of the City Council in conflict with the provisions contained in this Resolution are hereby repealed and revoked.

SECTION 3. That should any part of this Resolution be held to be invalid for any reason, the remainder shall not be affected thereby, and such remaining portions are hereby declared to be severable.

SECTION 4. That this Resolution shall take effect immediately from and after its passage in accordance with the provisions of the law, and it is duly resolved.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on this the 9th day of August, 2021.

ATTEST:

APPROVED:

Sorangel O. Arenas, City Secretary

Clyde C. Hairston, Mayor

APPROVED AS TO FORM:

David T. Ritter, City Attorney

EXHIBIT A

PROPOSED YEAR 2021/2022 BUDGET CALENDAR

August 9, 2021	Work Session - budget presentation
August 16, 2021	Work Session
August 23, 2021	Regular Meeting - record vote to consider tax rate
August 30, 2021	Special Meeting (1st Public Hearing) - tax rate, budget, and PID service plans
September 13, 2021	Regular Meeting (2nd Public Hearing and consideration) - tax rate, budget, and PID service plans

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

2.

Meeting Date: 08/09/2021

Policy Statement: This request supports the City Council 2020-2021 Policy Agenda

Goal(s): Financially Sound Government

Submitted by: Kellen Benbrook, Airport Manager

Agenda Caption:

Consider a resolution authorizing the award of Bid 2021-29 to Titan Aviation Fuels, Inc. for aviation fuel supply services at the Lancaster Regional Airport.

Background:

Lancaster Regional Airport has a fuel and equipment contract with Titan Aviation that expires on August 31, 2021. The City of Lancaster issued a Request for Proposal (RFP) for a new fuel vendor contract. The City received five (5) proposals.

Fuel prices are based on Platts market reports and fuel will be marked up and sold at a competitive price based on other area airports.

Legal Considerations:

This proposal was processed in accordance with all local and state purchasing statutes. Bids were advertised in the Focus Daily News on April 1, 2021, and April 4, 2021. Bids were posted on the City's electronic procurement system. A pre-bid meeting was held on April 9, 2021, and bids were closed on May 7, 2021. Five (5) proposals were received. None of the respondents were Minority/Women Business Enterprises (M/WBE) certified. Contract documents were reviewed and approved as to form by the City Attorney.

Public Information Considerations:

This item is being considered at a Regular Meeting of the City Council noticed in accordance with the Texas Open Meetings Act.

Fiscal Impact:

Funding for the fuel purchases and lease of two fuel trucks are budgeted in the Airport Operating Budget.

Options/Alternatives:

1. City Council may approve the resolution, as presented.
2. City Council may deny the resolution.

Recommendation:

Staff recommends approval of the resolution as presented.

Attachments

Resolution

Titan Aviation

Bid Comparison

TAF Fuel Agreement

TAF Truck Lease Agreement

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, AUTHORIZING THE AWARD OF BID 2021-29 TO TITAN AVIATION FUELS, INC FOR AVIATION FUEL & EQUIPMENT AT LANCASTER REGIONAL AIRPORT; AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACT PURSUANT TO APPROVAL; REPEALING ALL RESOLUTIONS IN CONFLICT; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Lancaster desires to contract for aviation fuel and equipment.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS:

SECTION 1. The City Council hereby authorizes the award of bid 2021-29 to Titan Aviation Fuels, Inc. for aviation fuels and equipment.

SECTION 2. The City Manager of the City of Lancaster, Texas, is hereby authorized to execute the Agreements.

SECTION 3. Any prior Resolution of the City Council in conflict with the provisions contained in this Resolution are hereby repealed and revoked.

SECTION 4. Should any part of this Resolution be held to be invalid for any reason, the remainder shall not be affected thereby, and such remaining portions are hereby declared to be severable.

SECTION 5. This Resolution shall take effect immediately from and after its passage, and it is duly resolved.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on this the 9th day of August, 2021.

ATTEST:

APPROVED:

Sorangel O. Arenas, City Secretary

Clyde C. Hairston, Mayor

APPROVED AS TO FORM:

David T. Ritter, City Attorney

STATEMENT OF QUALIFICATIONS

Candidates must complete each of the following items in order to be considered.

Company Name	Eastern Aviation Fuels, LLC. DBA Titan Aviation Fuels
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BINDING OFFICIAL

Robbie Stallings			
Name			
601 McCarthy Boulevard	New Bern	North Carolina	28562
Street Address	City	State	Zip
(252) 633-0066		rstallings@titanfuels.aero	
Telephone	Email		
Aviation Fuels			
Products or Services Purchased by the above Reference			

PRIMARY CONTACT

Trey Baker			
Name			
601 McCarthy Boulevard	New Bern	North Carolina	28562
Street Address	City	State	Zip
(252) 361-3026		tbaker@titanfuels.aero	
Telephone	Email		
Aviation Fuels			
Products or Services Purchased by the above Reference			

EMERGENCY CONTACT

(252) 633-0066
Main Emergency Phone

(252) 361-3026
Alternate Emergency Phone

What are your normal business hours?	7:00 AM – 9:00 PM (We are available 24/7)
What are your normal observed holiday's?	Christmas & Thanksgiving. However, someone can always be reached.
Number of years in this type of service?	46 years
Has your business operated under any other names?	Yes.
If yes, what names?	Eastern Aviation Fuels (It is still our business name, but our DBA is Titan Aviation Fuels)
Number of employees on the job each week?	85 Employees
Do you currently hold any municipal contracts?	Yes
If yes, please provide information.	City of Lancaster, City of Mesquite, City of Nacogdoches, Travis County, City of Houston, City of Sugar Land, Orange County, Jefferson County, City of Wharton, City of Edinburg, City of Devine
Do you have cooperative contracts?	Not Applicable.
If yes, please list agency and contract #.	Not Applicable
What is the normal response time?	Jet A: 24-48 Hours Avgas: 48-72 Hours
Do employees wear uniforms? If yes, describe.	No. Titan Aviation Fuels will not be working on site.

SUB CONTRACTORS

Any request to use a subcontractor must include the name and address of the subcontractor, the work to be performed, a projected time frame for the work to be performed, and an explanation of why the work will be subcontracted out. Failure to comply with this stipulation may result in the disqualification of the Contractor from future work for the City of Lancaster.

1	Pinnacle Express Inc.		TJ Winn	
Company Name		Contact Person		
9854 US-271	Tyler	Texas	75708	
Street Address		City	State	
903-630-5844		tjwinn@pinnacleexpress.net		
Telephone		Fax	Email	
Fuel Transporter				
How will the sub be used in this project?				

United Petroleum Transports		Jon Fore	
Company Name		Contact Person	
3520 Euless South	Euless	Texas	76040
Main Street		City	State
817-540-6178		dfwdispatch@drive4upt.com	
Street Address		City	State
Telephone		Fax	Email
How will the sub be used in this project?			

Do you plan to subcontract in whole or part any of this bid? Fuel Transport Only	
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WARRANTY

What is your warranty and "redo" repetitive policy for new and repair work? Not Applicable

KEY PERSONNEL: (Employees that will be involved in this contract)

Name	Position	List each person's involvement in this project.
Trey Baker	Regional Sales Representative	Trey will be your Sales Representative and he will be available to help with any fuel/refueler questions.
License # and Type Held:	Not Applicable	
Experience: Not Applicable		
Name	Position	List each person's involvement in this project.
Linda Sandklev	AR-Credit & Collections Manager	Linda will be handling everything involving credit and payment questions.
License # and Type Held:	Not Applicable	
Experience: Not Applicable		
Name	Position	List each person's involvement in this project.
Bonnie Stroud	Dispatch Manager	Bonnie is in charge of our fuel dispatch division. She will be able to help with any questions involving fuel orders.
License # and Type Held:	Not Applicable	
Experience: Not Applicable		
Name	Position	List each person's involvement in this project.
Will Smith	Refueler Fleet Manager	Will is ahead of our refueler division. He will be able to assist with anything pertaining to refueler trucks.
License # and Type Held:	Not Applicable	
Experience: Not Applicable		
Name	Position	List each person's involvement in this project.
Elise Donald	Director of Client Relations	Elise will be in charge of handling everything related to credit cards as well as the point-of-sale system.
License # and Type Held:	Not Applicable	
Experience: Not Applicable		
Name	Position	List each person's involvement in this project.
Rhonda Bernthal	Marketing Manager	Rhonda will be responsible for handling everything marketing related.
License # and Type Held:	Not Applicable	
Experience: Not Applicable		

REFERENCES WITHIN THE PAST THREE YEARS THAT ILLUSTRATE YOUR EXPERIENCE.

1	Contract/Project Name	Company Name	Year	Cost
	Aviation Fuels Provider	City of Lancaster	2011	N/A
	Contact Name:	Kellen Benbrook		
	Contact Email Address:	kbenbrook@lancaster-tx.com		
	Scope:			
	Titan Aviation Fuels has been providing aviation fuel to their airport.			

2	Contract/Project Name	Company Name	Year	Cost
	Aviation Fuels Provider	City of Mesquite	2019	N/A
	Contact Name:	Eric Pratt		
	Contact Email Address:	epratt@cityofmesquite.com		
	Scope:			
	Titan Aviation Fuels has been providing aviation fuel to their airport.			

3	Contract/Project Name	Company Name	Year	Cost
	Aviation Fuels Provider	City of Nacogdoches	2013	N/A
	Contact Name:	Joe Cefalu		
	Contact Email Address:	cefaluj@ci.nacogdoches.tx.us		
	Scope:			
	Titan Aviation Fuels has been providing aviation fuel to their airport.			

4	Contract/Project Name	Company Name	Year	Cost
	Aviation Fuels Provider	City of Sugar Land	2009	N/A
	Contact Name:	Elizabeth Rosenbaum		
	Contact Email Address:	erosenbaum@sugarlandtx.gov		
	Scope:			
	Titan Aviation Fuels has been providing aviation fuel to their airport.			

5	Engagement/Project Name	Company Name	Year	Cost
	Aviation Fuels Provider	City of Wharton	2016	N/A
	Contact Name:	Dave Allen		
	Contact Email Address:	dallen@cityofwharton.com		
	Scope:			
	Titan Aviation Fuels has been providing aviation fuel to their airport.			

Have you ever worked for the City of Lancaster on any project?	<input checked="" type="radio"/> Yes	<input type="radio"/> No
If yes, provide name of project and scope. Titan Aviation Fuels has been the providing fuel as well as leasing trucks to the City of Lancaster since 2011.		
Are you involved in any current or ongoing litigation, which may cause conflicts or affect your ability to provide the services?	<input type="radio"/> Yes	<input checked="" type="radio"/> No
If yes, provide details. 		
What is your master license number?	Not Applicable	
In what name is your master license issued?	Not Applicable	

SUSPENSION AND DEBARMENT CERTIFICATION

Federal Law (A-102 Common Rule and OMB Circular A-110) prohibits non-Federal entities from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred.

I, the undersigned agent for the firm named below, certify that neither the firm nor its principals are suspended or debarred by a Federal agency.

Eastern Aviation Fuels, Inc. dba Titan Aviation Fuels

Company Name

56-1101119

Federal ID #



Signature

Robert L. Stelling, IV

Printed Name

5-5-21

Date



2021-29
Eastern Aviation Fuels, Inc.
Supplier Response

Event Information

Number: 2021-29
Title: Airport Fuel Provider
Type: Request for Proposal
Issue Date: 4/13/2021
Deadline: 5/7/2021 03:00 PM (CT)
Notes: The City of Lancaster, as the Owner and Operator of the Lancaster Regional Airport, is soliciting Requests for Services to supply 100LL aviation gasoline and JetA fuels, as well as the associated services

and equipment needed to facilitate the sale and delivery of these fuels.

Contact Information

Contact: Alton Dixon Purchasing Agent

Address: Purchasing

PO Box 940

Lancaster, TX 75146

Phone: (972) 218-1329

Fax: (972) 218-3621

Email: adixon@lancaster-tx.com

Eastern Aviation Fuels, Inc. Information

Address: 601 McCarthy Boulevard
New Bern, NC 28562
Phone: (252) 633-0066
Fax: (252) 633-3125
Toll Free: (800) 334-5732

We strongly request that bidders submit their response electronically. Electronic bidding will eliminate errors, eliminate unnecessary work, and is more friendly to the environment. Your cooperation is appreciated.

Please feel free to call us if you require any assistance with the response.

Emailed or Fax submissions will not be accepted.

Trey Baker

Signature

Submitted at 5/6/2021 3:00:38 PM

tbaker@titanfuels.aero

Email

Supplier Note

I have included a proposal which includes an offer summary in the response attachments section. I greatly appreciate the opportunity!

Response Attachments

Bid Form W-9.pdf

Titan Aviation Fuels Bid Form W-9

Bid Form Insurance Requirements PDF .pdf

Bid Form Insurance Requirements PDF

Bid Form SOQ PDF.pdf

Bid Form SOQ PDF

Bid Form COI PDF.pdf

Bid Form COI

Titan Aviation Fuels - Lancaster Regional Airport Proposal.pdf

Titan Aviation Fuels - Lancaster Regional Airport Proposal

Bid Attributes

1

Questions

All questions shall be addressed to Kellen Benbrook, Airport Manager at kbenbrook@lancaster-tx.com.

Understood

2 Late Submission

Bids/RFQs are not accepted after the closing date and time. The City of Lancaster is not responsible computer, mail or carrier issues/problems. The server time located in the top right corner of this software is the official clock. It is the responsibility of the user to ensure you have chosen the correct time zone for your company.

3 Server Time

Server Time is located in the top right corner of the screen. Please ensure you have registered and selected the appropriate time zone. All bids are due Central Time.

4 Errors

The system checks for errors upon submittal. If you have not completed a required attribute, the system will not accept your bid. Please do not wait until 5 minutes before the response is due. If you have an error, you may not have time to correct and re-submit.

Please see the Navigating the E-Procurement System document located at www.lancaster-tx.com/bids for information on errors.

5 Electronic Payment

If you would like your payment sent electronically (EFT), please provide your accounts receivable contact information. Please provide name and email.

6 T&C Acknowledgement

I have read and agree to the terms and conditions of this bid.

7 Bid Acknowledgement

Bidder affirms that they have read and understand all requirements of this proposal. Additionally, the bidder affirms that they are duly authorized to execute this contract and that this company has not prepared this proposal in collusion with any other proposer, and that the contents of this proposal as to prices, terms or conditions of said proposal have not been communicated by the bidder nor by any employee or agent to any other person engaged in this type of business prior to the official opening of this type of business prior to the official opening of this proposal.

8 Insurance

Vendor shall provide insurance as listed in the insurance requirements attached.

9 County

What county is your principal place of business located?

10 Immigration

Employers may hire only persons who may legally work in the United States (i.e., citizens and nationals of the US) and aliens authorized to work in the US. The employer must verify the identity and employment eligibility of anyone to be hired, which includes completing the Employment Eligibility Verification Form (I9). The Contractor shall establish appropriate procedures and controls so no services or products under the Contract Documents will be performed or manufactured by any worker who is not legally eligible to perform such services or employment.

1 1	Audit The City reserves the right to audit the records and performance of the Contractor during the term of the contract and for three years thereafter.
1 2	Laws and ordinances The Contractor shall at all times observe and comply with all Federal, State, and local laws, ordinances and regulations which in any manner affect the Contract or the work. <input style="width: 100px;" type="text" value="Understood"/>
1 3	Payment Terms The City of Lancaster's payment terms are Net 30. <input style="width: 100px;" type="text" value="Agreed"/>
1 4	MWBE 1 Is your company M/WBE or HUB certified? <input style="width: 100px;" type="text" value="No"/>
1 5	MWBE 2 If yes, what is your certification number? <input style="width: 880px;" type="text" value="Not Applicable"/>
1 6	MWBE 3 If yes, what agency completed the certification? <input style="width: 880px;" type="text" value="Not Applicable"/>
1 7	MWBE 4 If yes, what is the expiration date of your certification? <input style="width: 880px;" type="text" value="Not Applicable"/>
1 8	Conflict of Interest 1 Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose on this form the vendor name, person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, the questionnaire must be filed with the Purchasing Agent of the City of Lancaster not later than the 7th business day after the date the person becomes aware of the facts that require the statement to be filed. ** Please return the completed form to City of Lancaster, Attn: Purchasing, PO Box 940, Lancaster, TX 75146. ** See Section 176.006 of the Local Government Code for further details. Note: A person commits an offense (Class C misdemeanor) if the person violates Section 176.006. ** A City of Lancaster employee or officer is defined as a member of the Lancaster City Council, Lancaster Economic Development Corporation Board of Directors, Lancaster Recreational Development Corporation Board of Directors, Housing-Finance Corporation Board of Directors, and any employee of the City that makes purchasing decisions or recommendations regarding the use of funds of the City or said corporations.

1
9**Conflict of Interest 2**

Please provide the name of each employee, official, or contractor of the City of Lancaster who makes purchasing decisions or recommendations regarding the use of funds of the City or corporations listed above and describe the business relationship with your firm.

2
0**Conflict of Interest 3**

3. Name of City of Lancaster officer with whom the vendor/business has affiliation or business relationship.

2
1**Conflict of Interest 3A**

Is the City of Lancaster employee or officer named in this section receiving or likely to receive taxable income from the filer of the questionnaire?

2
2**Conflict of Interest 3B**

Is the filer of the questionnaire receiving or likely to receive taxable income from or at the direction of the City of Lancaster officer named in this section and the taxable income is not from the City of Lancaster?

2
3**Conflict of Interest 3C**

Is the filer of this questionnaire affiliated with a corporation or other business entity that the City of Lancaster employee or officer serves as an officer or director, or hold an ownership of 10 percent or more?

2
4**Conflict of Interest 3D**

Describe each affiliation or business relationship.

2
5**Reciprocal Information 1**

The City of Lancaster, as a governmental agency of the State of Texas, may not award a contract for general construction, improvements, services or public works projects or purchases of supplies, materials, or equipment to a non-resident bidder unless the non-resident's bid is lower than the lowest bid submitted by a responsible Texas resident bidder by the same amount that a Texas resident bidder would be required to underbid a non-resident bidder to obtain a comparable contract in the state in which the non-resident's principal place of business is located (Article 601g v.t.c.s.). Bidder shall answer all the following questions by encircling the appropriate response or completing the blank provided.

****Where is your principal place of business?**

2
6**Reciprocal Information 2**

For Businesses not located in Texas, does your state favor resident bidders (bidders in your state) by some dollar increment or percentage?

2
7**Reciprocal Information 3**

If Yes, What is the dollar increment or percentage?

Plan Room - Other

If yes for a plan room or other, please list which plan room or other means of notification.

Not Applicable

Bid Lines

- 1 Please enter zero in the price field. Selection is based on your qualifications. A firm price will be negotiated upon selection of a finalist.

Price: Total:

Item Attributes**1. Company Ownership**

Is your company currently for sale or involved in any transaction to expand or to become acquired by another business entity? If yes, please explain the impact both in organizational and directional terms.

Titan Aviation Fuels will not be acquired by another business entity.

2. Financial Rating

Provide a financial rating of your company and any documentation (e.g. a Dunn & Bradstreet analysis/number), which indicates the financial stability of the company.

D&B# 035128396

3. Litigation

Provide any details of all past or pending litigation or claims filed against your company arising out of or in connection with your company's performance under a similar contract. Describe how such suit or claims were resolved.

Not Applicable

4. Financial Default

Is your company currently in default on any loan agreement or financing agreement with any bank, financial institution or other entity? If yes, specify date(s), details, circumstances, and prospects for resolution.

No.

5. Litigation with City of Lancaster

Is your firm involved in any litigation (past or pending) with the city of Lancaster? If yes, please provide details.

No.

6. Difficulties

What difficulties do you anticipate in serving the City? How do you plan to manage these and what assistance will you require from the City? Describe your firm's past performance on other contracts for the City (e.g. cost control, cost savings, schedule control).

Titan Aviation Fuels has not had any difficulties serving the City of Lancaster and do not see anything that could potentially come up. If something were to come up as a possible issue, they would be able to handle it directly, whether it is in regards to a fuel order or refueler truck issue. For years, we have been saving airports money on fuel as well as refueler trucks.

7. Special Services

Provide details regarding any special services or product characteristics, or other benefits offered or advantages to the City if selecting your firm.

Titan Aviation Fuels will be providing both an Avgas and Jet A Refueler at a discounted rate. We will contribute \$15,000 towards fuel facility maintenance, refueler maintenance or marketing. We will also provide quality control support as well as refueler support. Please see Proposal in the Response Attachments to see Titan Aviation Fuels full offer summary.

8. Open Records Act

All responses will be maintained confidential until award is finalized. At that time, all proposals are subject to the Open Records Act.

Agreed

9. Completion Date

Please list the number of days to complete this project.

Titan Aviation Fuels is the current fuel provider for The City of Lancaster, everything will continue as normal.

10. Government Agencies

Please list **all** Government Agencies that you have done business with in the past 5 years.

City of Lancaster, City of Mesquite, City of Nacogdoches, Travis County, City of Houston, City of Sugar Land, Orange County, Jefferson County, City of Wharton, City of Edinburg, City of Devine

11. Company Ownership

Is your company currently for sale or involved in any transaction to expand or to become acquired by another business entity? If yes, please explain the impact both in organizational and directional terms.

Titan Aviation Fuels will not be acquired by another business entity.

12. Environmental Assessment

Texas Department of Transportation is conducting the assessment.

Response Total: \$0.00



Proposal to Supply Aviation Fuel

City of Lancaster, TX
Lancaster, TX
May 7, 2021

Prepared by: Trey Baker | tbaker@titanfuels.aero | 252.361.3026
Submitted by: Titan Aviation Fuels | titanfuels.aero | 252.633.0066

May 7th, 2021

**City of Lancaster, TX
Purchasing
PO Box 940
Lancaster, TX 75146**

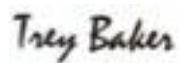
Enclosed is our proposal to brand Lancaster Regional Airport as a Titan Aviation Fuels Branded Dealer. Titan Aviation Fuels (formerly known as Eastern Aviation Fuels (2019)) has been a trusted member to the aviation industry for over 44 years.

Titan Aviation Fuels is the primary business delivering quality fuel, marketing programs, refueling equipment, supplies, credit card processing, and quality control. This is demonstrated through quality assurance, communication, transparency, safety programs and designing best practices for the success of both of our businesses.

This proposal will outline our ability to support your operations as specified in the RFP. I would like to express my appreciation for the time you have shared with our team and reviewing our proposal. I look forward to a long-term business relationship and adding Lancaster Regional Airport as a member of the Titan Aviation Fuels Branded Network.

I look forward to your response and feel free to contact me with any questions.

Best regards,



**Trey Baker
Titan Aviation Fuels**

Post Office Box 12327 New Bern, NC 28561-2327

Tel 252-633-0066 Fax 252-633-3125 Cell 252-361-3026 Email tbaker@titanfuels.aero

Corporate Profile



INTRODUCTION

Titan Aviation Fuels offers your FBO the advantage of a partnership based on service, solutions, safety and innovation. Having supply relationships with many global refiners provides your FBO security of supply teamed with the service of a family operated company dedicated to aviation. We are committed to your success through our shared objectives:

- Reliable fuel supply
- Increased fuel sales
- Technical expertise and training
- Sales and marketing support
- Valuable network connections



PROFILE - TITAN AVIATION FUELS

- Exclusive general aviation sales and marketing entity for Titan Aviation products in the United States
- Titan Aviation Fuels was established in 1975 in New Bern, NC
- Over 550 FBOs throughout the United States
- 100% commitment to the General Aviation Market through membership, product, sales and support
- 85 plus dedicated employees who are customer service oriented, located around the United States
- A large fleet of aviation refuelers to meet our customers daily demands and special events
- Quality Control audit team dedicated to the consistent delivery of quality product, support and safety
- Dedicated sales and marketing team located throughout the United States who support daily operations
- Contract Fuel Programs designed to connect you directly to targeted customers and prospects
- Loyalty Rewards Program to promote increased sales and customer appreciation



THE TITAN AVIATION FUELS TEAM

Robbie Stallings, President

800-334-5732 (office)

252-671-5959 (cell)

rstallings@titanfuels.aero

Byron Gray, Sales Manager

800-334-5732 (office)

972-358-6809 (cell)

byron@titanfuels.aero

Mike Allen, VP Sales and Marketing

800-334-5732 (office)

919-740-9306 (cell)

mike@titanfuels.aero

Trey Baker, Sales Rep (Primary Point of Contact)

800-334-5732 (office)

252-361-3026 (cell)

tbaker@titanfuels.aero

Elise Donald, Director of Client Relations

800-334-5732 (office)

281-782-4067 (cell)

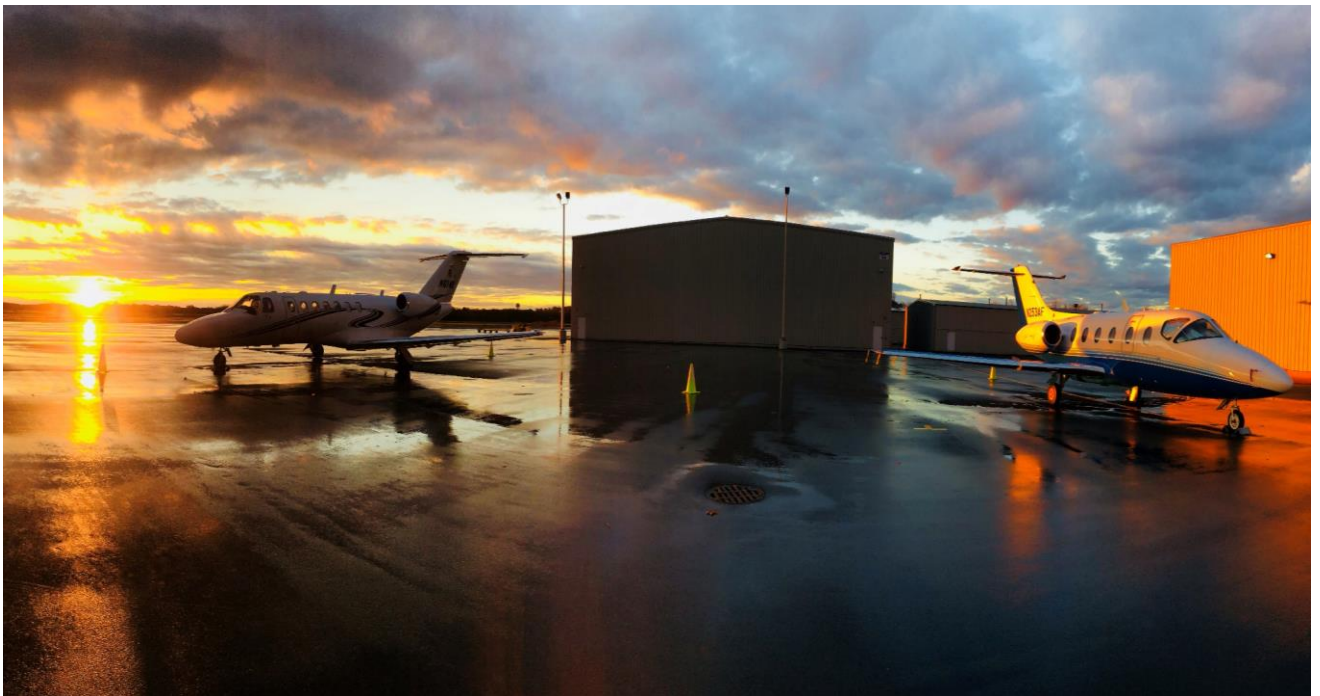
elise@titanfuels.aero

Patricia Remmers, Contract Fuel Sales Rep

800-334-5732 (office)

561-212-5494 (cell)

premmers@titanfuels.aero



REFERENCES/AIRPORTS WITHIN 75 MILES OF LANCASTER REGIONAL AIRPORT

Name	FBO	Location	Contact Information
Deborah Wilkey	Jet Center of Tyler	Tyler, TX	(903) 597-1334 dwilkey@jetcenteroftyler.com
Ron Stroud	Global Select	Sugarland, TX	(281) 275-2428 rstroud@sugarlandtx.gov
Ken Lantz	Southern Star Aviation	Midlothian, TX	(972) 937-5515 kenflysjets@hotmail.com
Oscar Villareal	Dallas Jet	Dallas, TX	(817) 232-8873 oscarvilla60@gmail.com
Eric Pratt	Mesquite Metro Airport	Mesquite, TX	(972) 216-4131 epratt@cityofmesquite.com
Bret Privitt	Chief Aero LLC	Fort Worth, TX	(817) 822-7205 bprivitt@yahoo.com
Dale Uberman	Harrison Aviation	Fort Worth, TX & Arlington, TX	(817) 665-2350 dale@harrisonaviation.com

Pricing and Offer Summary

TOTAL PRICING / DELIVERY AND TERMS

City of Lancaster					
JET A W/Additive			AVGAS		
TERMINAL	Dallas	Tyler	TERMINAL	Tyler	Baton Rouge
INDEX	GC Argus	GC	INDEX	GC 93 PUL	GC 93 PUL
BASE RATE	1.787000	1.736900	BASE RATE	\$2.887480	\$2.65748
*STATE TAX	0.000000	0.000000	*STATE TAX	\$0.000000	\$0.00000
FET	0.244000	0.244000	FET	\$0.194000	\$0.19400
FEES	0.002140	0.002140	FEES	\$0.002958	\$0.00296
**FREIGHT	0.038600	0.114600	**FREIGHT	\$0.098900	\$0.39910
DELIVERED PRICE	2.071740	2.097640	DELIVERED PRICE	\$3.183338	\$3.253538
* TAXES: THE STATE SALES TAX FOR AVIATION FUEL IS NOT INCLUDED IN THE ABOVE LISTED PRICING. THIS AMOUNT IS NOT CHARGED TO TITAN AVIATION FUELS DEALERS IF A COPY OF YOUR SALES TAX EXEMPTION FORM IS PROVIDED TO TITAN AVIATION FUELS TO KEEP ON FILE.					
** FREIGHT CHARGES: EAF DOES NOT CONTROL THE RATES TRANSPORT CARRIERS CHARGE TO DELIVER PRODUCT TO OUR CLIENTS. WE SEND OUT REQUESTS TO SEVERAL CARRIERS IN ORDER TO GET THE LOWEST PRICE POSSIBLE BUT LOOK FOR SAFETY, DEPENDABILITY AND TRAINING AS A KEY FACTOR TO DETERMINE THE BEST COMPANY. IF YOUR ORGANIZATION HAS A PREFERRED CARRIER, PLEASE NOTIFY YOUR SALES REPRESENTATIVE.					
PRICING DATE	5.4.2021	THRU	5.10.2021		

Jet A price will be based on the previous week's average of the published market index based on terminal location and will be adjusted every Tuesday excluding holidays. If product is out at the primary terminal, Titan Aviation Fuels has the ability to provide product from alternate sources.

AVGAS/100LL price will be based on a Weekly Posted Rack Price based on terminal location and will be adjusted every Tuesday excluding holidays. If product is out at the primary terminal, Titan Aviation Fuels can provide product from alternate terminals.

- Fuel Quality: Titan Aviation Fuels will provide your FBO Jet A W/ Additive that meets the ASTM Specification D1655 (latest edition) and Aviation Gasoline 100LL that meets the requirements of the ASTM Specification D910 (latest edition)
- Titan Aviation Fuel offers Jet A with or without FSII
- Price Change Notification: Every Monday evening
- Product Delivery: Titan Aviation Fuels' offer is based upon the delivery of full transport loads of Jet A and Avgas 100LL
- Credit: Net (30) Day EFT
- Terms of Contract: Five (5) Years with a 5-year renewal option
- Weekly Pricing will be provided
- If there is a change in third-party, a 30-day notice will be given

This proposal contains confidential information



OFFER SUMMARY

Point-of-Sale System

Titan Aviation Fuels will provide your FBO with the VX-820 free of charge and with no monthly fees. The point-of-sale system integrates with both Shell AeroClass and Shell Contract Fuel.

Marketing

Titan Aviation Fuels will design and execute a marketing plan and provide ongoing marketing consultation for the duration of the contract.

Fuel Quality Assurance and Training

Titan Aviation Fuels will provide your FBO annual on-site Quality Control inspections, access to ACE-GA training, and complimentary regional Quality Control Seminars.

Insurance Coverage

Titan Aviation Fuels offers a \$50,000,000 third party Aircraft Products/Completed Operations Liability Insurance program free of charge provided, underlying insurance minimums are met.

Refueler Trucks

Titan Aviation Fuels will provide a discounted rate on the current Jet A and Avgas Refueler currently at Lancaster Regional Airport

Titan Aviation Fuels will fix the current issues on the Avgas refueler if the City of Lancaster elects to keep their current refuelers

Additional Offers

Titan Aviation Fuels will contribute \$15,000 towards Fuel Facility Maintenance, Refueler Maintenance or Marketing (If the City of Lancaster elects to extend a 5-year option after the current term, Titan Aviation Fuels will contribute an additional \$15,000 towards Fuel Facility Maintenance, Refueler Maintenance or Marketing)

Titan Aviation Fuels will contribute \$500 annually for special airport events

Titan Aviation Fuels will contribute \$500 towards uniforms annually

Titan Aviation Fuels will provide Atlas FBO Software (Basic Package) Free for the entirety of contract

Titan Aviation Fuels will contribute \$.005 into a COOP Fund for every gallon purchased from the City of Lancaster that can be used towards uniforms or marketing material

Contract and Payment Terms

5 Year Contract with a 5-year renewal option

Payment due net 30 days via EFT

Credit card funds including in-to-plane fees remitted within 48 hours of transaction

Refueler Programs



REFUELER PROGRAM (Major Maintenance)

We operate a large fleet of aviation refuelers for lease, purchase, or temporary use. Our lease programs are suited to the needs of each customer. Our fuel trucks meet or exceed industry standards and are available with customer requested options.

Year	Type	Capacity	Lease Rate	Notes
2007	Jet-A	3000 gallons	\$750/month	Reduced Lease Rate on Current Truck
2008	Avgas	1000 gallons	\$550/month	Reduced Lease Rate on Current Truck
2015	Jet-A	3000 gallons	\$1,300/month	
2015	Avgas	1000 gallons	\$700/month	
2020	Jet-A	3000 gallons	\$1,500/month	
2020	Avgas	1000 gallons	\$850/month	

Our Quality Control Audit Team will perform an annual inspection on all fuel trucks (regardless of ownership) and fuel farms at no charge to our customers

Purchase programs are available and are based on age and size of truck.

All major components of the truck will be covered by lessor. All wear items will be covered by the lessee. See lease agreement for details.

Credit Card Rates, Invoicing, Wiring Instructions & W-9

This proposal contains confidential information





CREDIT CARD RATES

Titan offers an extensive Credit Card processing system, utilizing the Verifone VX-820 POS machine. Funds are processed and deposited **within 48 hours** of the transaction.

Card Type	Rate
Titan Aviation Cards	0.0% as contract fuel /1.85% as retail
MasterCard/Visa *	2.1%
American Express	3.0%
Discover	3.0%
Multiservice Card	3.0%
AvCard	3.0%
Gov't Air Card	3.5%

**Transactions that are not swiped through the POS machine and settled on the same calendar day that authorization occurs have higher processing rates.*

Sample Invoice



Titan Aviation Fuels
601 McCarthy Blvd.
New Bern, NC 28562
(252) 633-0066 • Fax (252) 633-3125

BILLING ADDRESS:

City of Lancaster
DBA: Lancaster Regional Airport
Lancaster Regional
730 Ferris Road, Ste 102
Lancaster, TX 75146

SHIPPED TO:

Lancaster Regional
Lancaster Regional
730 Ferris Road****
Lancaster, TX

INVOICE DATE	CUSTOMER P.O. #	CUSTOMER	SHIPTO	TERMINAL	INVOICE NO.	LOAD NUMBER
4/23/2021		04394	LANCAS	TylerAV	3416753	728645

DATE	BOL #	DESCRIPTION	GROSS	BASIS	UNIT PRICE	AMOUNT
04/23/21	886182	Avgas 100LL MO	8,591	8,561.00	3.0622591	26,216.00
04/23/21	886182	Federal Oil Spill Tax		8,561.00	0.0021400	18.32
04/23/21	886182	Federal Excise Tax		8,561.00	0.1940000	1,660.83
04/23/21	886182	Texas Petro Delivery Fee		8,561.00	0.0008118	6.95
SUB-TOTAL FOR: Avgas 100LL						27,902.10

SUPPLIER:

SHIPPED VIA: Pinnacle

Invoice payment amount of \$27902.10 will be due on 05/03/2021.

City of Lancaster

PAYMENT TERM	ACCOUNT #	INVOICE #	DUE DATE	AMOUNT DUE
Wire 10	04394	3416753	05/03/2021	\$27,902.10

INVOICE TOTAL **\$27,902.10**

Please Remit All Payments to: P.O. Box 751211, Charlotte, NC 28275-1211

REPRINT
05/06/2021
Ref: DC286015

Page 1 of 1
<TOFAXNUM: 972-275-0918>

This proposal contains confidential information





Post Office Box 12327
New Bern, NC 28561-2327
Tel 252-633-0066
Fax 919-800-3134

Email linda@titanfuels.aero

Eastern Aviation Fuels, Inc.
DBA: Titan Aviation Fuels
601 McCarthy Blvd
P.O. Box 12357
New Bern, NC 28561

INSTRUCTIONS FOR ACH/WIRING

****Please send funds by ACH. If immediate funding is needed, then please send by Wire. Same instructions apply for both****

Wells Fargo
401 S. Front Street
New Bern, NC 28560
Phone: (704)444-6068
Bank Contact: ~~Jazzmin Foggie~~

ABA # 121000248
Account # 2000009451959

Forward to New Bern Main Office
Titan Contact: Will Lathan, VP Finance

FOR INTERNATIONAL WIRES:

Wells Fargo Bank, N.A.
420 Montgomery Street
San Francisco, CA, USA 94163

Wells Fargo Routing/ABA: 121000248
Wells Fargo Swift Code: WFBIUS6S

Please forward a confirmation of wire to Linda Sandklev by email: Linda@titanfuels.aero or fax (919) 800-3134. Please feel free to contact Linda@ (800) 334-5732 with any questions.

Remittent Address:
PO Box 12327
New Bern, NC 28561

This proposal contains confidential information



Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type.
See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

Eastern Aviation Fuels, Inc

2 Business name/disregarded entity name, if different from above

Titan Aviation Fuels

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC

☐ C Corporation

☐ S Corporation

☐ Partnership

☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ►

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☐ Other (see instructions) ►

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from FATCA reporting code (if any) _____

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.

601 McCarthy Blvd

6 City, state, and ZIP code

New Bern, NJ 28562

Requester's name and address (optional)

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

____ - ____ - ____

or

Employer identification number

5 6 - 1 1 0 1 1 1 9

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign
Here

Signature of
U.S. person ►

Date ►

2-17-20

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

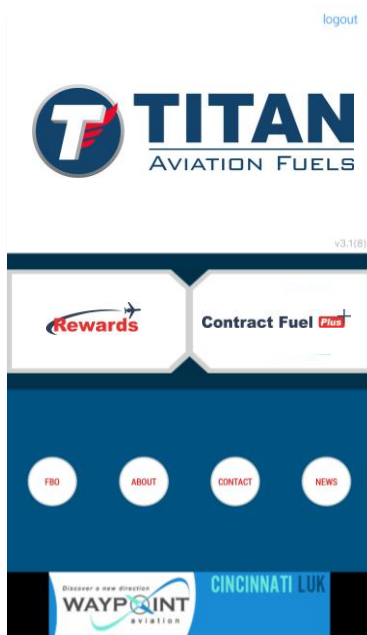
- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding*, later.

Marketing Services



MARKETING

Digital

Email communications
Newsletters
Web advertising
App advertising
Social media

Print

National Showcase Ads
Newsletters
Custom mailing assistance

Public Relations

Social media strategies
Press releases
Internal and external communications

Events

NBAA-BACE
NBAA Schedulers and Dispatchers
AirVenture
Heli Expo
State and local airport conferences
Sponsorships

Consultation

Website
Point of Sale
Loyalty Rewards utilization

Tailored Marketing Support

Titan Aviation Fuels provides our FBOs with advertising, marketing and public relations support tailored to meet your specific needs and enhance your existing efforts. Our team works with you to increase sales by attracting new business and building customer loyalty.

Available marketing strategies include:

Email Marketing

- Events
- Seasonal
- Rewards News
- Contract Fuel News

Titan Aviation App

- Banner Ad

Social Media

- Facebook/Twitter/Instagram/LinkedIn

Quick Turn

- FBO Spotlight

Website

- Home Page Slider
- News Posts
- FBO Features

Events

- NBAA
- S&D
- Regional Forums
- AirVenture
- Heli Expo
- State and Local Conferences

Public Relations

- Press Releases
- Branding support

Consultation/Training

- Website
- Point of Sale
- AeroClass utilization
- Contract Fuel

More detailed information and samples are available on the following pages.

Email Marketing

We create email marketing pieces for your FBO to promote special events and seasonal traffic. Email lists are created from our vast database of Titan Aviation Fuels card holders and AeroClass members. Custom distribution lists are also created utilizing TraqPak flight tracking software.



Welcome Hampton Roads Executive (PVG) Chesapeake, VA to the Shell Contract Fuel Program!

» 5X AeroClass Points «

Through February, 2018

» \$3.75/gallon Shell Contract Fuel
Introductory Price «

Fuel pricing subject to change

No other discounts, based tenant or quantity, apply to Shell Contract Fuel Pricing



Fly Homestead Executive Jet Center for the NASCAR Championship Weekend and enjoy 5X AeroClass points!



You'll always be on the winning team when you choose Shell Contract Fuel for the NCAA Tournament.

Score BIG with competitive prices at these Shell Contract Fuel FBOs:

First Four | Dayton, OH | March 19-20

» Wright Brothers Aero (DAY) | Vandalia, OH
» Cincinnati Jet Center (HAO) | Hamilton, OH
» Waypoint Aviation (LUK) | Cincinnati, OH

1st/2nd Rounds | Salt Lake City, UT | March 21/23

» CB Jet Center (OGD) | Ogden UT

1st/2nd Rounds | Des Moines, IA | March 21/23

» Signature Flight Support (DSM) | Des Moines, IA

1st/2nd Rounds | Jacksonville, FL | March 21/23

» Jacksonville Jet Port (VQQ) | Jacksonville, FL

1st/2nd Rounds | Tulsa, OK | March 22/24

» Legacy Jet Center (TUL) | Broken Arrow, OK
» Christiansen Aviation (RVS) | Tulsa, OK

1st/2nd Rounds | Columbus, OH | March 22/24

» Columbus Jet Center (TZR) | Columbus, OH

1st/2nd Rounds | Columbia, SC | March 22/24

» Eagle Aviation (CAE) | West Columbia, SC
» Eagle Aviation (CLB) | Columbia, SC

1st/2nd Rounds | San Jose, CA | March 22/24

» Rossi Aircraft Inc. (PAO) | Palo Alto, CA
» APP Jet Center (HWD) | Hayward, CA

South Regional | Louisville, KY | March 28/30

» Central American Airways (LOU) | Louisville, KY
» Honaker Aviation (JVV) | Sellersburg, IN

West Regional | Anaheim, CA | March 28/30

» Signature Flight Support (LAX) | Los Angeles, CA

East Regional | Washington, D.C. | March 29/31

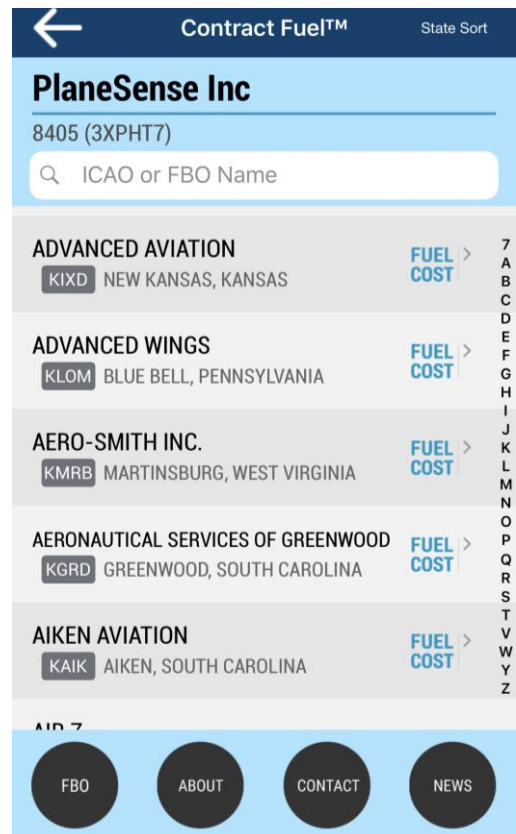
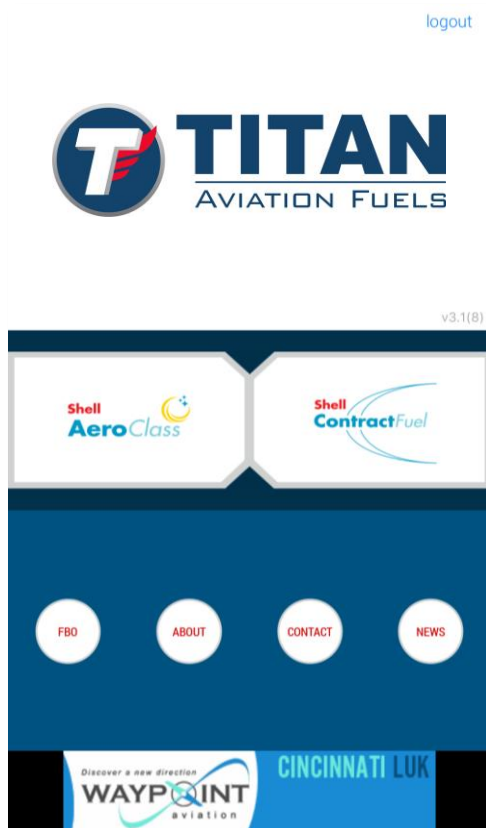
» APP Jet Center (HEF) | Manassas, VA
» ProJet Aviation (JYO) | Leesburg, VA
» Winchester Aviation (OKV) | Winchester, VA

Titan Aviation App

As a participating FBO in the Titan Aviation Fuels Contract Fuel and Titan Aviation Fuels Rewards, your FBO will be listed on the Titan Aviation App. With over 31,000 downloads, it is the go-to application for monitoring Contract Fuel pricing and Titan Rewards points. The complimentary app banner ad offers additional marketing opportunities for your FBO promotions.

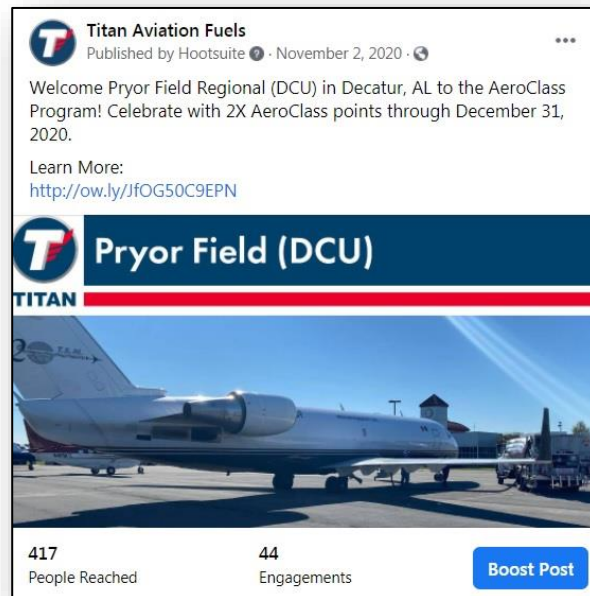
Total App Installations

Apple	Android	Total
21,193	25,130	46,323



Social Media

We are continually building our social media network and connecting with our customers and pilots through multiple channels.



FBO News

Through our quarterly publication of Quick Turn, we communicate with our FBOs regarding the latest in quality control, available FBO programs and so much more. It is a valuable publication for important dates and contacts at Titan Aviation Fuels. The newsletter is distributed via US Mail, email and available on our website.



Quick Turn

Titan Aviation Fuels • Summer 2019

From The Cockpit

Iqui consequam velestus, eali bero blabo. Bus.

Idem que repe nonsequatios atur mos quae dolorum as ma nime non repae accusdae isquidus sequeat nistorio delenti la aboriar aut molore volor aut fuga. Alibus andentis volorit qui re veliqui omno moluptatatis mosandendam solorep eruptur se preped et laud vid ut que niendero tet qui leces doluptibus simaxim usdaecto molum et magnihi lique aut aribus dunt faccum faces atur?

Namus eum, quide volorempel ides ma consed quaes net que ent ut audae. Ihicam resectu sapelit, consedi gnamet repe conem nonsed molut maximet as atenditis doluplatem. Cepe vellege nditis eum liquas nonsed quo eostur epudae non remnamus etur? Tem. Ut unit dunt.

Sequi quame doloriosam, sit, non et, nis ma que volecto im altas nonem alia quo od erentist, nis archic temporit laud allatur aut magnatatur, ulpa



FBO Programs

S&D 2019 - San Antonio



Parts and Fuel Orders

PARTS

Eastern Aviation Fuels carries a full range of supplies and parts for fuel farms as well as refuelers.

Our suppliers include:

- Gorman-Rupp
- Veicon Filters
- Gammon Technical Products
- Hannay Reels
- Betts Valves
- OCV
- Thiem
- Liquid Controls

For more information or to order visit <http://shellga.com/parts-supplies> or call 1-800-334-5732

FUEL

Did you know you can order fuel 24 hours a day / 7-days a week?

BY PHONE

Mon-Fri: 8:00 am - 11:00 pm (EST)
Saturday: 8:00 am - 12:00 pm (EST)
Call 1-800-334-5732

AFTER HOURS

Call 1-800-334-5732

ON THE WEB

www.shellga.com

SINCE THE BEGINNING OF FLIGHT...SHELL IS FLYING

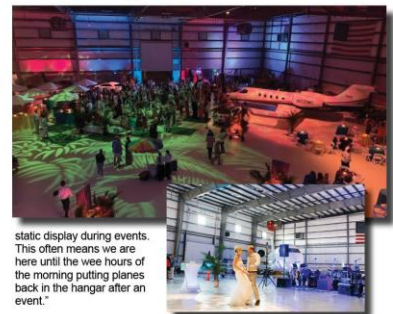


FBO Spotlight

Airport Hangar Becomes Party Venue

Cincinnati, OH - When Waypoint Aviation opened for business in 2017 as the newest FBO at Cincinnati's Lunken Field, they had no idea their hangar would soon become one of Cincinnati's premier event venues. The 30K square-foot hangar is equipped with the world's largest single-panel tip-up door, weighing over 30K pounds and measuring 120 feet wide with 40 foot ceilings. It was designed to store aircraft as large as a Gulfstream G650. With the capacity to hold 2,200 people, the space became an easy backdrop for large corporate and private parties.

In the summer of 2018, Film Cincinnati approached Waypoint Aviation about using the hangar for a private event. "It went off without a hitch. It went great," said



static display during events. This often means we are here until the wee hours of the morning putting planes back in the hangar after an event."



Quality Assurance

Quality Control Update

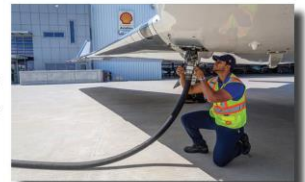
At Titan Aviation Fuels, fuel quality control is a top priority. Therefore, it is important for us to keep you apprised of current quality control issues facing our industry.

In recent months three independent events of FSII contaminated with DEF being introduced into aircraft have occurred. The most recent occurrence was on May 9, 2019. Several aircraft were impacted, and the consequences could have been catastrophic. Global aviation safety initiatives are underway to develop mitigation strategies to prevent FSII contamination with Diesel Exhaust Fluid (DEF).

It is imperative that all FBOs, especially those with FSII injection systems, review and follow precautionary measures to ensure FSII and DEF are not confused and introduced into aircraft.

Visit the Titan Aviation Fuels Quality Control website at www.titanfuels.aero/training for the most updated QC bulletins, ACE-GA training and quality control forms and tools.

If we can be of further assistance, please reach out to your quality control team at 865-806-5640. ✈



154 customers joined us for our Quality Control Seminar in Charlotte, NC.

Join us for upcoming QC Seminars:

- October 9-10 in Lincoln, RI
- November 12-14 in Bowling Green, KY


SINCE THE BEGINNING OF FLIGHT...SHELL IS FLYING

Website


Your FBO will be listed on our website and linked on our branded FBO Map. FBOs participating in the Contract Fuel and Loyalty Reward programs are indicated and searchable. Space for promoting your FBO is available on our homepage and on our news feed.

Newsletter Signup (Read the terms of service.)
Your email address...
SUBMIT


HomeFind a RepOrder FuelShop



ABOUTFBO PROGRAMSFBO NETWORKRESOURCESCARDSCONTACT



Fuel Supply
Branded FBO Network
Titan Rewards
Contract Fuel
Training
Insurance
Atlas FBO Software
FBO Support Programs



Serving over 500 FBOs
throughout North America.

FBO Locations

Choose a State/Territory. OR DISPLAY ALL

City / State	FBO Name	Rewards Participant	Contract Fuel Participant	Identifier	More Info
Alabama					
Bay Minette	Baldwin Aviation Inc.			1R8	Visit Website
Alberville	Alberville Aviation	✓	✓	8A0	More Info...
Alexander City	Alexander City Flying Service	✓		ALX	More Info...

Marketing Reach

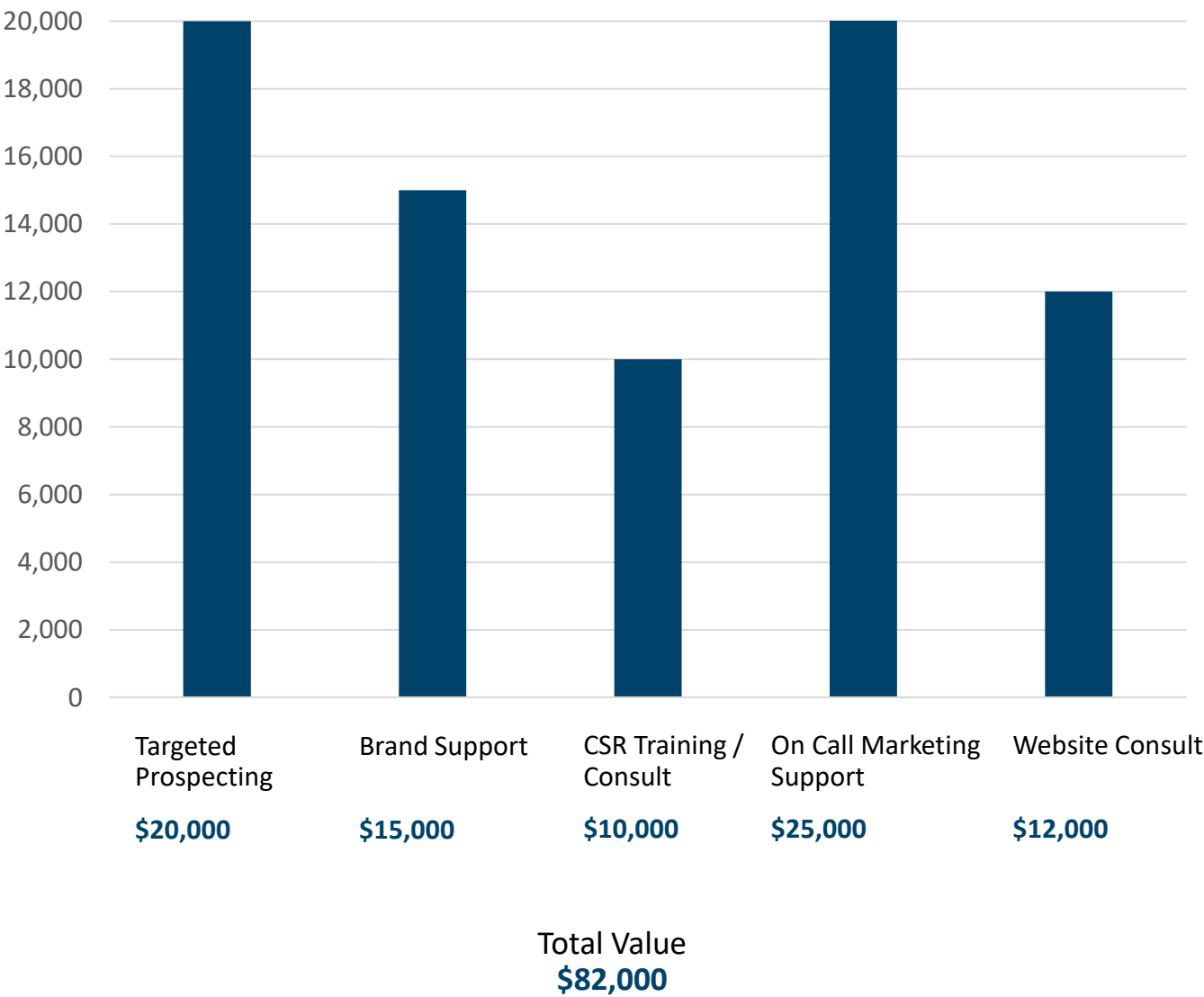
Titan Aviation's marketing support provides your FBO with optimum exposure to the customers you value.



- FBO features in e-newsletters gives your FBO exposure to nearly 40,000 active members of both Loyalty Rewards and Contract Fuel programs
- Your FBO will be listed on both the fuel network on the Titan website and the Titan Aviation app for total exposure to over 40,000 potential customers
- Titan Aviation's presence and sponsorship at aviation tradeshows offers your FBO premium floor placement and increased exposure

Titan Aviation Marketing Value

Titan Aviation’s marketing support is a complimentary service to our branded FBOs. Our goal is to assist you in executing marketing strategies that attract new business, build customer loyalty and increase sales. See below for an outline of the value of our marketing services based on the estimated cost of retaining an outside marketing firm.



Your Marketing Team



Rhonda Bernthal
Director of Marketing
Rhonda@titanfuels.aero



Tracy Daniels
Contract Fuel Marketing
tdaniels@titanfuels.aero



Caroline Smith
Social Media/Co-Op Marketing
csmith@titanfuels.aero

Lancaster Regional Airport



Elise Donald
Customer Relations/Events
elise@titanfuels.aero



Trey Baker
Gulf Coast Sales Rep
tbaker@titanfuels.aero



Patricia Remmers
Gulf Coast Contract Fuel
premmers@titanfuels.aero

Additional Program Information

Sign and Go



TITAN CONTRACT FUEL PLUS

Titan Aviation Fuels has developed an innovative contract fuel program featuring:

- 0% processing fees on fuel and ancillary charges
- More than 4,000 customers representing 20,000+ aircraft
- Availability at over 380 locations and growing
- Each FBO location is assigned a Contract Fuel representative to drive business to your location
- Payment will be wired to your account within 48 hours
- Third-party contract fuel and reseller transactions can be processed through our system
- Participating FBOs benefit from continued exposure through newsletters, email marketing, attendance at aviation conferences, and print advertising



EXCESS LIABILITY INSURANCE

Titan offers a \$50,000,000 third party Aircraft Products/Completed Operations Liability Insurance program free of charge. The following guidelines apply:

- Titan Aviation Fuels is named as additional insured parties as suppliers of aviation petroleum products including refueling, de-fueling and/or lubrication of aircraft
- The policy must reflect a minimum limit of \$500,000 each occurrence combined single limit for third party bodily injury and/or property damage, without restrictive per person sub-limits for bodily injury
- Acceptable liability coverage must include products, premises, and completed operations



INSURANCE

Our subsidiary company, EBCO Aviation Insurance, specializes exclusively in the aviation insurance arena and can offer a detailed, comprehensive insurance program for your FBO. We can make recommendations and evaluate in the following areas:

- Airport property coverage
- Aircraft hull and liability
- Hangar keepers liability
- Airport liability

Visit www.ebcoaviation.com for more information and to request a quote.

Atlanta

3070 Five Forks Trickum Rd.
Lilburn, Georgia 30047
Phone: 770-978-4855
Fax: 770-978-4868

Greensboro

2014-B New Garden Rd.
Greensboro, NC 27410
Phone: 336-540-1950
Fax: 336-540-1977

Memphis

4515 Poplar Ave.
Ste. 200
Memphis, TN 38117
Phone: 800-238-5190



QUALITY CONTROL

Titan Aviation Fuels offers an in house Quality Control Program. Our head of Quality Control, Mike Mattern has been with the company for over 10 years and is nationally recognized as a leader in the QC field. He brings 30 years of military QC experience and a team of 4 quality control professionals.

Titan will provide the following at no cost to your FBO:

- Annual On-Site Quality Control Inspections – Our QC inspectors will perform annual quality control inspections free of charge
- Line Service Training Program – An interactive CD ROM based line service supervisor training program. After completion of the program, your employees will have the knowledge and skills required to safely perform operations and technical tasks at your FBO
- Regional Seminars – Two-day training seminars cover various quality control topics including filtration, ATA Spec 103, proper documentation, fuel receipt procedures, and QC tests
- FAR Part 139 Fire Training – In conjunction with our seminars Titan also teaches and certifies line service personnel in fire prevention and fire mitigation
- HAZMAT Training – Titan provides Hazmat training to those who ship hazardous materials



PARTS AND SUPPLIES

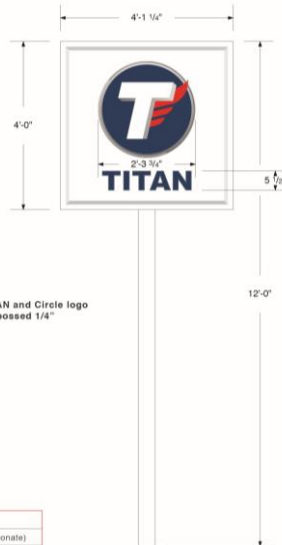
We distribute refueling equipment from leading manufacturers. We maintain a large inventory of parts to handle unexpected emergencies, and we have negotiated competitive prices from our suppliers so that we can pass these savings along to our customers. We also offer an online parts store for your convenience.

Following is a list of some of our suppliers:

- Gorman-Rupp
- Velcon Filters
- Hannay Reels
- Betts Valves
- Gammon Technical Products
- OCV
- Thiem
- Liquid Controls



(1 qty.) 4'-0" x 4'-1 1/4"

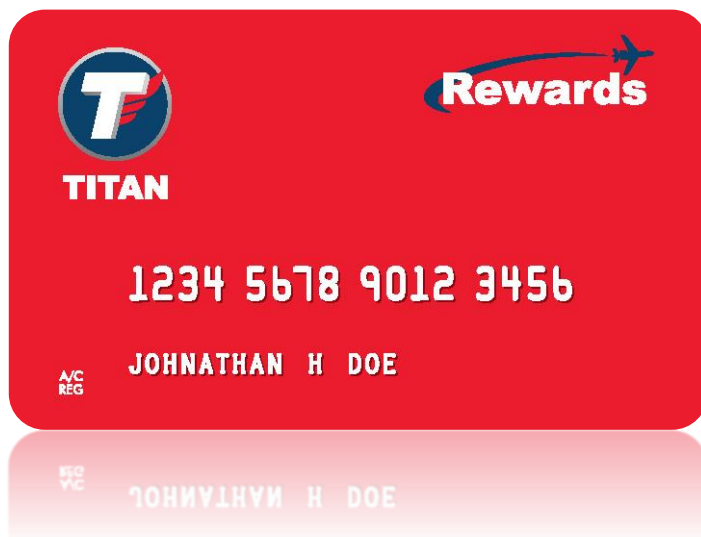


TITAN COLOR SPECS	
RETAINER: 1 1/2" PMS white	
FACE: pan formed (UV polycarbonate)	
paint 2nd surface	
DRAFT: 10 degrees	
Illumination: Fluorescent	

SIGNAGE AND BRANDING

The Titan Aviation branding program includes:

- Fueling equipment – decals for trucks and tanks
- Installation of signage - We tailor the signage to meet the needs of the individual FBO. Signage and decals meet state, federal and airport regulatory guidelines.
- Website – Logos will be provided
- Press releases
- Email and social media announcements



LOYALTY REWARDS PROGRAM

The Titan Rewards program provides a low-cost incentive for pilots to purchase fuel from participating FBOs. Every time a member pilot refuels at a participating FBO, the pilot receives points redeemable for valuable Visa gift cards. This program provides a means to increase your FBOs business through bringing in new customers, building loyalty and incentivizing increased uplift.

The Loyalty Rewards Program features:

- 14,000+ members
- 350+ participating FBOs
- Increased sales
- Marketing opportunities



ATLAS FBO SOFTWARE

ATLAS FBO POS software automates the handling of many elements of FBO business management. The web-based software is PCI certified compliant.

The Atlas software program features:

- Integration of fuel cards, bank cards, Air Card and the Titan Buyback
- Fuel Inventory Management
- Item Inventory and Tax/Fee table
- Extensive reporting ability
- Export to QuickBooks
- Customer resource management
- Automated client contract specific pricing, Cost + or Retail –
- Direct billing, customer statements and recurring invoices
- User friendly cart experience
- Loyalty Rewards
- Payment processing and reimbursement within 48 hours



TITAN

Atlas

PRICING

Basic Package

\$50/month

Includes

- Titan, Bank and Gov't Air Card Processing (POS)
- Invoicing
- Customer Management
- Item Management
- Tax Setup
- Pilot Rewards

Advanced Package

\$295/month

Includes all Basic Features plus

- Discounts/Contracts (Tiered Pricing)
- Fuel Management
- Inventory Management
- Reporting
- Recurring Invoices
- Employee Time clock
- Comingled Fuel

Premier Package

\$395/month

Includes all Basic & Advanced Features plus

- Customer Account Management
- Adhoc & Basic Statements
- Import Transactions to QuickBooks
- Fuel Management (Meter Tracking)
- Veeder Root/TCS Integration
- Dashboard Reports
- Flightbridge Integration

Schedule A Demo

Atlas Support Team

1-800-334-5732 | support@titanfuels.aero

Atlas FBO

Titan branded FBOs, both large and small, will be able to use ATLAS FBO POS software to increase their revenues and profits through the automated handling of many elements of FBO business management.

The web based software is modern and PCI compliant regarding gateway communication to US Bank with Credit Card Vault security. The comprehensive software features include:

- Integration of Titan cards, Bank cards, Air Card and the Titan Buyback
- Fuel Inventory Management
- Item Inventory and Tax/Fee table
- Extensive Reporting ability
- Export to Quickbooks
- Customer Resource Management
- Automated Client contract specific pricing, Cost + or Retail –
- Robust Direct billing, Customer statements and Recurring invoices
- User friendly Cart experience
- Titan Rewards
- Payment processing for fast reimbursement

Guest (Working)
\$1,587.25 (5 items)

Fees Fuel Pilot Supplies Service Part Labor

Add To Cart

Hat \$15.00 Standard hat	Shirt \$20.00 Standard Shirt	OZ \$3.00 Per Quart	OIL 15W50 \$3.25 Per Quart	OIL 100W \$1.00 Per Quart
FIKI A \$5.25 FIKI Fluid A per Quart	FIKI B \$4.95 FIKI Fluid B per Quart	Cup Coffee \$0.00	Corrosion Inhibitor \$1.00	APU \$1.00
Prist (Fuel Additive) \$1.00	Ice Inhibitor \$1.00	Hydraulic Fluid \$1.00	Custom Product Code \$1.00	

Show Detail

Contract	Subtotal	Taxes & Fees	Total
	\$1,370.00	\$217.25	\$1,587.25

Items (5)	Qty	Base	Actual	Subtotal
Fuel Jet-A Fuel	280	4.50	\$4.50	\$1,260.00 ***
@ \$12.60000 (Flowage Fee Jet 1.000 %) @ \$12.60000 (State Jet 1.000 %) @ \$66.00000 (FET Jet \$0.20000 per unit) @ \$134.12000 (Sales Tax Jet 10.000 %)				
Ramp Fee Fees	50	1.00	\$1.00	\$50.00 ***
Airport Fee Fees	25	1.00	\$1.00	\$25.00 ***
Hat Pilot Supplies	1	15.00	\$15.00	\$15.00 ***
@ \$0.82680 (Sales 5.512 %) @ \$1.10240 (Sales 5.512 %)				
Shirt Pilot Supplies	1	20.00	\$20.00	\$20.00 ***
@ \$1.10240 (Sales 5.512 %)				

**User Friendly
Cart Experience**

Fuel List

Supplier To Tank	Edit Date/Time	From	To	Fuel Type	Cost	Quantity	Begin	End	Note
new Tank Jet-A 10000 / 9900	2017-04-23 16:10:21	ACES SYSTEMS	Tank 2	Fuel 100LL	\$1,500.00	0.00	0.00	0.00	
	2017-04-23 16:09:24	ACES SYSTEMS	[None]	Fuel Jet-A	\$0.00	2,500.00	0.00	0.00	
Showing 1 to 2 of 2									
Tank 1 SLC 9750 / 10000	2017-04-23 16:11:36	Tank 1	Truck 2	Fuel Jet-A	\$3.00	100.00	0.00	0.00	
	2017-04-23 16:11:17	[None]	Truck 2	Fuel Jet-A	\$3.00	500.00	0.00	0.00	
Tank 2 Denver 425 / 5000	2017-01-23 14:54:13	Tank 2	Truck 1	Fuel 100LL	\$4.00	250.00	0.00	0.00	
Showing 1 to 3 of 3									
Truck 1 SLC 700 / 1000	2017-02-01 14:56:50	Truck 3	N400LB	Fuel Jet-A	\$3.00	417.00	0.00	0.00	Invoice
	2017-02-01 14:56:50	Truck 2	N400LB	Fuel Jet-A	\$3.00	842.00	0.00	0.00	Invoice
Showing 1 to 2 of 2									
Truck 2 SLC -217 / 250	2017-03-22 11:04:28	Truck 1 (Meter)	[None]	Fuel 100LL	\$4.00	0.00	0.00	0.00	Invoice
	2017-03-09 17:59:51	Truck 1 (Meter)	[None]	Fuel 100LL	\$4.00	0.00	0.00	0.00	Invoice
Showing 1 to 2 of 2									

**Fuel Inventory
Management**

Learn more about Atlas FBO Software
Nicole Kassler 252.514.8762



FBO PARTNERS

Titan Aviation Fuels has partnered with following vendors to assist our FBOs in meeting the needs of their pilots and customers.

TraqPak FBO by Argus

Web-based flight tracking portal with owner/operator contact information alongside historical data and analysis.

Unifirst

A uniform and supply distributor offering a broad range of apparel and common supplies. Discounted pricing has been negotiated for Titan customers.

FlightBridge

Web-based concierge system that tracks all planned arrivals and departures along with related service requests.

Safety 1st

Titan has negotiated a discounted pricing structure for our customers to train their line service specialists.

Hertz

Competitive revenue sharing and tiered commission based on sales growth available to Titan customers.

Trey Baker

Phone 252.361.3026

tbaker@titanfuels.aero

BID COMPARISON

Category	Arrow Energy	AvFuel	City Service Valcon	Titan Aviation	Epic Aviation	Favorable (Item)	Favorable (Category)
Branding	Phillips 66	AvFuel	Phillips 66	Titan	Epic		
Max Term (yrs)	NA	7	5	10	6	Titan	Titan
Competitors within 75 miles	3	15	3	7	3	Arrow, Valcon, Epic	Phillips, Epic
Fuel Truck Pricing (per month)	AvGas	\$500.00	NA	\$550.00	NA	AvFuel	Titan
	Jet-A	\$1,000.00	NA	\$750.00	NA	Titan	
Single Occurance Offers	\$0.00	\$0.00	\$0.00	\$30,000.00	\$0.00	Titan	Epic
Annual Offers	\$0.00	\$0.00	\$0.00	\$1,000.00	\$3,000.00	Epic	
Other Offers (per gallon)	\$0.000	\$0.005	\$0.000	\$0.005	\$0.005	Avfuel, Titan, Epic	
POS System Cost (per month)	AvPOS	\$40.000	EPOS	\$0.000	NA	Titan	Titan
Merchant Services Credit Card Rates	American Express	3.35%	3.54%	3.35%	3.00%	3.35%	
	AvCard	2.85%	2.75%	2.85%	3.00%	3.25%	
	Branded Cards	0.00%	0.00%	0.00%	1.85%	1.75%	
	Debit	0.80%	NA	0.80%	NA	NA	
	Discover	3.00%	3.27%	3.00%	3.00%	2.95%	
	Government Air Card	NA	4.55%	NA	3.50%	4.50%	
	MasterCard	2.15%	2.28%	2.15%	2.10%	2.10%	
	Multiservice Card	3.25%	3.20%	3.25%	3.00%	3.25%	
	Visa	2.15%	2.28%	2.15%	2.10%	2.10%	
	Voyager	2.75%	NA	2.75%	NA	NA	
	Wright Express	2.75%	NA	2.75%	NA	NA	
Total Costs (monthly)	NA	\$1,540.00	NA	\$1,300.00	NA	Titan	Titan
Total Offers (monthly)	\$0.00	\$0.00	\$0.00	\$2,583.33	\$250.00	Titan	
TOTAL Δ	NA	-\$1,540.00	NA	\$1,283.33	NA	Titan	

STATE OF TEXAS

COUNTY OF DALLAS

AVIATION FUELS CONTRACT

THIS AGREEMENT, entered into this 6th day of July, 2021, by and between EASTERN AVIATION FUELS, INC. dba TITAN AVIATION FUELS of New Bern, North Carolina, hereinafter called "Seller" and CITY OF LANCASTER hereinafter called "Buyer" as follows:

1. AGREEMENT: Seller agrees to sell and deliver, and Buyer agrees to purchase, receive and pay for from Seller, Buyer's entire requirements of aviation fuels for use or resale at the Lancaster Regional Airport, at or near Lancaster, Texas.

2. TERM: This contract shall remain in force for a period of FIVE (5) years ("Initial Term") beginning on the 1st day of August, 2021 and will automatically extend for successive terms of one (1) year each (each, a "Renewal Term", and together with the Initial Term, the "Term") unless written notice is given to the other Party of a Party's intent to not extend at least ninety (90) days prior to the expiration of the Initial Term or Renewal Term, as applicable, or unless the Agreement is otherwise earlier terminated as permitted herein.

3. DELIVERIES: The aviation fuels sold and purchased hereunder shall be the regular grade or grades of aviation fuels as currently supplied by TITAN AVIATION FUELS and deliveries to Buyer hereunder shall be by tank truck or pipeline at the place of business of Buyer at said Airport in approximately even quantities in such amounts and at such times during business hours as Buyer may direct. It is understood that Seller's obligation hereunder is limited to such grade or grades of aviation fuels as are distributed by Seller, at the time and place of delivery hereunder.

4. PRICING: Buyer agrees to pay for the aviation fuels covered by this contract as follows:

JET A	Seller's posted dealer price*
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AVIATION GASOLINE 100LL	Seller's posted dealer price*
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*As herein used, the words "Seller's posted dealer price" mean the price posted and displayed at the time of delivery, at Seller's office at location shown in paragraph 15 hereafter.

5. PAYMENTS: If Seller shall extend credit to Buyer, Buyer shall pay Seller sums due under this Agreement net thirty (30) days from delivery date via Electronic Funds Transfer.

- a. Seller extends these payment terms and a line of credit based upon the last review of Buyer's current financial condition. With prior written notice to Buyer, Seller may change the payment terms or line of credit if there is a material change in Buyer's financial status as determined by Seller.

- b. Seller may assess a delinquency charge on all overdue sums owing to Seller. Such delinquency charge shall be determined in accordance with applicable law and Seller's established delinquency charge policy in effect on the date of delivery.
- c. If Buyer fails to comply with payment requirements, Seller may suspend deliveries until Buyer pays all sums due hereunder or terminate this agreement forthwith. The suspension or termination of this agreement because of failure of Buyer to perform any of the agreements herein contained shall not in any way prejudice Seller's other rights hereunder.
- d. If Buyer's account with Seller is in arrears, the Buyer hereby agrees that the Seller, at its discretion, may request credit card companies to reimburse Seller with Buyer's credit card receipts and hereby authorizes the credit card company to send credit card reimbursement to Seller.
- e. It is further agreed that the Seller, in lieu of reimbursing Buyer for credit card receipts, may apply the reimbursement to the outstanding balance on Buyer's account.

6. ATTORNEY AND/OR COLLECTION FEES: If the Buyer becomes in default of the terms of this agreement, Buyer agrees to a late payment charge on any delinquent balance in the amount of 1.5% per month, 18.0% per annum or the maximum amount permitted by law from the date of default. Buyer agrees to pay any attorney or collection fees if incurred in the collection of any delinquent balance or the enforcement of this contract.

7. TAXES, FEES, AND AIRPORT CHARGES: Any tax or other charge imposed by any governmental authority or other agency upon the commodity herein sold, or on the production, sale, transportation, or delivery thereof, or any feature thereof or of this agreement, existing at the time of delivery thereunder, shall be added to the price hereunder and paid by Buyer.

8. FAILURE TO PERFORM: If Seller should at any time during the life of this contract discontinue the marketing of any or all grades of aviation fuels at Buyer's territory, Seller shall be relieved of all obligation to sell or deliver such discontinued grade or grades to Buyer and Buyer shall be at liberty to purchase such discontinued grade or grades from other sources.

9. CONDITIONS: All orders hereunder will be filled with reasonable promptness, but it is mutually agreed that Seller shall not be obligated to furnish goods hereunder, nor be liable in damages for failure to do so, in the event acts of God, strikes, difficulties with its workers, lockouts, fires, foreign or domestic governmental authority, war conditions in this and any foreign country, accident, delays by railway or other methods of transportation, or other causes beyond its control, shall render it impossible for Seller to do. Seller shall indemnify and hold Buyer harmless from claims directly caused by the quality or performance of fuels furnished Buyer.

10. TRADEMARKS: Seller grants to Buyer a nonexclusive, non-transferable right to use Seller's brand and/or licensed trademarks owned or licensed by Seller in connection with the sale of Aviation Fuel at Buyer FBO. Buyer shall have the right to display the brand names, but only for the purpose of properly identifying and advertising the branded products handled by Buyer and in a manner and in the forms satisfactory to Seller in Seller's sole judgment. Buyer shall not sell products other than the branded products under the brand names. Buyer will conform to the branding rules of usage set forth by

Seller. Nonconformance to these rules will result in the de-branding of the Buyer FBO.

11. HEALTH, SAFETY & ENVIRONMENTAL ("HS&E") COMPLIANCE:

(a) Product Handling - Buyer shall exercise extreme caution in the storing, handling, and dispensing of Aviation Fuel, including daily inspection of all storage and dispensing equipment to prevent or eliminate contamination in any form, including commingling with other fuels. Buyer shall, immediately notify Seller of any instance of Aviation Fuel contamination or commingling with other fuels.

(b) Environmental Compliance - Buyer shall observe any and all federal, state, and municipal laws, ordinances, rules and regulations, user permits, and the like pertaining to the composition, handling, storage and dispensing of Aviation Fuel purchased hereunder including, without limitation, any and all laws, ordinances, rules and regulations pertaining to the volatility or vapor pressure of Aviation Fuel and the storage of same in aboveground or underground storage tanks. Buyer shall comply with any reasonable program instituted by Seller to assure compliance with any such laws, ordinances, rules and regulations.

12. INSURANCE TO BE MAINTAINED BY BUYER: Buyer shall purchase and maintain at Buyer's expense the following insurance coverage in order to be a branded FBO:

(a) Commercial General Liability Insurance, including premises and operations as well as products/completed operations liability for aviation products and refueling operations with minimum limits of one million dollars (\$1,000,000) without restrictive per person sub-limits for bodily injury and/or property damage.

(b) Name Eastern Aviation Fuels, Inc. dba Titan Aviation Fuels, as an additional insured party with respect to liability arising from Buyers aviation operations. Operations including refueling, de-fueling and/or lubrication of aircraft.

Excess Aviation Refueling Liability Insurance in the amount of 50 million dollars (\$50,000,000) will be provided Buyer free of charge provided Buyer secures and maintains said underlying insurance.

In the event Buyer is able to secure said insurance, only with \$100,000 per-person sub-limits for bodily injury Buyer will be permitted to be a branded FBO but will not be eligible for the \$50 million excess liability insurance program.

Buyer may elect not to participate in the Excess Aviation refueling Liability Insurance program but will be required to maintain insurance meeting the above criteria to be a branded FBO.

13. CHARGE / CREDIT CARD PROGRAM : Invoices from credit and charge card sales may be purchased by Seller from Buyer for approved charge and credit cards, but only as to such merchandise and services and upon such express regulations and instructions as may be set forth in the "Titan Merchant Terms and Operating Procedures Manual" published by Seller and furnished to Buyer from time-to-time. Upon failure by Buyer to comply strictly with such regulations and instructions, Seller shall have the right to charge back to Buyer any amounts represented by non-complying sales. Such regulations and instructions, as amended or supplemented from time-to-time at Seller's sole discretion, shall be deemed part of this Agreement. Buyer shall accept and honor all credit card, charge card, fuel card, contract fuel, and other payment methods designated by Seller. All transactions shall be processed via point-of-sale devices and web-enabled processing

solutions that are designated and provided by Seller or 3rd party software vendors designated and approved by Seller.

14. CONTRACT FUEL PROGRAM: Seller offers a comprehensive Contract Fuel Program, and Buyer agrees to participate in this program exclusively. Buyer represents and warrants that all contract fuel sales will be through Seller's Contract Fuel Program and that it will not use any other Supplier or Reseller Contract Fuel Program. Buyer agrees that into-wing services provided by Buyer to Seller's contract fuel customers will be at a fee lower than any other fee offered to other Resellers. Buyer agrees to process all Reseller transactions via Seller's Contract Fuel Program.

15. NOTICES: Any notice given by one party to the other in connection with this Agreement shall be in writing and shall be sent by certified or registered mail, return receipt requested:

SELLER: TITAN AVIATION FUELS
Post Office Box 12327
New Bern, North Carolina 28561

BUYER: CITY OF LANCASTER
Post Office Box 940
Lancaster, Texas 75146

16. INCENTIVES:

- ➔ Titan Aviation Fuels will contribute \$15,000 towards Fuel Facility Maintenance, Refueler Maintenance or Marketing (If the City of Lancaster elects to extend a 5-year option after the current term, Titan Aviation Fuels will contribute an additional \$15,000 towards Fuel Facility Maintenance, Refueler Maintenance or Marketing)
- ➔ Titan Aviation Fuels will contribute \$500 annually for special airport events
- ➔ Titan Aviation Fuels will contribute \$500 towards uniforms annually
- ➔ Titan Aviation Fuels will provide Atlas FBO Software (Basic Package) Free for the entirety of contract
- ➔ Titan Aviation Fuels will contribute \$.005 into a COOP Fund for every gallon purchased from the City of Lancaster that can be used towards uniforms or marketing material
- ➔ Annual Quality Control audit & 24/7 support no charge

17. MERGER: There is no arrangement, agreement or understanding, by or between the contracting parties expressed or implied in any manner relating to the subject matters hereof nor herein specifically stated, and this Agreement shall not be altered or amended except in writing signed by both Buyer and Seller.

This the 6th day of July, 2021.

EASTERN AVIATION FUELS, INC dba TITAN AVIATION FUELS

By: _____
Robert L. Stallings, IV, President

WITNESS: _____

CITY OF LANCASTER

By: _____

WITNESS: _____

STATE OF TEXAS

COUNTY OF DALLAS

LEASE AGREEMENT

THIS AGREEMENT, made and entered into this the 6th day of July, 2021, by and between TITAN AVIATION FUELS, a corporation existing under and by virtue of the laws of the State of North Carolina, with its principal office in New Bern, North Carolina, and hereinafter referred to as "Lessor" and CITY OF LANCASTER., hereinafter referred to as "Lessee":

WITNESSETH

Lessor agrees to deliver and lease to Lessee for Lessee's use at the Lancaster Regional Airport, the aviation refueling truck (hereinafter referred to as "refueling equipment") described as follows:

- (1) 3000 Gallon Jet A Refueler - \$750 Per Month (2007 Model)
- (1) 1000 Gallon Avgas Refueler - \$550 Per Month (2008 Model)

This confirms our mutual understanding that the above described refueling equipment is, as of the above date, leased to Lessee subject to the following terms and conditions:

1. For the use of said refueling equipment during the term hereof, Lessor hereby agrees to lease to Lessee the refueling equipment for a rental fee of \$1,300 per month, plus applicable sales and use tax, to commence as of the 1st day of August, 2021. Lessor shall be permitted to increase said rental while this agreement is in effect by giving Lessee at least sixty (60) days advance written notice of the effective date of said increased rental. In the event of any increase in rental, Lessee shall have the right to terminate this agreement on the effective date of said increase by giving Lessor thirty (30) days advance written notice of its intention to terminate on said effective date.

2. This agreement shall remain in effect for a primary term of 5 years beginning on the 1st day of August, 2021, and for an indefinite period thereafter unless and until either party shall notify the other in writing of its desire to terminate this agreement at least thirty (30) days prior to expiration of the primary term, or any other desired termination date thereafter; provided however, this agreement may be terminated at any time without notice on account of breach or default of the terms of this agreement. If the refueling equipment is leased for a period of less than sixty months, the Lessee will be responsible for the freight charges associated with the delivery and pick up of the refueling equipment.

3. Said refueling equipment shall in no way become the property of Lessee,

or anyone claiming thereunder, and shall be used solely by Lessee or its representatives at Lancaster Regional Airport, for handling the aviation fuels supplied by Titan Aviation Fuels.

4. Lessee shall pay all sales and property taxes, assessments, and licenses and registrations on said refueling equipment during the term of the lease, and furnish to Lessor's reasonable satisfaction, verification that payment has been made before said taxes, assessments, or fees become delinquent.

5. It is understood and agreed that Lessee will not encumber said refueling equipment or do or permit anything to prejudice the title of the owner thereto; will comply with all laws, ordinances, and regulations applicable to the refueling equipment; and Lessee agrees to release, indemnify and hold the Lessor and the owner of said refueling equipment harmless from and against any and all claims, liabilities, losses, obligations and causes of action for injury or death of any and all persons, or for damage to or destruction of any or all property arising out of or resulting from the condition, existence, use or maintenance of such refueling equipment, including, but not limited to loss or damage to the refueling equipment, whether or not any of same shall result in whole or in part from the negligence of Lessee or those acting under it. SAID REFUELING EQUIPMENT IS LEASED "AS IS" WITHOUT WARRANTY AS TO MERCHANTABILITY, TITLE, CONDITION, OR FITNESS FOR ANY PURPOSE. It is also agreed that Lessee shall not add or remove any equipment or appurtenances to or from said equipment without the written consent of Lessor.

6. It is further understood and agreed that each party accepts the applicable responsibilities for operating and maintaining said refueling equipment listed as hereafter provided, said list being made a part hereof by reference. Lessor shall be permitted access to inspect the refueling equipment at all reasonable times.

7. Lessee agrees that it shall return said refueling equipment to Lessor at the termination of this agreement in as good condition as when Lessee received it, normal wear and tear excepted.

8. Lessee agrees to maintain adequate physical damage insurance on refueling equipment during the term of this lease with Lessor named as an additional insured party, and to furnish a copy of certificate of insurance to Lessor.

9. This agreement supersedes and takes the place of all former agreements, and amendments thereto, heretofore entered into between the parties covering the lease of refueling equipment at the location above-stated.

10. Lessee agrees that it will not use or permit the use of the vehicle leased hereunder in a negligent or improper manner or in violation of any law; or so as to avoid any insurance covering the same; or as a public or private livery; or permit the vehicle to become subject to any lien, charge or encumbrances.

11. The Lessee is responsible for:

A. Performing minor maintenance on refueler, including preventive maintenance, tune-ups, starter repair, battery replacement, alternator repair, filter/element replacement, ground reel replacement, deadman cable & handle replacement, fuel nozzle replacement, etc. The Lessor shall be responsible for major repairs if caused by normal wear and tear (engine or transmission rebuilding, etc.)

B. Quality control inspections on the fueling equipment and for filter replacement at regular intervals.

C. Furnishing all fuel for refueling equipment.

D. Checking and maintaining sufficient supply of lubricating oil in crankcase.

E. Checking regularly and maintaining sufficient supply of gear oil in transmission and differential.

F. Pay for all ground reel equipment and replacement of aviation refueling hose.

G. Checking battery water level weekly. Test and charge battery as necessary. Replace as needed.

H. Maintaining proper air pressure in tires, and making all necessary tire changes and repairs, including replacements.

I. Pay for all deadman cable and handle replacements.

J. Checking and maintaining adequate all-season antifreeze in radiator to protect cooling system properly. Antifreeze shall be maintained in refueling equipment throughout the year.

K. Keeping all fire extinguishers fully charged and in good working order.

L. Pay for meter calibration, if any required.

M. Inspect nozzle screens, filter, and filtering equipment daily, and clean as necessary.

N. Furnish any ladders desired by Lessee.

O. Pay for any fuel nozzle replacements.

P. Reimburse Lessor for replacement of parts or equipment lost from refueler equipment, and for all expenses incurred for repairs to, and/or replacement of parts of, the refueling equipment through carelessness, abuse, or neglect.

Q. Wash and clean refueling equipment as necessary to maintain good appearance.

R. Advise Lessor at once if operation of truck or refueling system indicates need for repairs which are Lessor's responsibility. Cost of local repairs or replacements by others will not be paid or reimbursed by Lessor unless prior authorization is secured from Lessor.

12. Lessee agrees to release, defend, indemnify, and hold Lessor harmless from and against any and all claims, liabilities, or loss expense (including attorney

fees), obligation and causes for action for injury to or death of any and all persons or for damage to or destruction of any and all property arising out of, or resulting from the use, maintenance and operation of the vehicle.

13. ATTORNEY AND/OR COLLECTION FEES: In the event of default by the Lessee, Lessee agrees to pay Lessor a late payment charge on any delinquent balance in the amount of 1.5% per month, 18.0% per annum or the maximum amount permitted by law from the date of default. Lessee agrees to pay any attorney or collection fees if incurred in the collection of any delinquent balance or the enforcement of this agreement.

14. The execution of this lease and the performance of any act pursuant to the provisions thereof shall not be deemed or constructed to have the effect of creating between Lessor and Lessee the relationship of principal or agent, or of a partnership or joint venture. Lessee shall indemnify and hold the Lessor harmless against any and all claims for damages or injury to any personal property sustained in the operation, use and maintenance of the said vehicle as a result of any willful, intentional, or negligent acts or conduct of Lessee, its agents or employees.

IN WITNESS WHEREOF, the parties have hereunto caused this instrument to be executed in their corporate names by their Presidents, attested by their Secretaries, and their corporate seals to be hereto affixed, all by order of their respective Boards of Directors and this instrument is executed in duplicate originals, with each party retaining a copy thereof.

TITAN AVIATION FUELS

By: _____
Robert L. Stallings, IV
President

WITNESS:

CITY OF LANCASTER

By: _____

WITNESS:

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

3.

Meeting Date: 08/09/2021

Policy Statement: This request supports the City Council 2020-2021 Policy Agenda

Goal(s): Effective Municipal Operations

Submitted by: Kellen Benbrook, Airport Manager

Agenda Caption:

Consider a resolution authorizing the City Manager to execute commercial and non-commercial leases, ground leases, and assignments and assumptions of ground leases at the Lancaster Regional Airport from August 1, 2021 to July 31, 2022.

Background:

In 2015, the City Council authorized the City Manager to sign Airport T-Hangar and T-Spot Leases and Ground Lease Assignments and Assumptions. This has been renewed every year since. The authorization has been working great to provide good and timely customer service for lease approvals with our tenants and future tenants. This renewal includes authorization for the City Manager to sign T-Hangar, T-Spot, Ground, and Commercial Leases and Assignment & Assumption of Leases. The authorization will be active for one year.

Operational Considerations:

City commercial and non-commercial leases, ground leases, and assignments and assumptions of ground leases are utilized at Lancaster Regional Airport for contractual control of the City owned ground and buildings.

Legal Considerations:

All attached lease agreements have been reviewed and approved as to form by the City Attorney.

Public Information Considerations:

This item is being considered at a Regular Meeting of the City Council noticed in accordance with the Texas Open Meetings Act.

Options/Alternatives:

1. City Council may approve the resolution, as presented.
2. City Council may deny the resolution.

Recommendation:

Staff recommends approval of the resolution, as presented.

Attachments

Resolution

T-Spot Lease

T-Hangar Lease

Ground Lease

Assignments & Assumptions of Ground Leases

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE COMMERCIAL AND NON-COMMERCIAL LEASES, GROUND LEASES AND ASSIGNMENTS AND ASSUMPTIONS OF GROUND LEASES AT THE LANCASTER REGIONAL AIRPORT AUGUST 1, 2021 TO JULY 31, 2022.

WHEREAS, Lancaster Regional Airport has commercial and non-commercial spaces available for lease; and

WHEREAS, Lancaster Regional Airport has ground leases for private development and assignments and assumptions for the sale of the private property; and

WHEREAS, the City Council of Lancaster, Texas, desires to pre-authorize the City Manager to sign commercial and non-commercial leases, ground leases, and assignments and assumptions of ground leases sold between private parties on a form approved by the City Attorney; and

WHEREAS, the delegation to the City Manager will assist in expediting an efficient airport operation;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS:

SECTION 1. That the City Manager is hereby authorized to utilize and execute commercial and non-commercial leases, ground leases, and assignments and assumptions of ground leases on behalf of the City of Lancaster, Texas for Lessees at the Lancaster Regional Airport, for the period of time from August 1, 2021 to July 31, 2022.

SECTION 2. This Resolution shall become effective immediately from and after its passage, as the law and charter in such cases provide and shall expire on July 31, 2022, unless extended by the City Council.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on this the 9th day of August, 2021.

ATTEST:

APPROVED:

Sorangel O. Arenas, City Secretary

Clyde C. Hairston, Mayor

APPROVED AS TO FORM:

David T. Ritter, City Attorney



LANCASTER REGIONAL AIRPORT

Agreement for Lease of T-Spot for Storage of Aircraft

Non-Commercial Tenants

This CONTRACT and AGREEMENT OF LEASE, made this **1st day of MMMM, YYYY**, between the City of Lancaster, Texas, a municipal corporation, ("LESSOR") and **FIRST LAST**, (LESSEE"), evidences the following:

I.

LESSOR leases to LESSEE, and LESSEE takes from LESSOR, the following described premises located at the Lancaster Regional Airport ("Airport"), in the City of Lancaster, Dallas County, Texas, for and in consideration of the uses and for the terms and the rental hereinafter set forth, and subject and in accordance with the standard terms and provisions below.

1. **Premises:** T-Spot **T-##**, located at the Airport ("Leased Premises").
2. **Uses:** The leased premises shall be used and occupied only for the storing of aircraft owned, leased, and/or legally operated by LESSEE and related equipment. The leased premises shall be used and occupied only for the personal, business, and/or private use of the LESSEE. LESSEE shall provide LESSOR with a copy of the FAA Certificate of Aircraft Registration for the aircraft to be stored under this agreement. If the registration is not in the name of LESSEE, a copy of a valid lease or other documentation showing a possessory interest in the aircraft shall be provided. LESSEE shall not store non-aviation items such as house hold goods in leased premises. LESSEE shall not use the leased premises for any on going business or commercial operations warehousing goods or services for sale to third parties.
3. **Term:** The term of this lease will be from month to month, beginning the **1st day of MMMM, YYYY**. Either party may cancel and terminate this agreement by serving thirty (30) days written notice of its election to do so.
4. **Rent:** LESSEE shall pay LESSOR as rent \$60.00 per month, due and payable in advance on the first day of each month.
 - a. All rental payments shall be delivered to LESSOR at the following address:
City of Lancaster
Finance Department
P.O. Box 940
211 N. Henry Street
Lancaster, TX 75146
 - b. All payments not received by the 10th of each month shall constitute a default and breach of this Lease Agreement as set forth in paragraph 10 herein. All payments not received by the 10th of each month shall be considered "past due" for purposes of incurring

late charges as calculated in subsection (c) herein, and additional late charges will begin to accrue on the 11th day of each month.

c. In the event the payment is received after the 10th day of the month, there shall be added a late charge of ten percent (10%) of the amount due.

d. LESSEE'S agreement to make rental payments shall be a covenant independent of all other covenants herein.

e. LESSOR retains the right to review the monthly rental rates and to make adjustments to said rental rates to reflect the then current market rental rates charged for similar facilities.

5. **Utilities:** Utilities are included in LESSEE's rental payment.

II.

STANDARD TERMS AND PROVISIONS

1. **Prohibited Uses:** LESSEE shall not use or permit the use of the premises or any part thereof for any purpose or purposes other than those set forth herein. LESSEE shall not commit or cause to be committed any waste in or upon the premises or maintain any public or private nuisance or any other action which may interfere with or disturb the quiet enjoyment of any other tenant of the building or buildings, or permit the use of the premises for any improper or unlawful purposes. Hazardous activities such as, but not limited to: smoking, painting, doping or the other application of hazardous substances are expressly prohibited. Nothing contained in this Section 1 shall, however, prohibit or limit LESSEE's right to use any apparatus, machinery, equipment or devices necessary or useful to LESSEE in the conduct of its activities on or about the premises.

2. **Disabled Aircraft:** LESSEE shall store only the following aircraft on the lease premises under any of the following conditions:

- a. Aircraft in a current airworthy condition according to Federal Aviation Regulations with a current FAA airworthiness certificate and U.S. or foreign registration,
- b. Aircraft with a current FAA airworthiness certificate and registration in a continuing process of overhaul and/or repair showing monthly progress,
- c. Final assembly of amateur built aircraft in preparation to obtain airworthiness certification.

Restoration or construction of an aircraft shall be completed (and an airworthiness certificate issued for amateur built aircraft) within 5 years from the beginning of this lease.

Monthly progress is defined as a major component, subcomponent, major system or subsystem is completed or installed on the aircraft every 30 days with appropriate log entries made.

Upon request from the Airport Manager, LESSEE shall provide monthly evidence of progress. Evidence includes but is not limited to: visual inspection of aircraft, photographs and log entries.

Should LESSEE sell the aircraft, LESSEE shall have ninety (90) days to acquire an aircraft to house upon the leased premises or LESSEE shall relinquish said premises to LESSOR.

Any exception to forgoing requirements must be approved by LESSOR'S Airport Manager.

3. **Compliance with Applicable Laws:** LESSEE shall comply with all applicable laws, ordinances, rules, regulations, and orders of any Federal, State, and City law governing the conduct of LESSEE'S activities on or about the premises.

4. **Alterations.** LESSEE shall make no structural or electrical changes or alterations, or construct any permanent additions or improvements, or do any work in connection therewith, on or about the premises without the prior written consent of the LESSOR'S Airport Manager, whose decision shall be final, and which consent shall not be unreasonably withheld. Any permanent improvements or additions to the leased premises shall be deemed to be fixtures and title to said improvements or additions shall vest in the LESSOR immediately upon completion of construction or attachment.

5. **Entry and Inspection:** LESSOR shall have the right to enter upon and inspect the premises from time to time during the term hereof, to make any repairs deemed necessary by the LESSOR for the safety, improvement, or preservation of the leased premises, without abatement of rent; provided however, that LESSOR shall not, during the course of any such inspection or repairs, unreasonably interfere with the LESSEE'S use and enjoyment of the premises. LESSEE shall provide a copy of all keys and lock combinations required to access the leased premises to airport administration.

6. **Services Furnished by LESSOR:** LESSOR shall furnish adequate utility power service for night time lighting. LESSOR assumes no liability to LESSEE for failures or interruptions of any and all services or utilities furnished to LESSEE when due to causes beyond the control of LESSOR, including but not limited to floods, fire, and power failures.

7. **Security of Premises by LESSEE:** LESSEE shall furnish and utilize adequate tie-downs, chocks, and other equipment as required by the specific aircraft to secure the aircraft within the leased premises at all times the aircraft is in a state of storage. This provision shall not in any way affect the requirements set forth in section II, paragraph 4.

8. **Care of Premises by LESSEE:** LESSEE shall keep the leased premises in a safe, neat, clean, and presentable condition at all times and shall promptly repair any damage caused by LESSEE, its officers, agents, employees, or invitees.

9. **Indemnity and Hold Harmless:** LESSEE agrees to indemnify, defend, and hold LESSOR, its officers, agents, employees, or invitees harmless from and against all claims, demands, causes of actions, suits or judgments (including costs and expenses incurred in connection therewith) for death, injuries to persons, or for loss or damage to property arising out of or in connection with the negligent or intentional

act or omission of LESSEE, its officers, agents, employees, or invitees related to or association with the use and occupancy of the Leased Premises and airport facilities including, but not limited to, claims or damage related to or associated with the storage or maintenance of LESSEE's aircraft upon Airport, or from injury or damage caused to any person's property by reason of the operations of said aircraft. LESSEE further covenants and agrees that LESSEE shall not hold LESSOR or any of its officers, agents, or employees responsible for any loss to LESSEE'S aircraft, automobile, personal property, parts, or supplies that may be located or stored in, on, or about the Leased Premises, where such loss is caused by natural disaster or act of God, including, but not limited to fire, rain, wind, or hail.

10. **Disclaimer:** LESSEE agrees to accept all facilities and the leased premises in the condition in which they are found. LESSOR disclaims and LESSEE accepts LESSOR'S disclaimer of any warranty, express or implied, of the conditions or fitness for the use of the leased premises.

11. **Default:** The following events shall be deemed to be events of default by LESSEE under this Lease Agreement:

a. LESSEE shall fail to pay any installment of rent, and such failure shall continue for a period of ten (10) days following the due date of said installment.

b. LESSEE shall fail to comply with any term, provision or covenant of this Lease Agreement, other than the payment of rent, and shall not cure such failure within twenty (20) days after written notice thereof to LESSEE.

c. LESSEE shall fail to provide access to leased premises as described under section II, paragraphs 5 and 7 to airport administration.

d. LESSEE shall fail to provide accurate and correct contact information as set forth in section II, paragraph 19.

Upon the occurrence of any event of default specified above, LESSOR shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

e. Terminate this Lease Agreement in which event LESSEE shall immediately surrender the premises to LESSOR; and if LESSEE fails to do so, LESSOR may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession and expel or remove LESSEE, any other person who may be occupying said premises or any part thereof, and contents therein, including LESSEE'S aircraft, by force if necessary, without being liable for prosecution or any claim of damages therefor; and LESSEE agrees to pay to LESSOR on demand the amount of all loss and damage which LESSOR may suffer by reason of such termination, whether through inability to re-let the premises on satisfactory terms or otherwise.

f. Enter upon and take possession of the premises and expel or remove LESSEE and any other person who may be occupying the premises or any part thereof, by force if necessary, without being liable for prosecution or any claim of damages therefor; and if LESSOR so elects, re-let the premises on such terms as LESSOR shall deem advisable and receive the rent thereof; and LESSEE agrees to pay to LESSOR on demand any deficiency that may arise by reason of such re-letting.

g. Enter upon the premises, by force if necessary, without being liable for prosecution or any claim of damages therefor and do whatever LESSEE is obligated to do under the terms of this Lease Agreement; and LESSEE agrees to reimburse LESSOR on demand for any expenses which LESSOR may incur in thus effecting compliance with LESSEE's obligations under this Lease Agreement; and LESSEE further agrees that LESSOR shall not be liable for any damages resulting to LESSEE from such action.

No reentry or taking possession of the premises by LESSOR shall be construed as an election on its part to terminate this Lease Agreement, unless a written notice of such intention be given to LESSEE. Notwithstanding any such re-letting or reentry or taking possession, LESSOR may at any time thereafter elect to terminate this Lease Agreement for a previous default. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall the pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to LESSOR hereunder or of any damages accruing to LESSOR by reason of the violation of any of the terms, provisions and covenants herein contained. LESSOR's acceptance of rent following an event of default hereunder shall not be construed as LESSOR's waiver of such event of default. No waiver by LESSOR of any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or constitute a waiver of any other violation or breach of any of the terms, provisions and covenants herein contained. Forbearance by LESSOR to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of such default. The loss or damage that LESSOR may suffer by reason of termination of this Lease Agreement or the deficiency from any re-letting as provided for above shall include the expense of repossession and any repairs or remodeling undertaken following possession. Should LESSOR at any time terminate this Lease Agreement for any default, in addition to any other remedy LESSOR may have, LESSOR may recover from LESSEE all damages LESSOR may incur by reason of such default, including cost of recovering the premises and reasonable attorney's fees expended by reason of default.

12. Assignment, Encumbrances, and Subletting: LESSEE shall not assign, pledge, or otherwise encumber this lease or the premises covered thereby. LESSEE shall not sublet the premises or any part thereof, or furnish to any other person any ground space, office space, aircraft storage space, or other right or privilege in or on any Airport property without the prior written consent of the LESSOR's Airport Manager. Said consent shall not be unreasonably withheld. The rental rate paid by the SUBLESSEE shall not be greater than that paid by LESSEE to LESSOR.

It is understood that consent of the LESSOR to any subletting in one instance shall not constitute consent of the LESSOR to any other subletting. Any assignment, sublease, or other such agreements consented to shall be in writing and shall be approved as to form by LESSOR'S City Attorney.

13. Surrender of Premises: Upon termination of this lease by either party, or by reason of default or otherwise, LESSEE shall remove itself, aircraft, and all other personal property, debris and equipment stored by LESSEE in and upon the premises. LESSEE shall, at its own expense, repair any damage cause by LESSEE'S use. LESSEE shall, upon termination of this lease, surrender the premises to LESSOR in the same condition as received, ordinary wear and tear excepted. LESSOR will charge a reasonable fee for cleaning and/or disposal of any items left behind upon the premises.

14. **Rules and Regulations:** LESSEE shall faithfully observe and comply with all rules and regulations of LESSOR, including any rules and regulations promulgated by LESSOR'S Airport Manager, not inconsistent with the provisions of this lease. Such rules and regulations shall be communicated by LESSOR'S Airport Manager, in writing, to LESSEE and necessary for the reputation, safety, care, or appearance of the building, or preservation of good order, the operation or maintenance of equipment, or the comfort or safety of other Airport tenants.

15. **Successors and Assigns:** The terms, covenants, agreements, and conditions contained herein shall be binding upon LESSEE'S heirs, successors, executors, administrators, and assignees. This provision shall not in any way affect the requirements set forth in section II, paragraph 10.

16. **Signs:** LESSEE shall not erect, install, or place any signs on or about the leased premises without the prior written consent and approval of the LESSOR'S Airport Manager.

17. **Ingress and Egress:** LESSEE, its invitees, visitors, and suppliers of materials and services shall have full and free rights of ingress and egress to and from the premises and to and from other Airport buildings subject to rules and regulations of LESSOR and LESSOR'S Airport Manager.

18. **Chemicals and other Toxic Substances:** No chemicals or other toxic substances shall be stored unless in compliance with adopted Lancaster Regional Airport rules and regulations, as amended, which are incorporated herein as is set forth in full and on file with the City Manager or his/her designee.

19. **Notices:** All legal notices given or required in connection with this lease shall be in writing and shall be sent via Mail or E-Mail to the following persons(s):

LESSOR: City of Lancaster
Lancaster Regional Airport
P.O. Box 940
211 N. Henry Street
Lancaster, TX 75146

LESSEE: Name:
Address:
Phone:
E-Mail:

20. **Insurance:** LESSEE shall, at its own option, carry its own insurance on its aircraft and other equipment which LESSEE stores in or on the leased premises.

21. **Waiver of Attorney Fees:** LESSOR and LESSEE covenant and agree that in the event of any litigation arising between the parties to this lease, LESSEE shall be solely responsible for payment of its attorney's fees. In no event shall LESSOR be responsible for LESSEE'S attorney's fees regardless of the outcome of the litigation.

22. **Entire Agreement:** This agreement constitutes the entire understanding between the

parties, and, as of its effective date, supersedes all prior or independent agreements covering the LESSEE'S occupation of the leased premises. Any change or modification hereof shall be in writing, signed by both parties. The parties to this agreement hereby agree and acknowledge that they are the principals to the agreement and have the power, right, and authority to enter into this agreement and are not acting on behalf, or as an agent, of any third party.

23. **Severability:** If any provision of this agreement shall be finally declared void or illegal by a court having competent jurisdiction, the entire agreement shall not be void, but the remaining provisions shall continue in effect as nearly as possible in accordance with the original intent of the parties. Venue governed by Texas law except where exempted by Federal law and Rules and Regulations.

24. **Governing Law; Venue:** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Venue for any disputes arising from or related to the performance of this Agreement shall be in a state district court in Dallas County, Texas.

25. **Captions:** The Captions to the various clauses of this agreement are for informational purposes only and in no way alter the substance of the terms and conditions of this agreement.

26. **Landlord's Lien:** Pursuant to Section 54.021 of the Texas Property Code, LESSOR has a preference lien on the property of the LESSEE or any SUBLESSEE in the building for rent that is due and for rent that is to become due during the current 12 month period succeeding the date of the beginning of the rental agreement or an anniversary of that date.

IN WITNESS HEREOF, the parties executed this lease as of the day and year first above written.

CITY OF LANCASTER, LESSOR

LESSEE:

By: _____

Opal Mauldin-Jones,
City Manager

ATTEST:

Sorangel O. Arenas, City Secretary



LANCASTER REGIONAL AIRPORT

Agreement for Lease of T-Hangar for Storage of Aircraft

Non-Commercial Tenants

This CONTRACT and AGREEMENT OF LEASE, made this **1st day of MMMM, YYYY**, between the City of Lancaster, Texas, a municipal corporation, ("LESSOR") and **FIRST LAST**, (LESSEE"), evidences the following:

I.

LESSOR leases to LESSEE, and LESSEE takes from LESSOR, the following described premises located at the Lancaster Regional Airport ("Airport"), in the City of Lancaster, Dallas County, Texas, for and in consideration of the uses and for the terms and the rental hereinafter set forth, and subject and in accordance with the standard terms and provisions below.

1. **Premises:** Hangar Row and Suite **###-1XX**, located at the Airport, and consisting of approximately **####** square feet ("Leased Premises").
2. **Uses:** The leased premises shall be used and occupied only for the storing of aircraft owned, leased, and/or legally operated by LESSEE and related equipment. The leased premises shall be used and occupied only for the personal, business, and/or private use of the LESSEE. LESSEE shall provide LESSOR with a copy of the FAA Certificate of Aircraft Registration for the aircraft to be stored under this agreement. If the registration is not in the name of LESSEE, a copy of a valid lease or other documentation showing a possessory interest in the aircraft shall be provided. LESSEE shall not store non-aviation items such as house hold goods in leased premises. LESSEE shall not use the leased premises for any on going business or commercial operations warehousing goods or services for sale to third parties.
3. **Term:** The term of this lease will be from month to month, beginning the **1st day of MMMM, YYYY**. Either party may cancel and terminate this agreement by serving thirty (30) days written notice of its election to do so.
4. **Rent:** LESSEE shall pay LESSOR as rent **\$###.00** per month, due and payable in advance on the first day of each month.

- a. All rental payments shall be delivered to LESSOR at the following address:

City of Lancaster
Finance Department
P.O. Box 940
211 N. Henry Street
Lancaster, TX 75146

- b. All payments not received by the 10th of each month shall constitute a default and breach of this Lease Agreement as set forth in paragraph 10 herein. All payments not

received by the 10th of each month shall be considered "past due" for purposes of incurring late charges as calculated in subsection (c) herein, and additional late charges will begin to accrue on the 11th day of each month.

c. In the event the payment is received after the 10th day of the month, there shall be added a late charge of ten percent (10%) of the amount due.

d. LESSEE'S agreement to make rental payments shall be a covenant independent of all other covenants herein.

e. LESSOR retains the right to review the monthly rental rates and to make adjustments to said rental rates to reflect the then current market rental rates charged for similar facilities.

5. **Utilities:** Utilities are included in LESSEE's rental payment.

II.

STANDARD TERMS AND PROVISIONS

1. **Prohibited Uses:** LESSEE shall not use or permit the use of the premises or any part thereof for any purpose or purposes other than those set forth herein. LESSEE shall not commit or cause to be committed any waste in or upon the premises or maintain any public or private nuisance or any other action which may interfere with or disturb the quiet enjoyment of any other tenant of the building or buildings, or permit the use of the premises for any improper or unlawful purposes. Hazardous activities such as, but not limited to: smoking, painting, doping or the other application of hazardous substances are expressly prohibited. Nothing contained in this Section 1 shall, however, prohibit or limit LESSEE's right to use any apparatus, machinery, equipment or devices necessary or useful to LESSEE in the conduct of its activities on or about the premises.

2. **Disabled Aircraft:** LESSEE shall store only the following aircraft on the lease premises under any of the following conditions:

- a. Aircraft in a current airworthy condition according to Federal Aviation Regulations with a current FAA airworthiness certificate and U.S. or foreign registration,
- b. Aircraft with a current FAA airworthiness certificate and registration in a continuing process of overhaul and/or repair showing monthly progress,
- c. Final assembly of amateur built aircraft in preparation to obtain airworthiness certification.

Restoration or construction of an aircraft shall be completed (and an airworthiness certificate issued for amateur built aircraft) within 5 years from the beginning of this lease.

Monthly progress is defined as a major component, subcomponent, major system or subsystem is completed or installed on the aircraft every 30 days with appropriate log entries made.

Upon request from the Airport Manager, LESSEE shall provide monthly evidence of progress. Evidence includes but is not limited to: visual inspection of aircraft, photographs

and log entries.

Should LESSEE sell the aircraft, LESSEE shall have ninety (90) days to acquire an aircraft to house upon the leased premises or LESSEE shall relinquish said premises to LESSOR.

Any exception to forgoing requirements must be approved by LESSOR'S Airport Manager.

3. **Compliance with Applicable Laws:** LESSEE shall comply with all applicable laws, ordinances, rules, regulations, and orders of any Federal, State, and City law governing the conduct of LESSEE'S activities on or about the premises.

4. **Alterations:** LESSEE shall make no structural or electrical changes or alterations, or construct any permanent additions or improvements, or do any work in connection therewith, on or about the premises without the prior written consent of the LESSOR'S Airport Manager, whose decision shall be final, and which consent shall not be unreasonably withheld. Any permanent improvements or additions to the leased premises shall be deemed to be fixtures and title to said improvements or additions shall vest in the LESSOR immediately upon completion of construction or attachment.

5. **Entry and Inspection:** LESSOR shall have the right to enter upon and inspect the premises from time to time during the term hereof, to make any repairs deemed necessary by the LESSOR for the safety, improvement, or preservation of the leased premises, without abatement of rent; provided however, that LESSOR shall not, during the course of any such inspection or repairs, unreasonably interfere with the LESSEE'S use and enjoyment of the premises. LESSEE shall provide a copy of all keys and lock combinations required to access the leased premises to airport administration.

6. **Services Furnished by LESSOR:** LESSOR shall furnish adequate utility power service for night time lighting. LESSOR assumes no liability to LESSEE for failures or interruptions of any and all services or utilities furnished to LESSEE when due to causes beyond the control of LESSOR, including but not limited to floods, fire, and power failures.

7. **Security of Premises by LESSEE:** LESSEE shall furnish an adequate lock to secure the hangar doors to the leased premises. LESSEE shall furnish and utilize adequate tie-downs, chocks, and other equipment as required by the specific aircraft to secure the aircraft within the leased premises at all times the aircraft is in a state of storage. This provision shall not in any way affect the requirements set forth in section II, paragraphs 4 and 5.

8. **Care of Premises by LESSEE:** LESSEE shall keep the leased premises in a safe, neat, clean, and presentable condition at all times and shall promptly repair any damage caused by LESSEE, its officers, agents, employees, or invitees.

9. **Indemnity and Hold Harmless:** LESSEE agrees to indemnify, defend, and hold LESSOR, its officers, agents, employees, or invitees harmless from and against all claims, demands, causes of actions, suits or judgments (including costs and

expenses incurred in connection therewith) for death, injuries to persons, or for loss or damage to property arising out of or in connection with the negligent or intentional act or omission of LESSEE, its officers, agents, employees, or invitees related to or association with the use and occupancy of the Leased Premises and airport facilities including, but not limited to, claims or damage related to or associated with the storage or maintenance of LESSEE's aircraft upon Airport, or from injury or damage caused to any person's property by reason of the operations of said aircraft. LESSEE further covenants and agrees that LESSEE shall not hold LESSOR or any of its officers, agents, or employees responsible for any loss to LESSEE'S aircraft, automobile, personal property, parts, or supplies that may be located or stored in, on, or about the Leased Premises, where such loss is caused by natural disaster or act of God, including, but not limited to fire, rain, wind, or hail.

10. **Disclaimer:** LESSEE agrees to accept all facilities and the leased premises in the condition in which they are found. LESSOR disclaims and LESSEE accepts LESSOR'S disclaimer of any warranty, express or implied, of the conditions or fitness for the use of the leased premises.

11. **Default:** The following events shall be deemed to be events of default by LESSEE under this Lease Agreement:

a. LESSEE shall fail to pay any installment of rent, and such failure shall continue for a period of ten (10) days following the due date of said installment.

b. LESSEE shall fail to comply with any term, provision or covenant of this Lease Agreement, other than the payment of rent, and shall not cure such failure within twenty (20) days after written notice thereof to LESSEE.

c. LESSEE shall fail to provide access to leased premises as described under section II, paragraphs 5 and 7 to airport administration.

d. LESSEE shall fail to provide accurate and correct contact information as set forth in section II, paragraph 19.

Upon the occurrence of any event of default specified above, LESSOR shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

e. Terminate this Lease Agreement in which event LESSEE shall immediately surrender the premises to LESSOR; and if LESSEE fails to do so, LESSOR may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession and expel or remove LESSEE, any other person who may be occupying said premises or any part thereof, and contents therein, including LESSEE'S aircraft, by force if necessary, without being liable for prosecution or any claim of damages therefor; and LESSEE agrees to pay to LESSOR on demand the amount of all loss and damage which LESSOR may suffer by reason of such termination, whether through inability to re-let the premises on satisfactory terms or otherwise.

f. Enter upon and take possession of the premises and expel or remove LESSEE and any other person who may be occupying the premises or any part thereof, by force if necessary, without being liable for prosecution or any claim of damages therefor; and if

LESSOR so elects, re-let the premises on such terms as LESSOR shall deem advisable and receive the rent thereof; and LESSEE agrees to pay to LESSOR on demand any deficiency that may arise by reason of such re-letting.

g. Enter upon the premises, by force if necessary, without being liable for prosecution or any claim of damages therefor and do whatever LESSEE is obligated to do under the terms of this Lease Agreement; and LESSEE agrees to reimburse LESSOR on demand for any expenses which LESSOR may incur in thus effecting compliance with LESSEE's obligations under this Lease Agreement; and LESSEE further agrees that LESSOR shall not be liable for any damages resulting to LESSEE from such action.

No reentry or taking possession of the premises by LESSOR shall be construed as an election on its part to terminate this Lease Agreement, unless a written notice of such intention be given to LESSEE. Notwithstanding any such re-letting or reentry or taking possession, LESSOR may at any time thereafter elect to terminate this Lease Agreement for a previous default. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall the pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to LESSOR hereunder or of any damages accruing to LESSOR by reason of the violation of any of the terms, provisions and covenants herein contained. LESSOR's acceptance of rent following an event of default hereunder shall not be construed as LESSOR's waiver of such event of default. No waiver by LESSOR of any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or constitute a waiver of any other violation or breach of any of the terms, provisions and covenants herein contained. Forbearance by LESSOR to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of such default. The loss or damage that LESSOR may suffer by reason of termination of this Lease Agreement or the deficiency from any re-letting as provided for above shall include the expense of repossession and any repairs or remodeling undertaken following possession. Should LESSOR at any time terminate this Lease Agreement for any default, in addition to any other remedy LESSOR may have, LESSOR may recover from LESSEE all damages LESSOR may incur by reason of such default, including cost of recovering the premises and reasonable attorney's fees expended by reason of default.

12. Assignment, Encumbrances, and Subletting: LESSEE shall not assign, pledge, or otherwise encumber this lease or the premises covered thereby. LESSEE shall not sublet the premises or any part thereof, or furnish to any other person any ground space, office space, aircraft storage space, or other right or privilege in or on any Airport property without the prior written consent of the LESSOR's Airport Manager. Said consent shall not be unreasonably withheld. The rental rate paid by the SUBLESSEE shall not be greater than that paid by LESSEE to LESSOR.

It is understood that consent of the LESSOR to any subletting in one instance shall not constitute consent of the LESSOR to any other subletting. Any assignment, sublease, or other such agreements consented to shall be in writing and shall be approved as to form by LESSOR'S City Attorney.

13. Surrender of Premises: Upon termination of this lease by either party, or by reason of default or otherwise, LESSEE shall remove itself, aircraft, and all other personal property, debris and equipment stored by LESSEE in and upon the premises. LESSEE shall, at its own expense, repair any damage caused by LESSEE'S use. LESSEE shall, upon termination

of this lease, surrender the premises to LESSOR in the same condition as received, ordinary wear and tear excepted. LESSOR will charge a reasonable fee for cleaning and/or disposal of any items left behind upon the premises.

14. **Rules and Regulations:** LESSEE shall faithfully observe and comply with all rules and regulations of LESSOR, including any rules and regulations promulgated by LESSOR'S Airport Manager, not inconsistent with the provisions of this lease. Such rules and regulations shall be communicated by LESSOR'S Airport Manager, in writing, to LESSEE and necessary for the reputation, safety, care, or appearance of the building, or preservation of good order, the operation or maintenance of equipment, or the comfort or safety of other Airport tenants.

15. **Successors and Assigns:** The terms, covenants, agreements, and conditions contained herein shall be binding upon LESSEE'S heirs, successors, executors, administrators, and assignees. This provision shall not in any way affect the requirements set forth in section II, paragraph 10.

16. **Signs:** LESSEE shall not erect, install, or place any signs on or about the leased premises without the prior written consent and approval of the LESSOR'S Airport Manager.

17. **Ingress and Egress:** LESSEE, its invitees, visitors, and suppliers of materials and services shall have full and free rights of ingress and egress to and from the premises and to and from other Airport buildings subject to rules and regulations of LESSOR and LESSOR'S Airport Manager.

18. **Chemicals and other Toxic Substances:** No chemicals or other toxic substances shall be stored unless in compliance with adopted Lancaster Regional Airport rules and regulations, as amended, which are incorporated herein as is set forth in full and on file with the City Manager or his/her designee.

19. **Notices:** All legal notices given or required in connection with this lease shall be in writing and shall be sent via Mail or E-Mail to the following persons(s):

LESSOR: City of Lancaster
Lancaster Regional Airport
P.O. Box 940
211 N. Henry Street
Lancaster, TX 75146

LESSEE: Name:
Address:
Phone:
E-Mail:

20. **Insurance:** LESSEE shall, at its own option, carry its own insurance on its aircraft and other equipment which LESSEE stores in or on the leased premises.

21. **Waiver of Attorney Fees:** LESSOR and LESSEE covenant and agree that in the event of any litigation arising between the parties to this lease, LESSEE shall be solely

responsible for payment of its attorney's fees. In no event shall LESSOR be responsible for LESSEE'S attorney's fees regardless of the outcome of the litigation.

22. **Entire Agreement:** This agreement constitutes the entire understanding between the parties, and, as of its effective date, supersedes all prior or independent agreements covering the LESSEE'S occupation of the leased premises. Any change or modification hereof shall be in writing, signed by both parties. The parties to this agreement hereby agree and acknowledge that they are the principals to the agreement and have the power, right, and authority to enter into this agreement and are not acting on behalf, or as an agent, of any third party.

23. **Severability:** If any provision of this agreement shall be finally declared void or illegal by a court having competent jurisdiction, the entire agreement shall not be void, but the remaining provisions shall continue in effect as nearly as possible in accordance with the original intent of the parties. Venue governed by Texas law except where exempted by Federal law and Rules and Regulations.

24. **Governing Law; Venue:** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Venue for any disputes arising from or related to the performance of this Agreement shall be in a state district court in Dallas County, Texas.

25. **Captions:** The Captions to the various clauses of this agreement are for informational purposes only and in no way alter the substance of the terms and conditions of this agreement.

26. **Landlord's Lien:** Pursuant to Section 54.021 of the Texas Property Code, LESSOR has a preference lien on the property of the LESSEE or any SUBLESSEE in the building for rent that is due and for rent that is to become due during the current 12 month period succeeding the date of the beginning of the rental agreement or an anniversary of that date.

IN WITNESS HEREOF, the parties executed this lease as of the day and year first above written.

CITY OF LANCASTER, LESSOR

LESSEE:

By: _____

Opal Mauldin-Jones,
City Manager

ATTEST:

Sorangel O. Arenas, City Secretary

GROUND LEASE

WHEREAS, the City of Lancaster (hereinafter called "City" or "Owner") is the owner of the Lancaster Regional Airport in Lancaster, Texas (the "Airport"); and

WHEREAS, the development of the Airport and its pad sites is important to the vitality of the Airport.

This Ground Lease (the "Lease") is made this **1st day of MMMM, YYYY** (the "Commencement Date") between the City and **FIRST LAST** (hereinafter called "Lessee"), which has entered into an agreement to acquire a ground lease for Hangar No. **L-XX** on the Airport property (said Hangar, together with the improvements now or hereafter located thereon or installed therein are collectively referred to herein as the "Leased Premises"), which is situated on Lot No. C of the land more particularly described on **Exhibit A** attached hereto and incorporated herein (said land comprising a portion of the Airport).

- 1. INITIAL TERM.** The term of this Lease shall be from the Commencement Date until **MMMM DD, YYYY**.
- 2. GROUND RENT.** In consideration of this Lease, Lessee agrees during each year of the term of this Lease to pay to the City a yearly ground rental ("Ground Rent"). Ground Rent will be due in advance, with the first installment due on the Commencement Date and each subsequent installment due on each anniversary of the Commencement Date. The yearly Ground Rent shall be as follows:

Years 1-3	\$ #####.##
Years 4-6	\$ #####.##
Years 7-9	\$ #####.##
Years 10-15	\$ #####.##

Any Ground Rent or any other sums due and owing by Lessee to City hereunder which is/are not paid within ten (10) days after its/their due date shall bear interest at a rate of 10% per annum until said amount due is fully paid.

- 3. EXTENSION OF TERM.** Lessor hereby grants Lessee, its successors, heirs, and assigns, two successive options to extend this Lease on the Lease remises, as existing at the times(s) when either is exercised as follows:
 - a. **First Option Period:** Five (5) years, beginning at the expiration date of the initial term.
 - b. **Second Option Period:** Five (5) years beginning at the expiration date of the first option period.

- i. As a condition for the exercise of each option, Lessee shall give Lessor written notice of Lessee's intent to exercise its option at least six (6) months prior to the expiration date of the term of the Lease, as then in effect.
- ii. All conditions and covenants contained herein shall remain in force during any extension of term pursuant to said option(s) except the provision for rental, which shall be renegotiated by the parties in advance of any extension using as a basis the standard airport ground rental rates then prevailing at Lancaster Regional Airport. During any option period, no rental shall be charged for any lease hold improvements added or constructed by Lessee, or sublessee, or successor during the term of the Lease or any option period.
- iii. Lessee's right to exercise such option is conditional on proper notice, required in Paragraph "i." of this section and is further conditional upon Lessee not being in default in the performance of its covenants undertaken by Lessee at the beginning date of the extension of the term for which such notice is given.
- iv. Lessee shall not have the right to exercise such options if this Lease has been terminated under any termination rights provided for in the Lease, or if Lessee is in default as to any provision or condition of the Lease prior to the exercise of an option granted under this section.

4. LEASEHOLD IMPROVEMENTS: During the term of this Lease, Lessee shall have the right to construct additional facilities on the Leased Premises, all of which shall be in accordance with the terms and conditions of this Lease and any applicable City code or FAA requirements (the "Leasehold Improvements"). Any Leasehold Improvements shall be completed in strict accordance with the following:

- A. Lessee shall at no time permit a lien or claim against any part of the Leased Premises to exist or to come into being arising out of the Leasehold Improvements.
- B. All costs of Leasehold Improvements, labor, work, materials, and equipment installed or placed upon the Leased Premises shall be paid for solely by Lessee.
- C. Lessee understands and agrees that any damage to the Leased Premises caused by the construction and/or installation of the Leasehold Improvements shall be repaired at Lessee's sole cost and expense.

5. UTILITIES: Utilities will be provided for as follows:

- A. **ELECTRICITY:** All electrical usage for the Leased Premises is sub-metered, and Lessee will be responsible for all electricity charges incurred at the Leased Premises.
- B. **WATER AND SEWER:** Water and sewer charges for the Leased Premises will be assessed at a \$5.00 per month minimum charge, regardless of occupancy. This minimum charge may be increased to \$7.00 per month during the last 6 years of this Lease.

6. TERMS: During the term of this Lease, the Lessee agrees to the following:

- A. To abide by all rules and regulations of the Federal Aviation Administration (the "FAA"), State of Texas, City of Lancaster, and any other duly constituted public authority having jurisdiction over the Airport.
- B. To accept the Leased Premises (as of the Commencement Date) in its "as is, where is" condition. City hereby disclaims and Lessee hereby accepts such disclaimer of any warranty (except a 12-month warranty), express or implied, of the conditions of fitness for use of the Leased Premises. Except for damage to the Leased Premises resulting from the negligence or willful misconduct of the City and/or their agents, officers or employees (for which the City shall have liability to repair and/or replace such damage), Lessee shall maintain and repair the Leased Premises during the term hereof.
- C. During the term of this Lease, Lessee shall, at its sole cost and expense, carry (i) commercial general liability insurance (in amounts determined by Lessee), which shall name the City as an additional insured and (ii) property insurance with respect to the improvements now or hereafter comprising a part of the Leased Premises, which shall be in the amount of 100% of the replacement cost of all such improvements now or hereafter comprising a part of the Project (as such replacement cost is reasonably determined by Lessee) and name City as an additional insured, loss payee. All property insurance proceeds will be payable by joint check to the City and the Lessee for the sole purpose of rebuilding the improvements to at least their condition prior to the date of the applicable damage or casualty.
- D. To furnish such equipment in and to the Leased Premises as may be necessary to properly secure Lessee's aircraft and hangar (office areas included). Lessee agrees to be solely responsible for setting brakes, placing chocks, tying down or otherwise securing Lessee's aircraft in the Leased Premises.

- E. **NOT TO HOLD CITY OR ANY OF THEIR AGENTS OR EMPLOYEES RESPONSIBLE FOR ANY LOSS OCCASIONED BY FIRE, THEFT, RAIN, WIND, HAIL, OR ANY OTHER FORCE MAJEURE EVENT, WHETHER SAID CAUSE BE THE DIRECT, INDIRECT, OR MERELY A CONTRIBUTING FACTOR IN PRODUCING THE LOSS TO ANY AIRPLANE, AUTOMOBILE, PERSONAL PROPERTY, PARTS OR SURPLUS THAT MAY BE LOCATED OR STORED IN THE LEASED PREMISES, OFFICES, APRONS, FIELD, OR ANY OTHER LOCATION AT THE AIRPORT.**
 - F. **EXCEPT AS OTHERWISE INDICATED BELOW, TO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY AND THEIR AGENTS, OFFICERS, AND EMPLOYEES, FROM AND AGAINST ANY AND ALL LIABILITY OR LOSS RESULTING FROM CLAIMS OR COURT ACTION ARISING DIRECTLY OUT OF THE ACTS OF LESSEE, LESSEE'S AGENTS, SERVANTS, GUESTS, OR BUSINESS VISITORS, UNDER THIS LEASE OR BY REASON OF ANY ACT OR OMISSION OF SUCH PERSON ARISING FROM ANY USE OF THE AIRPORT PREMISES AND/OR FACILITIES.**
 - G. To prohibit storage of any inflammable liquids, gases, signal flares, or other similar material on the Leased Premises, or in any building on the Airport; except that such materials may be kept in aircraft housed within the Leased Premises, or in rooms or areas specifically approved for such storage by the Airport Supervisor, or in underwriter-approved safety cans.
 - H. To permit City to enter the Leased Premises with a prearranged appointment for inspection or repairs, of additions, or alterations necessary for the safety, improvement, or preservation of the Leased Premises.
 - I. City shall have, at all times during normal business hours, the right to enter into the Leased Premises and inspect Lessee's facilities and operations for the purposes of determining Lessee's compliance with its obligations under this Lease. City shall provide at least 24 hours' notice before any inspection except in cases of emergency. Notice shall be sufficient if prominently posted on the building on the Leased Premises 24 hours prior to the inspection.
- 7. ASSIGNMENTS AND SUBLETTING:** Lessee may sublet the Leased Premises or any part thereof provided Lessee delivers prior written notice thereof to the City. Lessee may assign its rights in this Lease to a third party provided the assignee shall agree in writing to assume all of the terms, covenants, and conditions of this Lease, and a duplicate original thereof shall be delivered to the City prior to the effective date of such assignment. Provided the immediately preceding sentence is satisfied,

the assignor of this Lease shall be released from any further liabilities or obligations under this Lease from and after the effective date of such assignment.

8. DEFAULT: The following shall be deemed to be events of default by Lessee under this Lease:

- A. The making by Lessee of an assignment for the benefit of its creditors;
- B. The levying on or against any part of the Leased Premises of a writ of execution or attachment which is not released or discharged within thirty (30) days thereafter;
- C. In the event proceedings are instituted in a court of competent jurisdiction for the reorganization, liquidation, or involuntary dissolution of Lessee, or for its adjudication as a bankrupt or insolvent, or for the appointment of a receiver of the property of Lessee, and proceedings are not dismissed, and any receiver, trustee, or liquidator appointed therein is not discharged within thirty (30) days after the institution of said proceedings;
- D. Any act which creates a Mechanics Lien or claim therefor against any part of the Leased Premises which is not released or discharged within thirty (30) days thereafter; or
- E. The failure of Lessee to pay any installment of Ground Rent or other charge or money obligation herein required to be paid by Lessee within twenty (20) days after written notice is given by City to Lessee, or the failure of Lessee to perform any Lessee's other covenants under this Lease not involving the payment of money within thirty (30) days after written notice is given by City to Lessee.

Upon the occurrence of any of the above uncured defaults, City may terminate this Lease and re-enter the Leased Premises with or without process of law using such force as may be necessary, change the locks or otherwise lock out Lessee and remove all persons and property from the Leased Premises. City shall not be liable for damages or otherwise by reason of re-entry or termination of this Lease. It is further understood that Lessee will, in addition to the rent and other sums agreed to be paid hereunder, pay reasonable attorney's fees incurred by the City to enforce the provisions of this Lease, or the collection of the rent due to the City. Any property belonging to Lessee or to any persons holding by, through, or under Lessee, or otherwise found upon the Leased Premises, may be removed therefrom and stored in any public warehouse at the cost of and for the account of Lessee.

9. MISCELLANEOUS PROVISIONS:

A. REMOVAL OF PERSONAL PROPERTY AND FIXTURES.

- i. Upon the termination of this Lease, Lessee shall remove all personal property from the Leased Premises and return the Leased Premises to the City in broom clean and good condition, ordinary wear and tear excepted. Lessee shall not, however, remove or be required to remove: (1) any improvements then comprising a part of the Leased Premises (including any Existing Improvements or Leasehold Improvements); or (2) any fixtures permanently or semi-permanently affixed in or to the Leased Premises, all of which are (and shall be) property of the City.
- ii. Any personal property remaining on the Leased Premises sixty (60) days after termination of this Lease for any reason shall be deemed as abandoned by Lessee and City may make any disposition of such personal property as it deems appropriate. City may charge Lessee for the reasonable costs incurred in disposing of such personal property.

B. TAXES. Lessee shall be responsible for the payment of any taxes or assessments on its furniture, equipment and personal property now or hereafter located in or on the Leased Premises. However, Lessee shall not be responsible or liable for any ad valorem or similar taxes or assessments on the land, improvements and/or fixtures now or hereafter constituting a portion of the Leased Premises.

C. ENVIRONMENTAL LAWS. Lessee's obligations under this Lease specifically include, but are not limited to, strict and timely compliance with all environmental laws. Lessee shall ensure that all operations on the Leased Premises comply with all environmental laws and orders of any governmental authorities having jurisdiction under any environmental laws. Lessee shall exercise extreme care in handling hazardous substances and shall undertake any and all preventive, investigatory, or remedial action (including emergency response, removal, containment, and other remedial action) which is either required by and applicable environmental laws or orders of any governmental authorities having jurisdiction under any environmental laws. Lessee shall exercise extreme care in handling hazardous substances and shall undertake any and all preventive, investigatory, or remedial action (including emergency response, removal, containment, and other remedial action) which is either required by any applicable

environmental laws or orders of any governmental authority having jurisdiction under such laws, or necessary to prevent or minimize property damage, personal injury or damage to the environment or threat of any such damage or injury, by releases of, or exposure to, hazardous materials in connection with the Leased Premises or operations thereon. Lessee shall immediately notify the City upon becoming aware of any leak, spill, release or disposal of hazardous substances on, under, or adjacent to the Leased Premises. In the event Lessee fails to perform any of Lessee's obligations under this paragraph, City may, but shall not be required to, perform such obligations at Lessee's expense. In performing any such obligations of Lessee, City shall at all times be deemed the agent of Lessee and shall not, by reason of such performance, be deemed to be assuming any responsibility of Lessee under any environmental law or to any other third party. The City may from time to time during the term of this Lease exercise its inspection rights in accordance with Section 6. I above to ensure Lessee's compliance with this paragraph.

- i. As used in this Lease, the term "environmental laws" means all state, federal, and local statutes, regulations, and ordinances relating to the protection of human health and the environment.
- ii. In this Lease, the term "hazardous materials" is used in its very broadest sense and refers to materials that, because of their quantity, concentration or physical, chemical, or infectious characteristics, may cause or pose a present or potential hazard to human health and to the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported, or otherwise handled on the Leased Premises. The term includes, without limitation, petroleum products or crude oil or any fraction thereof, and any and all hazardous or toxic substances, materials, or wastes as defined by or listed under the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Comprehensive Environmental Response, Compensation, and Liability Act, and any other environmental laws.
- iii. If, prior to termination of this Lease, City informs Lessee in writing that Lessee is in breach of this paragraph (and such breach is not cured to the reasonable satisfaction of the City prior to the termination date of this Lease), Lessee's

obligations to the City under this paragraph shall not be terminated upon the termination of the Lease, but shall continue as an ongoing obligation.

- D. **RIGHT OF FIRST REFUSAL.** At the end of the Lease term (if the Lease has not been terminated early due to a Lessee default hereunder), Lessee (or its heirs, successors, and assignees) shall be given a first right of refusal to again lease the Leased Premises on terms substantially similar to those set forth in this Lease. However, including option periods, if any, the length of such new lease and rental to be paid thereunder (which shall be based on the improved ground lease rate per the City's adopted fee schedule for the Airport) shall be mutually agreed upon, and negotiated directly with the City.
- E. **CITY'S COVENANTS.** During the term of this Lease, City covenants and agrees: (a) at City's sole cost and expense, to maintain all the Airport runways, roads, lighting, instrument approaches and all common taxiways; and (b) Lessee shall have the right of ingress and egress to and from the Leased Premises by means of roadways (for automobiles) and taxiways (for aircraft), all in conformity with the rules and regulations adopted from time to time by the City, the FAA or any other state, federal or local authority.
- F. **TEXAS LAW TO APPLY:** This Lease shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Dallas County, Texas.
- G. **PARTIES BOUND:** This Lease shall be binding on and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns except as otherwise expressly provided herein.
- H. **LEGAL CONSTRUCTION:** In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
- I. **PRIOR AGREEMENTS SUPERSEDED:** This Lease constitutes the only agreement of the parties hereto and supersedes and prior understandings or written or oral agreements between the parties.

- J. **ATTORNEY'S FEES:** If any action at law or in equity, including any action for declaratory relief, is brought to enforce or interpret the provisions of this Lease, the prevailing party shall be entitled to recover reasonable attorney's fees from the other party, which fees may be set by the court in the trail of such action or may be enforced in a separate action brought for that purpose, and which fees shall be in addition to any other relief which may be awarded.
- K. **NOTICE:** Unless otherwise provided herein, any notice, tender, or delivery to be given hereunder by either party to the other may be effected by personal delivery in writing or by registered or certified mail, postage prepaid, return receipt requested, addressed to the parties at the respective addresses set forth below or at such other address as they shall have theretofore specified by written notice to the other. Any notice shall be deemed delivered and effective if hand delivered on the date of delivery or if mailed when deposited in the U.S. Mails, postage prepaid and properly addressed.
- L. **TIME OF ESSENCE:** Time is of the essence of this Lease.
- M. **NATURE AND EXTENT OF AGREEMENT:** This instrument and its exhibits contains the complete agreement of the parties regarding the terms and conditions of the lease of the Leased Premises by the City to Lessee, and there are no oral or written conditions, terms, understandings, or other agreements pertaining thereto which have not been incorporated herein. This instrument creates only the relationship of City and Lessee between the parties hereto as to the Leased Premises. Nothing in this Lease shall be construed to create a partnership, joint venture or association between the City and Lessee, and, except as otherwise indicated herein, this Lease shall not be construed to authorize either City or Lessee to act as agent for the other.
- N. **CAPTIONS AND HEADINGS:** The captions and headings in this Lease are for convenience and reference only, and the words contained therein shall be in no way be held or deemed to define, limit, describe, explain, modify, amplify or add to the interpretation, construction or meaning of any provision of or he scope or intent of this Lease or in any way affect this lease.
- O. **AUTHORITY TO EXECUTE:** City and Lessee represent and warrant to each other that each is full authorized to enter into this Lease without the joinder of any other person, executing this lease on

behalf of each, such party corporate, partnership or joint venture action required has been taken.

[Remainder of Page Intentionally Blank]

LESSEE:

CITY OF LANCASTER:

FIRST LAST

Opal Mauldin-Jones

City Manager

Address for Notice:

Address for Notice:

PO Box 940

Lancaster, TX 75146

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on _____ by _____.

[Seal]

Notary Public Signature

My Commission expires on _____

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on _____ by _____.

[Seal]

Notary Public Signature

My Commission expires on _____

ASSIGNMENT AND ASSUMPTION OF GROUND LEASE L-

LANCASTER REGIONAL AIRPORT

This agreement is made on _____ between _____, hereafter referred to as "ASSIGNOR", and _____, hereafter referred to as "ASSIGNEE", and the City of Lancaster, hereafter referred to as "CITY".

RECITALS

WHEREAS, Ground Lease L-__ (the "Lease"), was executed on _____ between the City of Lancaster, Texas, a Texas Municipal Corporation (the "City"), as the Lessor, and _____ as the Lessee, in said "Lease", which commenced on _____ for the "Lease" of premises known as Hangar Number L-__ located at the Lancaster Regional Airport, which "Lease" is recorded in the real property records of Dallas County, Texas.

WHEREAS, the "Assignor" now desires to assign to the "Assignee" all of his rights and interest arising under the "Lease", in and to the Hangar Number L-__ and the "Assignee" desires to accept the assignment.

NOW THEREFORE, in consideration of the sum of ____ Dollars (\$____.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and the agreement of the "Assignee" set forth below, the "Assignor" hereby assigns and transfers to the "Assignee" and the "Assignee's" heirs, executors, administrators, and assigns, all of "Assignor's" right, title and interest in and to Hangar Number L-__, and all the "Assignor's" rights, title, and interest arising under the "Lease" insofar as it relates to Hangar Number L-__.

The "Assignee" accepts the assignment and, in additions, expressly assumes and agrees to perform and fulfill all of the terms, covenants and conditions, and obligations required to be kept, performed, and fulfilled by the "Assignor" under the "Lease" insofar as such obligations relate to Hangar Number L-__, including the making of all payment of ground rents due and payable to the "City" under the "Lease" when due and payable.

The "City" hereby consents to this assignment of the "Lease" and the "Assignor" and the "City" agree that the "Assignee" may pay rent directly to the City for the premises covered by the "Lease" based on the number of square feet in the Secured Premises under the "Lease". "Assignee" further agrees with "Assignor" and the "City" to comply with all of the other terms and conditions of the "Lease" insofar as they apply to the Hangar Number L-__.

"ASSIGNEE" HEREBY AGREES TO IDEMNIFY AND HOLD HARMLESS FROM ANY AND ALL EXPENSES, LIABILITIES, AND CLAIMS OF EVERY KIND, INCLUDING REASONABLE ATTORNEY'S FEES INCURRED BY "ASSIGNOR" AS A RESULT OF ANY BREACH BY "ASSIGNEE" OF ITS OBLIGATIONS HEREUNDER THE "LEASE", EITHER TO "ASSIGNOR", OR TO THE "CITY".

By signing below, "City" hereby releases "Assignor" from any further liability in connection with the "Lease".

This agreement shall be binding on and inure to the benefit of the parties to this Agreement, their heirs, executors, administrators, successors in interest, and assigns,

ASSIGNOR:

ASSIGNEE:

LESSOR:

City of Lancaster

BY: _____

Name: Opal Mauldin-Jones

Title: City Manager

Date: _____

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

4.

Meeting Date: 08/09/2021

Policy Statement: This request supports the City Council 2020-2021 Policy Agenda

Goal(s): Financially Sound Government

Submitted by: Fabrice Kabona, Deputy City Manager

Agenda Caption:

Discuss and consider a resolution approving a negotiated settlement between Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2021 rate review mechanism filing; declaring existing rates to be unreasonable; and adopting tariffs that reflect rate adjustments consistent with the negotiated settlement.

Background:

The City of Lancaster, along with 171 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division ("Atmos Mid-Tex" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC"). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism ("RRM"), as a substitute for future filings under the GRIP statute.

Since 2007, there have been several modifications to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members in 2018. On or about April 1, 2021, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2020, entitled it to additional system-wide revenues of \$43.4 million. Application of the standards set forth in ACSC's RRM Tariff reduces the Company's request to \$40.5 million, \$29.3 million of which would be applicable to ACSC members. ACSC's consultants concluded that the system-wide deficiency under the RRM regime should be \$22.34 million instead of the claimed \$40.5 million. The amount of the \$22.34 million deficiency applicable to ACSC members would be \$16.8 million. After the Company reviewed ACSC's consultants' report, ACSC's Executive Committee and the Company negotiated a settlement whereby the Company would receive an increase of \$22.78 million from ACSC Cities, but with a two-month delay in the Effective Date until December 1, 2021. This should save ACSC cities approximately \$3.8 million.

The Executive Committee recommends a settlement at \$22.78 million. The Effective Date for new rates is December 1, 2021. ACSC members are urged to take action approving the Resolution before October 1, 2021.

Operational Considerations:

The purpose of this item is to adopt the new gas rates for Atmos Mid-Tex pursuant to a settlement between Atmos Cities Steering Committee and the Company to resolve the pending RRM rate filing. The impact of the settlement on average residential rates is an increase of \$1.28 on a monthly basis, or 2.2 percent. The increase for average commercial usage will be \$4.03 or 1.61 percent.

Legal Considerations:

The resolution was prepared by Lloyd Gosselink Rochelle & Townsend, P.C. legal counsel for ACSC.

Public Information Considerations:

This resolution is being considered at a Regular Meeting of the City Council, in accordance with the Texas Open Meetings Act.

Options/Alternatives:

1. City Council may approve the resolution, as presented.
2. City Council may deny the resolution.

Recommendation:

Staff recommends approval of the resolution, as submitted.

Attachments

Resolution

Exhibit A

Exhibit B

Exhibit C

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2021 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHED EXHIBIT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; APPROVING AN ATTACHED EXHIBIT REGARDING AMORTIZATION OF REGULATORY LIABILITY; REQUIRING THE COMPANY TO REIMBURSE ACSC’S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL.

WHEREAS, the City of Lancaster, Texas (“City”) is a gas utility customer of Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-Tex” or “Company”), and a regulatory authority with an interest in the rates, charges, and services of Atmos Mid-Tex; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee (“ACSC”), a coalition of similarly-situated cities served by Atmos Mid-Tex (“ACSC Cities”) that have joined together to facilitate the review of, and response to, natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

WHEREAS, ACSC and the Company worked collaboratively to develop a Rate Review Mechanism (“RRM”) tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program (“GRIP”) process instituted by the

Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

WHEREAS, the current RRM tariff was adopted by the City in a rate ordinance in 2018; and

WHEREAS, on about April 1, 2021, Atmos Mid-Tex filed its 2021 RRM rate request with ACSC Cities based on a test year ending December 31, 2020; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2021 RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of \$22.78 million applicable to ACSC Cities with an Effective Date of December 1, 2021; and

WHEREAS, ACSC agrees that Atmos' plant-in-service is reasonable; and

WHEREAS, with the exception of approved plant-in-service, ACSC is not foreclosed from future reasonableness evaluation of costs associated with incidents related to gas leaks; and

WHEREAS, the two month delayed Effective Date from October 1 to December 1 will save ACSC ratepayers approximately \$3.8 million off new rates imposed by the attached tariffs (Exhibit A); and

WHEREAS, the attached tariffs (Exhibit A) implementing new rates are consistent with the recommendation of the ACSC Executive Committee, are agreed to by the Company, and are just, reasonable, and in the public interest; and

WHEREAS, the settlement agreement sets a new benchmark for pensions and retiree medical benefits (Exhibit B); and

WHEREAS, the settlement agreement establishes an amortization schedule for regulatory liability prepared by Atmos Mid-Tex (Exhibit C); and

WHEREAS, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS:

Section 1. That the findings set forth in this Resolution are hereby in all things approved.

Section 2. That, without prejudice to future litigation of any issue identified by ACSC, the City Council finds that the settled amount of an increase in revenues of \$22.78 million for ACSC Cities represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2021 RRM filing, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

Section 3. That despite finding Atmos Mid-Tex's plant-in-service to be reasonable, ACSC is not foreclosed in future cases from evaluating the reasonableness of costs associated with incidents involving leaks of natural gas.

Section 4. That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Exhibit A, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$22.78 million from customers in ACSC Cities, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

Section 5. That the ratemaking treatment for pensions and retiree medical benefits in Atmos Mid-Tex's next RRM filing shall be as set forth on Exhibit B, attached hereto and incorporated herein.

Section 6. That subject to any future settlement or decision regarding the balance of Excess Deferred Income Tax to be refunded to ratepayers, the amortization of regulatory liability shall be consistent with the schedule found in Exhibit C, attached hereto and incorporated herein.

Section 7. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2021 RRM filing.

Section 8. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Resolution, it is hereby repealed.

Section 9. That the meeting at which this Resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 10. That if any one or more sections or clauses of this Resolution is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, and the remaining provisions of the Resolution shall be interpreted as if the offending section or clause never existed.

Section 11. That consistent with the City Ordinance that established the RRM process, this Resolution shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after December 1, 2021.

Section 12. That a copy of this Resolution shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Thomas Brocato,

General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue,
Suite 1900, Austin, Texas 78701.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on this
the 9th day of August, 2021.

APPROVED:

Clyde C. Hairston, Mayor

ATTEST:

Sorangel O. Arenas, City Secretary

APPROVED AS TO FORM:

David T. Ritter, City Attorney

Exhibit A
to 2021 RRM Resolution or Ordinance

Mid-Tex Tariffs
Effective December 1, 2021

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2021	PAGE:

Application

Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 20.85 per month
Rider CEE Surcharge	\$ 0.05 per month ¹
Total Customer Charge	\$ 20.90 per month
Commodity Charge – All <u>Ccf</u>	\$0.27979 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

¹Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2021.

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2021	PAGE: Page

Application

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 56.50 per month
Rider CEE Surcharge	\$ 0.01 per month ¹
Total Customer Charge	\$ 56.51 per month
Commodity Charge – All Ccf	\$ 0.12263 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

¹ Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2021.

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2021	PAGE:

Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 3,500 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 1,054.75 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4330 per MMBtu
Next 3,500 MMBtu	\$ 0.3171 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0680 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2021	PAGE:

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2021	PAGE:

Application

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 1,054.75 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4330 per MMBtu
Next 3,500 MMBtu	\$ 0.3171 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0680 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Imbalance Fees

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2021	PAGE:

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

A transportation agreement is required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2021	PAGE:

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification

$WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf

R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.

HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class

NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.

ADD = billing cycle actual heating degree days.

BL_i = base load sales for the i^{th} schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the j th customer in i th rate schedule is computed as:

$$WNA_j = WNAF_i \times q_{ij}$$

Where q_{ij} is the relevant sales quantity for the j th customer in i th rate schedule.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2021	PAGE:

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	11.88	0.1459	85.39	0.6996
Austin	10.34	0.1452	194.82	0.9398
Dallas	15.21	0.1915	148.19	1.0986
Waco	10.63	0.1373	130.39	0.7436
Wichita Falls	12.63	0.1398	109.17	0.5803

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at atmosenergy.com/mtx-wna, in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and an Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

Exhibit B
to 2021 RRM Resolution or Ordinance

Mid-Tex
2021 Benchmark for Pensions
and Retiree Benefits

Line No.	Description	Shared Services		Mid-Tex Direct		Adjustment Total							
		Pension Account Plan	Post-Employment Benefit Plan	Pension Account Plan	Supplemental Executive Benefit Plan								
	(a)	(b)	(c)	(d)	(e)	(f)	(g)						
Proposed Benefits Benchmark - Fiscal Year 2021 Willis Towers Watson													
1	Report as adjusted (1) (2) (3)	\$	2,917,949	\$	4,908,358	\$	5,447,063	\$	293,818	\$	6,600,073		
2	Allocation to Mid-Tex		43.68%		43.68%		76.11%		100.00%		76.11%		
Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)													
3		\$	1,274,655	\$	2,144,130	\$	4,145,546	\$	293,818	\$	5,023,057		
4	O&M and Capital Allocation Factor		100.00%		100.00%		100.00%		100.00%		100.00%		
5	Proposed Benefits Benchmark Costs to Approve (Ln 3 x Ln 4) (3)	\$	1,274,655	\$	2,144,130	\$	4,145,546	\$	293,818	\$	5,023,057	\$	12,881,205
6													
7													
Summary of Costs to Approve (1):													
8													
9													
10	O&M Expense Factor (WP_F-2.3, Ln 2)		75.07%		75.07%		38.66%		11.00%		38.66%		
11													
12													
13	Total Pension Account Plan	\$	956,873			\$	1,602,484			\$	1,941,691	\$	2,559,357
14	Total Post-Employment Benefit Plan												3,551,272
15	Total Supplemental Executive Benefit Plan												32,322
16	Total (Ln 13 + Ln 14 + Ln 15)	\$	956,873	\$	1,609,582	\$	1,602,484	\$	32,322	\$	1,941,691	\$	6,142,952

1. Studies not applicable to Mid-Tex or Shared Services are omitted.

2. Mid-Tex is proposing that the Fiscal Year 2021 Willis Towers Watson actuarial amounts shown on WP_F-2.3 and WP_F-2.3.1, be approved by the RRM Cities as the benchmark amounts to be used to calculate the regulatory asset or liability for future periods. The benchmark amount approved by the RRM Cities for future periods includes only the expense amount. The amount attributable to capital is recorded to utility plant through the overhead process as described in the CAM.
3. SSU amounts exclude cost centers which do not allocate to Mid-Tex for rate making purposes.

3. SSU amounts exclude cost centers which do not allocate to Mid-Tex for rate making purposes. Includes only the expense amount. The amount attributable to capital is recorded to utility plant through the overhead process as described in the CHW.

Exhibit C
to 2021 RRM Resolution or Ordinance

Mid-Tex 2021 Schedule for
Amortization for Regulatory Liability

ATMOS ENERGY CORP., MID-TEX DIVISION
RATE BASE ADJUSTMENTS
TEST YEAR ENDING DECEMBER 31, 2020
AMORTIZATION OF REGULATORY LIABILITY

Line No.	Year Ended Dec. 31	Beginning Protected Balance	Protected Amortization	Ending Protected Balance	Beginning Unprotected Balance	Unprotected Amortization	Ending Unprotected Balance	Total Protected & Unprotected Amortization	Total Protected & Unprotected Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	2017 (3)	\$ -	\$ -	\$ (51,477,654)	\$ -	\$ -	\$ 343,746,535	\$ -	\$ 292,268,881
2	2018	(51,477,654)	494,977	(50,982,677)	343,746,535	(3,513,868)	340,232,667	(3,018,891)	289,249,991
3	2019	(50,982,677)	1,979,910	(49,002,767)	340,232,667	(14,057,872)	326,174,795	(12,077,963)	277,172,028
4	2020	(49,002,767)	1,979,910	(47,022,857)	326,174,795	(13,988,908)	312,185,886	(12,008,999)	265,163,029
5	2021	(47,022,857)	3,464,842	(43,558,015)	312,185,886	(26,390,127)	285,795,760	(22,925,284)	242,237,745
6	2022	(43,558,015)	1,979,910	(41,578,105)	285,795,760	(60,167,528)	225,628,231	(58,187,619)	184,050,126
7	2023	(41,578,105)	1,979,910	(39,598,195)	225,628,231	(60,167,528)	165,460,703	(58,187,619)	125,862,508
8	2024	(39,598,195)	1,979,910	(37,618,286)	165,460,703	(60,167,528)	105,293,175	(58,187,619)	67,674,889
9	2025	(37,618,286)	1,979,910	(35,638,376)	105,293,175	(60,167,528)	45,125,646	(58,187,619)	9,487,270
10	2026	(35,638,376)	1,979,910	(33,658,466)	45,125,646	(45,125,646)	(0)	(43,145,737)	(33,658,466)
11	2027	(33,658,466)	1,979,910	(31,678,556)	(0)	0		1,979,910	(31,678,556)
12	2028	(31,678,556)	1,979,910	(29,698,647)	-	-		1,979,910	(29,698,647)
13	2029	(29,698,647)	1,979,910	(27,718,737)	-	-		1,979,910	(27,718,737)
14	2030	(27,718,737)	1,979,910	(25,738,827)	-	-		1,979,910	(25,738,827)
15	2031	(25,738,827)	1,979,910	(23,758,917)	-	-		1,979,910	(23,758,917)
16	2032	(23,758,917)	1,979,910	(21,779,007)	-	-		1,979,910	(21,779,007)
17	2033	(21,779,007)	1,979,910	(19,799,098)	-	-		1,979,910	(19,799,098)
18	2034	(19,799,098)	1,979,910	(17,819,188)	-	-		1,979,910	(17,819,188)
19	2035	(17,819,188)	1,979,910	(15,839,278)	-	-		1,979,910	(15,839,278)
20	2036	(15,839,278)	1,979,910	(13,859,368)	-	-		1,979,910	(13,859,368)
21	2037	(13,859,368)	1,979,910	(11,879,459)	-	-		1,979,910	(11,879,459)
22	2038	(11,879,459)	1,979,910	(9,899,549)	-	-		1,979,910	(9,899,549)
23	2039	(9,899,549)	1,979,910	(7,919,639)	-	-		1,979,910	(7,919,639)
24	2040	(7,919,639)	1,979,910	(5,939,729)	-	-		1,979,910	(5,939,729)
25	2041	(5,939,729)	1,979,910	(3,959,820)	-	-		1,979,910	(3,959,820)
26	2042	(3,959,820)	1,979,910	(1,979,910)	-	-		1,979,910	(1,979,910)
27	2043	(1,979,910)	1,979,910	0	-	-		1,979,910	0
28									
29	Revenue Related Tax Factor				See WP_F-5.1			6.79%	
30	Revenue Related Taxes on Annual Amortization				Amortization * Tax Factor		\$	3,949,355	
31	Amortization Including Revenue Related Taxes				Amortization + Taxes		\$	<u>62,136,973</u>	
32									
33	Notes:								
34	1. The annual amortization of the protected balance is a 26 year recovery period based on the Reverse South Georgia Method. The annual amortization of the unprotected balance is 5 years.								
35	2. The Regulatory Liability is recorded to FERC Accounts 253 and 242, Sub Account 27909.								
36	3. This is the final Mid-Tex liability balance filing the Fiscal Year 2018 tax return.								

Exhibit B
to 2021 RRM Resolution or Ordinance

Mid-Tex
2021 Benchmark for Pensions
and Retiree Benefits

ATMOS ENERGY CORP., MID-TEX DIVISION
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2020

Line No.	Description (a)	Shared Services (b)		Post-Employment Benefit Plan (c)		Pension Account Plan (d)		Mid-Tex Direct Supplemental Executive Benefit Plan (e)		Post-Employment Benefit Plan (f)		Adjustment Total (g)
		Pension Account Plan		Employment Benefit Plan		Pension Account Plan		Supplemental Executive Benefit Plan		Employment Benefit Plan		
1	Proposed Benefits Benchmark - Fiscal Year 2021 Willis Towers Watson Report as adjusted (1) (2) (3)	\$ 2,917,949	\$	4,908,358	\$	5,447,063	\$	293,818	\$	6,600,073	\$	
2	Allocation to Mid-Tex	43.68%		43.68%		76.11%		100.00%		76.11%		
3	Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)	\$ 1,274,655	\$	2,144,130	\$	4,145,546	\$	293,818	\$	5,023,057	\$	
4	O&M and Capital Allocation Factor	100.00%		100.00%		100.00%		100.00%		100.00%		
5	Proposed Benefits Benchmark Costs to Approve (Ln 3 x Ln 4) (3)	\$ 1,274,655	\$	2,144,130	\$	4,145,546	\$	293,818	\$	5,023,057	\$	12,881,205
6												
7												
8	Summary of Costs to Approve (1):											
9												
10	O&M Expense Factor (WP_F-2.3, Ln 2)	75.07%		75.07%		38.66%		11.00%		38.66%		
11												
12												
13	Total Pension Account Plan	\$ 956,873	\$	1,609,582	\$	1,602,484	\$		\$		\$	2,559,357
14	Total Post-Employment Benefit Plan									1,941,691	\$	3,551,272
15	Total Supplemental Executive Benefit Plan							32,322	\$			32,322
16	Total (Ln 13 + Ln 14 + Ln 15)	\$ 956,873	\$	1,609,582	\$	1,602,484	\$	32,322	\$	1,941,691	\$	6,142,952
17												

Notes:

- Studies not applicable to Mid-Tex or Shared Services are omitted.
- Mid-Tex is proposing that the Fiscal Year 2021 Willis Towers Watson actuarial amounts shown on WP_F-2.3 and WP_F-2.3.1, be approved by the RRM Cities as the benchmark amounts to be used to calculate the regulatory asset or liability for future periods. The benchmark amount approved by the RRM Cities for future periods includes only the expense amount. The amount attributable to capital is recorded to utility plant through the overhead process as described in the CAM.
- SSU amounts exclude cost centers which do not allocate to Mid-Tex for rate making purposes.

Exhibit C
to 2021 RRM Resolution or Ordinance

Mid-Tex 2021 Schedule for
Amortization for Regulatory Liability

ATMOS ENERGY CORP., MID-TEX DIVISION
RATE BASE ADJUSTMENTS
TEST YEAR ENDING DECEMBER 31, 2020
AMORTIZATION OF REGULATORY LIABILITY

Line No.	Year Ended Dec. 31	Beginning Protected Balance	Protected Amortization	Ending Protected Balance	Beginning Unprotected Balance	Unprotected Amortization	Ending Unprotected Balance	Total Protected & Unprotected Amortization	Total Protected & Unprotected Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
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2	2018	(51,477,654)	494,977	(50,982,677)	343,746,535	(3,513,868)	340,232,667	(3,018,891)	289,249,991
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5	2021	(47,022,857)	3,464,842	(43,558,015)	312,185,886	(26,390,127)	285,795,760	(22,925,284)	242,237,745
6	2022	(43,558,015)	1,979,910	(41,578,105)	285,795,760	(60,167,528)	225,628,231	(58,187,619)	184,050,126
7	2023	(41,578,105)	1,979,910	(39,598,195)	225,628,231	(60,167,528)	165,460,703	(58,187,619)	125,862,508
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9	2025	(37,618,286)	1,979,910	(35,638,376)	105,293,175	(60,167,528)	45,125,646	(58,187,619)	9,487,270
10	2026	(35,638,376)	1,979,910	(33,658,466)	45,125,646	(45,125,646)	(0)	(43,145,737)	(33,658,466)
11	2027	(33,658,466)	1,979,910	(31,678,556)	(0)	0	1,979,910	1,979,910	(31,678,556)
12	2028	(31,678,556)	1,979,910	(29,698,647)	-	-	1,979,910	1,979,910	(29,698,647)
13	2029	(29,698,647)	1,979,910	(27,718,737)	-	-	1,979,910	1,979,910	(27,718,737)
14	2030	(27,718,737)	1,979,910	(25,738,827)	-	-	1,979,910	1,979,910	(25,738,827)
15	2031	(25,738,827)	1,979,910	(23,758,917)	-	-	1,979,910	1,979,910	(23,758,917)
16	2032	(23,758,917)	1,979,910	(21,779,007)	-	-	1,979,910	1,979,910	(21,779,007)
17	2033	(21,779,007)	1,979,910	(19,799,098)	-	-	1,979,910	1,979,910	(19,799,098)
18	2034	(19,799,098)	1,979,910	(17,819,188)	-	-	1,979,910	1,979,910	(17,819,188)
19	2035	(17,819,188)	1,979,910	(15,839,278)	-	-	1,979,910	1,979,910	(15,839,278)
20	2036	(15,839,278)	1,979,910	(13,859,368)	-	-	1,979,910	1,979,910	(13,859,368)
21	2037	(13,859,368)	1,979,910	(11,879,459)	-	-	1,979,910	1,979,910	(11,879,459)
22	2038	(11,879,459)	1,979,910	(9,899,549)	-	-	1,979,910	1,979,910	(9,899,549)
23	2039	(9,899,549)	1,979,910	(7,919,639)	-	-	1,979,910	1,979,910	(7,919,639)
24	2040	(7,919,639)	1,979,910	(5,939,729)	-	-	1,979,910	1,979,910	(5,939,729)
25	2041	(5,939,729)	1,979,910	(3,959,820)	-	-	1,979,910	1,979,910	(3,959,820)
26	2042	(3,959,820)	1,979,910	(1,979,910)	-	-	1,979,910	1,979,910	(1,979,910)
27	2043	(1,979,910)	1,979,910	0	-	-	1,979,910	1,979,910	0
28									
29	Revenue Related Tax Factor				See WP_F-5.1			6.79%	
30	Revenue Related Taxes on Annual Amortization				Amortization * Tax Factor		\$	3,949,355	
31	Amortization Including Revenue Related Taxes				Amortization + Taxes		\$	<u>62,136,973</u>	

Notes:

- The annual amortization of the protected balance is a 26 year recovery period based on the Reverse South Georgia Method. The annual amortization of the unprotected balance is 5 years.
- The Regulatory Liability is recorded to FERC Accounts 253 and 242, Sub Account 27909.
- This is the final Mid-Tex liability balance filing the Fiscal Year 2018 tax return.

CITY OF LANCASTER CITY COUNCIL

City Council Special Work Session

1.

Meeting Date: 08/09/2021

Policy Statement: This request supports the City Council 2020-2021 Policy Agenda

Goal(s): Financially Sound Government
Sound Infrastructure

Submitted by: Carey Neal, Assistant City Manager

Agenda Caption:

Receive a presentation and discuss the utility rate study prepared by NewGen Strategies and Solutions, LLC (NewGen).

Background:

In January 2014, the City entered into an agreement with New Gen Strategies and Solutions, LLC to conduct a water and sewer rate study. As part of the study, NewGen forecasted revenue requirements and rates necessary for the fiscal year 2015 through the fiscal year 2019. Annually, the City evaluated the utility (water and wastewater) rate study and included recommendations through the budget process.

A utility rate study was presented to Council on August 18, 2014. At that time, there had been no water or sewer rate increase considered for over three years, even though Dallas Water Utilities (DWU) and Trinity River Authority (TRA) had substantially raised rates charged to the City during the same time frame. Projections in the utility rate study indicated that the utility fund would soon have a fund balance deficit if rates were not incrementally increased. Increases in the utility rates were recommended to be implemented by initiating the rate increases in FY 2015.

The City implemented the utility rate study in FY 2015 and increased rates to the FY 2019 projected requirement; a base bill of \$20.90 and \$2.67 per 1000 gallons up to 14,999 gallons for water. The sanitary sewer base bill was raised to \$15.04 per month and \$7.73 per 1000 gallons. Rates have not changed since the FY 2015 implementation.

Although DWU and the TRA have annually increased the cost of service, the City has utilized the fund balance to offset the cost to residents and as a result implemented fewer capital projects to meet the growing demand.

City Council will receive a presentation regarding the estimated five-year revenue requirements and rate study for the water and sewer fund.

CITY OF LANCASTER CITY COUNCIL

City Council Special Work Session

2.

Meeting Date: 08/09/2021

Policy Statement: This request supports the City Council 2020-2021 Policy Agenda

Goal(s):

- Effective Municipal Operations
- Financially Sound Government
- Healthy, Safe & Engaged Community
- Sound Infrastructure
- Quality Development
- Professional and Committed City Workforce

Submitted by: Opal Mauldin-Jones, City Manager

Agenda Caption:

Discuss the number of City Council meetings at the request of Council Member Keithsha Wheaton.

Background:

As prescribed in the City Council Rules and Procedures as amended November 16, 2020, Section D. City Council Agenda Process, Subsection 1.b., Council Member Keithsha Wheaton requested an item be included on this Work Session for the purpose of discussing the number of meetings the City Council has per month.

City of Lancaster Home Rule Charter Article III, Section 3.10 Meetings of the City Council, (A) Regular Meetings: states "The City Council shall hold at least one (1) regular meeting each month and as many additional meetings as it deems necessary to transact the business of the City. The City Council shall fix by ordinance, the date and time of the regular meeting.

Lancaster Code of Ordinances Article 1.02, City Council Section 1.02.01 meeting dates and time states that "the City Council shall hold a regular meeting at 7:00 p.m. on the second and fourth Mondays of every month.

The City Council by consensus utilized the first and third Monday of every month as a Work Session meeting to discuss and receive presentations.

In 2007 staff recommended to City Council that Work Session meetings be held on the third Monday of the month leaving the first Monday available for the City Council to attend the Lancaster Independent School District (LISD) Board meetings. LISD has since changed their meeting day to Thursday.

City Council meetings are held in accordance with the Home Rule Charter, Code of Ordinances, and Special meetings and Work Sessions held as needed to address and respond to the needs and business of the City.

This item is for discussion at the request of Council Member Wheaton.

CITY OF LANCASTER CITY COUNCIL

City Council Special Work Session

3.

Meeting Date: 08/09/2021

Policy Statement: This request supports the City Council 2020-2021 Policy Agenda

Goal(s): Financially Sound Government

Submitted by: Carey Neal, Assistant City Manager

Agenda Caption:

Receive a presentation regarding the Fiscal Year 2021/2022 proposed budget.

Background:

The City Manager will present an overview of the proposed FY 2021/2022 municipal budget for all funds. A detailed budget notebook will be provided to City Council at the meeting.

The following is the budget work session and meeting schedule:

August 9, 2021: Work Session - budget presentation

August 9, 2021: Regular Meeting - budget calendar adoption

August 16, 2021: Work Session

August 23, 2021: Regular Meeting - Record Vote on Tax Rate

August 30, 2021: Special Meeting (1st Public Hearing) - Tax Rate, Budget, PID Service Plans

September 13, 2021: Regular Meeting (2nd Public Hearing) - Tax Rate, Budget, and PID Service Plans