

AGENDA
SHAWNEE AIRPORT AUTHORITY
August 20, 2018 AT 6:00 P.M.
COMMISSION CHAMBERS AT CITY HALL
SHAWNEE, OKLAHOMA

CALL TO ORDER

DECLARATION OF A QUORUM

1. Consider approval of Consent Agenda:
 - a. Minutes from the August 6, 2018 regular meeting.
 - b. Approval of Assignment of Lease of Greta Madson Enterprises, LLC to McLaughlin Enterprises, LLC and authorization to execute an amendment to clarify parties to the Lease Agreement.
2. Consideration, discussion, and possible action on an Agreement for Services with H.W. Lochner for FAA AIP Project No. 3-40-0088-018-2018; Construct T-Hanger Taxilane.
3. New Business

(Any matter not known about or which
could not have been reasonably foreseen
prior to the posting of the agenda)
4. Adjournment

Respectfully submitted

Lisa Lasyone, CMC, City Clerk

Shawnee Airport Authority**1.a.**

Meeting Date: 08/20/2018

SAA Minutes

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Minutes from the August 6, 2018 regular meeting.

Fiscal Impact

Attachments

SAA Minutes

THE TRUSTEES OF THE SHAWNEE AIRPORT AUTHORITY OF THE CITY OF SHAWNEE, COUNTY OF POTTAWATOMIE, STATE OF OKLAHOMA, MET IN REGULAR SCHEDULED SESSION IN THE COMMISSION CHAMBERS AT CITY HALL, 9TH AND BROADWAY, SHAWNEE, OKLAHOMA, MONDAY, AUGUST 6, 2018, DURING THE BOARD OF CITY COMMISSIONERS MEETING AT 6:00 P.M., PURSUANT TO NOTICE DULY POSTED AS PRESCRIBED BY LAW. UPON ROLL CALL, A QUORUM WAS DECLARED WITH THE FOLLOWING MEMBERS IN ATTENDANCE:

PRESENT: Bolt, Gillham, Harrod, Finley, Rutherford, Sehorn, Salter

ABSENT: None

Call to Order

Declaration of a Quorum

AGENDA ITEM NO. 1: Consider approval of Consent Agenda:

- a. Minutes from the July 16, 2018 regular meeting.
- b. Authorize execution of Lease Agreement with Red Cloud Aviation.
- c. Authorize execution of Lease Agreements for T-Hangars and Bulk Hangar Spaces for Fiscal Year 2018-2019.

A motion was made by Trustee Gillham, seconded by Trustee Bolt, to approve Consent Agenda Item Nos. 1(a-c). Motion carried 7-0.

AYE: Gillham, Bolt, Harrod, Finley, Rutherford, Sehorn, Salter

NAY: None

AGENDA ITEM NO. 2: New Business (Any matter not known about or which could not have been reasonably foreseen prior to the posting of the agenda)

There was no New Business.

AGENDA ITEM NO. 3: Adjournment

There being no further business to be considered, the meeting was adjourned by power of the Chair. (6:39 p.m.)

RICHARD FINLEY
CHAIRMAN

ATTEST:

LISA LASYONE, SECRETARY

Shawnee Airport Authority

1.b.

Meeting Date: 08/20/2018

Lease Agreement

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Approval of Assignment of Lease of Greta Madson Enterprises, LLC to McLaughlin Enterprises, LLC and authorization to execute an amendment to clarify parties to the Lease Agreement.

Fiscal Impact

Attachments

Lease Agreement Memo

Original Lease

Assignment & Assumption

Lease Amendment



Date: August 16, 2018

To: Shawnee Airport Authority

The Honorable Richard Finley, Mayor
James Harrod, Vice Mayor
Ed Bolt, Commissioner
Ron Gillham, Commissioner
Darren Rutherford, Commissioner
Ben Salter, Commissioner
Jeff Sehorn, Commissioner

From: Bonnie A. Wilson, CM Airport Manager

Subject: Proposed Assignment of Lease and Addendum to Clarify Parties

Nature of Request:

Greta Madson Enterprises, LLC ("Madson") the current lessees of commercial property located at 702 West Independence, owned by the Shawnee Regional Airport (SNL), has requested an assignment of the lease to McLaughlin Enterprises, LLC ("McLaughlin").

This request is made in accordance with Article 11 – Assignment and Sublease, of the existing lease. The Leased Premises consists of an existing building of approximately 7,200 square feet; unimproved and improved land area consisting of approximately 35,305 square feet. The current lease including a legal description of the property is provided as Attachment 1 to this memorandum.

Staff Analysis and Considerations:

McLaughlin has provided a comprehensive business plan describing in detail the structure of the limited liability company, specifically the mission statement, principal members, and legal structure; market research conducted to determine viability of operations; a description of the products and services planned, including a pricing structure; a marketing and sales plan; and pro forma financial information. A complete copy of the Business Plan is provided as Attachment 2 to this memorandum.

McLaughlin has been provided information regarding the lease agreement and is prepared to accept the existing terms and conditions including an annual adjustment in the lease rate, based on the inflation rate established by the Consumer Price Index, commencing in February 2019.

Recommendation:

The Airport Advisory Board and airport staff are recommending the Shawnee Airport Authority authorize the Assumption of the lease by McLaughlin, with no material changes, and authorize the execution of an addendum to clarify the parties to the agreement.

Budget Consideration:

Authorization will have no impact on the airport budget as the terms and conditions of the lease agreement remain the same.

COMMERCIAL LEASE AGREEMENT

This Agreement of Lease made and entered into this 18TH day of February, 2009 by and between the City of Shawnee, Oklahoma, hereinafter referred to as "Lessor," and Scott Perry dba Incredible Inflatables Fun Center, LLC, hereinafter referred to as "Lessee."

WITNESSETH THAT:

WHEREAS, the City is the owner of the premises known as Shawnee Regional Airport (the "Airport"); and

WHEREAS, the City and Lessee are mutually desirous of entering into a Lease for the use and occupancy of certain areas at the Airport;

NOW, THEREFORE, in consideration of the premises and of the rents, covenants and conditions herein contained, the City does hereby grant to the Lessee the right to use and occupy the area of the Airport described in Article 2 hereof, during the term hereof, (hereinafter referred to as the "Leased Premises"), for the term and pursuant to the conditions hereinafter set forth.

ARTICLE 1 - TERM

- 1.1 The term of this lease shall be for a ten (10) year period commencing on February 18th, 2009, and terminating on February 17th, 2019, with a ten (10) year option to renew lease. Lessee must provide Lessor with written notice of intent to renew lease at least ninety (90) days prior to the expiration of lease.

ARTICLE 2 - LEASE PREMISES

- 2.1 The Leased Premises shown on Exhibit A, attached hereto and made a part hereof consist of:
 - 2.1.1 Existing building at 702 W Independence existing of approximately 7,200 square feet.
 - 2.1.2 Unimproved/improved land area consisting of approximately 35,305 square feet.
 - 2.1.3 Any real property improvement constructed or installed thereon during the term hereof.

ARTICLE 3 - USE OF LEASED PREMISES

3.1 The Lessee shall occupy and use the Leased Premises for the following purposes and for no other purpose whatsoever:

3.1.1 Retail store/recreation.

ARTICLE 4 – RENTAL

4.1 Lessee shall, within thirty (30) days from the date hereof, commence repair and renovation of existing building at 702 W Independence, at Lessee's sole expense in the approximately aggregate sum of \$7,500.00. Lessee shall within sixty (60) days certify to Lessor the actual sums of money expended. Any cost related to the installation of skateboarding apparatus (ramps, etc) shall not be included in the certified amount to be reimbursed to the Lessee. In the event of termination or cancellation by Lessor pursuant to the terms and conditions of this lease, other than for a default by Lessee left uncured under the terms and conditions of paragraph 16 herein, Lessor agrees to reimburse Lessee in the following manner:

- (a) If Lessor terminates or cancels this Lease within the first nine (9) months of the Initial Term of ten (10) years, Lessor agrees to reimburse Lessee one hundred (100%) percent of the Certified Amount.
- (b) If Lessor terminates or cancels this Lease within the second nine (9) months of the Initial Term of ten (10) years, Lessor agrees to reimburse Lessee fifty (50%) percent of the Certified Amount.

The Lessee shall pay \$1,000.00 per month. For the renewal term, lease rates will be adjusted annually based on the inflation rate established by consumer price index.

4.2 Lessee shall pay one-twelfth (1/12) of the annual rent in advance on or before the first day of each month during the term or any renewal of this lease. Provided, however, that if any monthly rental payment is not paid on or before the tenth day following the first day of each month, such payment shall bear interest at (10%) per annum.

4.3 The monthly rent shall be payable at the office of the Airport Manager or such other locations as may from time to time be directed in writing by the City.

ARTICLE 5 - ACCEPTANCE, CARE MAINTENANCE,
IMPROVEMENTS AND REPAIR

- 5.1 Lessee warrants that it has inspected the Leased Premises and accepts possession of the Leased Premises and the improvements thereon "as is" in its present condition, and subject to all limitations imposed upon the use thereof by the rules and regulations of the Federal Aviation Administration and by ordinances of the City, and admits its suitability and sufficiency for the uses permitted hereunder. Except as may otherwise be provided for herein, the City shall not be required to maintain nor to make any improvements, repairs or restorations upon or to the Leased Premises or to any of the improvements presently located thereon. City shall never have any obligation to repair, maintain or restore, during the term of this lease, any improvements placed upon the Leased Premises by Lessee, its successors and assigns.
- 5.2 Lessee shall throughout the term of this Agreement assume the entire responsibility, cost and expense, for all repair and maintenance whatsoever on the Leased Premises and all improvements thereon in a good workmanlike manner, whether such repair or maintenance be ordinary or extraordinary, structural or otherwise. Additionally, Lessee, without limiting the generality hereof, shall:
- 5.2.1 Keep at all times, in a clean and orderly condition and appearance, the Leased Premises, all improvements thereon and all of the Lessee's fixtures, equipment and personal property which are located on any part of the Leased Premises.
- 5.2.2 Provide and maintain on the Leased Premises all obstruction lights and similar devices, and safety equipment required by law.
- 5.2.3 Repair any damage caused by Lessee to paving or other surface of the Leased Premises caused by any oil, gasoline, grease, lubricants or other flammable liquids and substances having a corrosive or detrimental effect thereon.
- 5.2.4 Take measures to prevent erosion, including but not limited to, the planting and replanting of grasses with respect to all portions of the Leased Premises not paved or built upon, and in particular shall plant, maintain and replant any landscaped areas.
- 5.2.5 Be responsible for the maintenance and repair of all utility service lines placed on the Leased Premises and used by Lessee exclusively, including, but not limited to, water lines, gas lines, electrical power and

telephone conduits and lines, sanitary sewers and storm sewers.

- 5.3 In the event Lessee fails: (a) to commence to maintain, clean, repair, replace, rebuild or repaint within a period of thirty (30) days after written notice from the City to do any maintenance or repair work required to be done under the provisions of this Agreement, other than preventive maintenance, (b) or within a period of ninety (90) days if the said notice specifies that the work to be accomplished by the Lessee involves preventative maintenance only; (c) or to diligently continue to completion any repairs, replacement, rebuilding, painting or repainting as required under the Agreement; then, the City may, at its option, and in addition to any other remedies which may be available to it, enter the premises involved, without such entering causing or constituting a cancellation of this Agreement or any interference with the possession of the Leased Premises, and repair, replace, rebuild or paint all or any part of the Leased Premises or the improvements thereon, and do all things reasonably necessary to accomplish the work required, and the cost and expense thereof shall be payable to the City by Lessee on demand. Provided, however; if in the opinion of the City, the Lessee's failure to perform any such maintenance endangers the safety of the public, the employees or property of the City or other tenants at the Airport, and the City so states same in its notice to Lessee, the City may, at its sole option, in addition to all other remedies which may be available to it, elect to perform such maintenance at any time after the giving of such notice, and Lessee agrees to pay to the City the cost and expense of such performance on demand. Furthermore, should the City, its officers, employees or agents undertake any work hereunder, Lessee hereby waives any claim for damages, consequential or otherwise, as a result thereof except for claims for damages arising from the City's sole negligence. The foregoing shall in no way affect or alter the primary obligations of the Lessee as set forth in this Agreement, and shall not impose or be construed to impose upon the City any obligations to maintain the Leased Premises, unless specifically stated otherwise herein.
- 5.4 Plans and specifications for all major repairs, constructions, alterations, modifications, additions or replacements (hereinafter referred to as "improvements"), including, without limitation the new facility to be constructed by the Lessee pursuant to Section 5.5 below, undertaken by the Lessee shall be submitted to and receive the written approval of the City, and no such work shall be commenced until such written approvals are obtained from the City, which approval shall not be unreasonably withheld or delayed. City shall advise Lessee within thirty (30) days after receipt of the written request, together with copies of the plans and specifications for the proposed improvements in sufficient detail to make a proper review thereof, or its approval or disapproval of the proposed work, and in the event it disapproves, stating its reasons therefore.

- 5.5 If Lessee makes any improvements without City approval, then, upon notice to do so, Lessee shall remove the same or at the option of City, cause the same to be changed to the satisfaction of the City. If Lessee fails to comply with such notice within thirty (30) days or to commence to comply and pursue diligently to completion, City may effect the removal or change and Lessee shall pay the cost thereof to the City. Lessee expressly agrees in the making of all improvements that, except with the written consent of City, it will neither give nor grant, nor purport to give or grant any lien upon the Leased Premises or upon any improvements thereupon or which is in the process of construction or repair, nor allow any condition to exist or situation to develop whereby any party would be entitled, as a matter of law, to a lien against said Leased Premises and improvements thereon, and Lessee will discharge any such lien within thirty (30) days after notice of filing thereof. Notice is hereby given by City to all persons that no lien attaches to any such improvements.
- 5.6.1 Upon the completion of construction or installation, the complete and unencumbered title to all improvements located on the Leased Premises shall immediately vest in City free and clear of all claims on the part of the Lessee on account of any repair or improvement work done or to be done under the terms hereof by Lessee. This vesting of title in the City at the time specified is a part of the consideration for this lease. The City shall not be liable to Lessee or Lessee's contractors or sub lessees for the value of any improvements constructed or located on the Leased Premises.
- 5.7 All skateboarding apparatus will be removed upon termination of lease.

ARTICLE 6 - ADDITIONAL OBLIGATIONS OF LESSEE

- 6.1 Lessee shall conduct its operations hereunder in an orderly manner.
- 6.2 Further, Lessee shall take all reasonable measures:
- 6.2.1 Not to produce on the Airport any disturbance that interferes with the operation by the City or the Federal Aviation Administration of air navigational, communication or flight equipment on the Airport.
- 6.2.3 Lessee shall control the conduct and demeanor of its officers, agents, employees, invitees and, upon objection from City concerning the conduct, demeanor of any such person, Lessee shall immediately take all lawful steps necessary to remove the cause of the objection.
- 6.2.4 Lessee shall comply with all health and safety laws and requirements and any other federal, state or municipal laws, ordinances, rules, regulations

and requirements, applicable to the Leased Premises and the improvements thereon and its operations at the Airport hereunder.

6.2.5 Lessee shall comply with all written instructions of the City in disposing of its trash and refuse at Lessee's expense, and shall use a system of refuse disposal approved by the City. The manner of handling and disposing of trash, garbage and other refuse and the frequency of removal thereof from the Airport premises shall at all times be subject to the rules, regulations and approval of City.

6.2.6 Lessee shall not commit, nor permit to be done, anything which may result in the commission of a nuisance, waste or injury on the Leased Premises.

6.2.7 Lessee shall not do, nor permit to be done, anything which may interfere with the effectiveness or accessibility of the drainage system, sewerage system, fire protection system, sprinkler system, alarm system and fire hydrants and hoses, if any, installed or located on the Leased Premises.

6.2.8 Lessee shall take measures to insure security in compliance with Federal Air Regulations and the Airport Security Plan.

6.2.9 Lessee shall not do, nor permit to be done, any act or thing upon the Leased Premises which may constitute a hazardous condition so as to increase the risks attendant upon the operations permitted by the Agreement.

6.2.10 Lessee shall use only a working supply of flammable liquids within any covered or enclosed portion of the Leased Premises. Any other supplies of such liquids shall be kept and stored in safety containers of a type approved by the Underwriters Laboratories. The term "working supply" as used in this Section 6.10 shall mean the amount consumed by Lessee during any normal work day.

6.2.11 Except for services permitted under Article 3 hereof to be performed by Lessee or Lessee's subcontractors, Lessee shall provide prompt written notice to the City of any person, firm or corporation performing aircraft maintenance work, flight instruction of any sort, air taxi, aircraft charter or aircraft leasing of any sort on the Leased Premises for commercial purposes without a valid permit from the City.

ARTICLE 7 - INGRESS AND EGRESS

7.1 The Lessee shall have the right of ingress and egress to and from the Leased

Premises by means of roadways, to be used in common with others having rights of passage thereon, except when the Airport is closed to the public.

- 7.2 The use of any such roadway shall be subject to the Rules and Regulations of the Airport which are now in effect or which may hereafter be promulgated. City may, at any time, temporarily or permanently, close or consent to or request the closing of, any such roadway and any other way at, in or near the Leased Premises presently or hereafter used as such, so long as a reasonable means of ingress and egress as provided above remains available to the Lessee. The Lessee hereby releases and discharges the City, its officers, employees and agents; and all municipalities and other governmental authorities and their respective successors and assigns, of and from any and all claims, demands, or causes of action which the Lessee may now or at any time hereafter have against any of the foregoing, arising or alleged to arise out of the closing of any street, roadway or other area, provided that a reasonable means of access to the Leased Premises remains available to the Lessee whether within the Leased Premises or outside the Leased Premises at the Airport unless otherwise mandated by safety considerations or lawful exercise of the police power. The Lessee shall not do or permit anything to be done which will interfere with the free access and passage of others to space adjacent to the Leased Premises or in any streets or roadways near the Leased Premises.

ARTICLE 8 - LIABILITIES AND INDEMNITIES

- 8.1 City shall not in any way be liable for any cost, liability, damage or injury, including cost of suit and reasonable expenses of legal services, claimed or recovered by any person whomsoever, or occurring on the Leased Premises, or the Airport, or as a result of any operations works, acts or omissions performed on the Leased Premises, or the Airport, by Lessee, its sub lessees or tenants, or their guest or invitees.
- 8.2 Lessee agrees to indemnify, save and hold harmless, the City, (its officers, agents, servants and employees) of and from any and all costs, liability, damage and expense (including costs of suit and reasonable expenses of legal services) claimed or recovered, justly or unjustly, false, fraudulent or frivolous, by any person, firm or corporation by reason of injury to, or death of, any person or persons, and damage to, destruction or loss of use of any and all property, including City personnel and City property, directly or indirectly arising from, or resulting from, any operations, works, acts or omissions of Lessee, its agents, servants, employees, contractors, sub lessees or tenants. Provided, however, that upon the filing with the City by anyone of a claim for damages arising out of incidents for which Lessee herein agrees to indemnify and hold the City harmless, the City shall notify Lessee

of such claim and in the event that Lessee does not settle or compromise such claim, then Lessee shall undertake the legal defense of such claim both on behalf of Lessee and behalf of the City. It is specifically agreed, however, that the City at its own cost and expense, may participate in the legal defense of any such claim. Any final judgment rendered against the City for any cause for which Lessee is liable hereunder shall be conclusive against Lessee as to liability and amount upon the expiration of the time for appeal.

- 8.3 In addition to Lessee's undertaking, as stated in this Article, and as a means of further protecting the City, its officers, agents, servants and employees, Lessee shall at all times during the term of this Agreement obtain and maintain in effect Public Liability Insurance coverage as set forth in Schedule A attached hereto and made a part hereof. In this connection, Lessee agrees to require its contractors doing work on the Airport, and Lessee's tenants and sub lessees, to carry adequate insurance coverage, and if Lessee so desires, it may accomplish same by an endorsement to Lessee's policies to include such persons or parties as additional named insured.

8.3.1 The City reserves the right to increase the minimum liability insurance set forth in Schedule A when in the City's opinion the risks attendant to Lessee's operations hereunder have increased.

- 8.4 The Lessee represents that it is the owner of or fully authorized to use any and all services, processes, machines, articles, marks, names or slogans used by it in its operations under or in anywise connected with this Agreement. The Lessee agrees to save and hold the City, its officers, employees, agents and representatives free and harmless of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Lessee under or in anywise connected with this Agreement.
- 8.5 The Lessee represents and warrants that no broker has been concerned on its behalf in the negotiation of this Agreement and that there is no such broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the City of and from any claim for commission or brokerage made by any such broker when such claim is based in whole or in part upon any act or omission of the Lessee.

ARTICLE 9 - RULES AND REGULATIONS

- 9.1.1 From time to time City may adopt and enforce rules and regulations with

respect to the occupancy and use of the Airport. Lessee agrees to observe and obey any and all rules and regulations and all other Federal, State and municipal rules, regulations and laws and to require its officers, agents, employees, contractors, and suppliers, to observe and obey the same. City reserves the right to deny access to the Airport and its facilities to any person, firm or corporation that fails or refuses to obey and comply with such rules, regulations or laws. Lessee hereby acknowledges receipt of a current copy of such City rules and regulations.

ARTICLE 10 - SIGNS

- 10.1 Lessee shall have the right to install and maintain one or more signs on the Leased Premises identifying it and its operations, provided, however, the subject matter, type, design, number, location and elevation of such signs, and whether lighted or unlighted, shall be subject to and in accordance with the written approval of the City. No sign will be approved that may be confusing to aircraft pilots or automobile drivers or their traffic or which fails to conform to the architectural scheme of the Airport or meet the requirements of the City.

ARTICLE 11 - ASSIGNMENT AND SUBLEASE

- 11.1 Lessee covenants and agrees that it will not sell, convey, transfer, mortgage, pledge or assign this Agreement or any part thereof, or any rights created thereby, without the prior written consent of the City.
- 11.2 Any assignment or transfer of this Agreement, or any rights of Lessee hereunder, without the consent of the City, shall entitle the City at its option to forthwith cancel this Agreement.
- 11.3 Any assignment of this Agreement approved and ratified by the City shall be on the condition that the assignee accepts and agrees to all of the terms, conditions and provisions of this Agreement, and agrees to accept and discharge all of the covenants and obligations of Lessee hereunder, including but not limited to the payment of all sums due and to become due by Lessee under the terms hereof.
- 11.4 Subject to all of the terms and provisions hereof, Lessee may, with the prior written consent of the City, sublet a portion or portions of the Leased Premises to a person, partnership, firm or corporation engaged in a business that is in the opinion of the City compatible with Lessee's authorized Airport business, but in no event shall the Lessee sublet all or any portion of the Leased Premises to a fixed base operator.
- 11.5 No consent by the City to subleasing by Lessee of portions of the Leased Premises shall in any way relieve Lessee of any of its obligations to the City

set forth or arising from this lease and a termination of Lessee's rights hereunder shall ipso facto terminate all subleases.

- 11.6 No consent to subleasing by the Lessee to a person, corporation or partnership conducting any business for profit derived from activities at the Airport shall be granted by the City without a duly executed permit agreement between the City and the sub lessee.
- 11.7 If the Lessee assigns, sells, conveys, transfers, mortgages, or pledges this agreement or sublets any portion of the Leased Premises in violation of the foregoing provisions of this Article, or if the Leased Premises are occupied by anyone other than the Lessee, City may collect from any assignee, sub lessee or anyone who claims a right to this Agreement or who occupies the Leased Premises any charges or fees payable by it and may apply the net amount collected to the rents herein reserved; and no such collection shall be deemed a waiver by City of the agreements contained in this Article nor of acceptance by City of any assignee, claimant or occupant, nor as a release of the Lessee by City from the further performance by the Lessee of the agreements contained herein.

ARTICLE 12 - NON-DISCRIMINATION

- 12.1 The Lessee, for it, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the Leased Premises for a purpose for which a United States Government program or activity is extended, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil rights Act of 1964, and as said Regulations may be amended.
- 12.2 The Lessee, for itself, its personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Leased Premises; (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Lessee shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49,

Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

- 12.3 In this connection, the City reserves the right to take whatever action it might be entitled by law to take in order to enforce this provision. This provision is to be considered as a covenant on the part of the Lessee, a breach of which, continuing after notice by City to cease and desist, will constitute a material breach of this Agreement and will entitle the City, at its option, to exercise its right of termination as provided for herein, or take any action that it deems necessary to enforce compliance herewith.
- 12.4 The Lessee shall include the foregoing provisions in every agreement or concession pursuant to which any person or persons, other than the Lessee, operates any facility at the Leased Premises providing service to the public and shall include thereon a provision granting the City a right to take such action as the United States may direct to enforce such covenant.
- 12.5 The Lessee shall indemnify and hold harmless City from any claims and demands of third persons including the United States of America resulting from the Lessee's noncompliance with any of the provisions of this Section and the Lessee shall reimburse City for any loss or expense incurred by reason of such noncompliance.

ARTICLE 13 - GOVERNMENTAL REQUIREMENTS

- 13.1 The Lessee shall procure all licenses, certificates, permits or other authorization from all governmental authorities, if any, having jurisdiction over the Lessee's operations at the Leased Premises which may be necessary for the Lessee's operations thereat.
- 13.2 The Lessee shall pay all taxes, licenses, certification, permit and examination fees and excise taxes which may be assessed, levied, exacted or imposed on the Leased Premises or operation hereunder or on the gross receipts or income to Lessee therefrom, and shall make all applications, reports and returns required in connection therewith.
- 13.3 Lessee shall have the right, at its cost and expense, to undertake appropriate action to exempt all or any part of the Leased Premises from real estate taxes

imposed upon the Leased Premises, or to secure a reduction in real estate taxes as assessed. Any such real estate taxes shall be apportioned as of the dates of commencement and termination of the lease. If any real estate taxes as may be assessed against the Leased Premises are reduced or eliminated, Lessee shall be entitled to full benefit thereof, including any refund payable to Lessee resulting therefrom.

ARTICLE 14 - RIGHTS OF ENTRY RESERVED

- 14.1 The City, by its officers, employees, agents, representatives and contractors shall have the right at all reasonable times to enter upon the Leased Premises for any and all purposes, provided, such action by the City, its officers, employees, agents, representatives and contractors does not unreasonably interfere with the Lessee's use, occupancy, or security requirements of the Leased Premises.
- 14.2 Without limiting the generality of the foregoing, the City, by its officers, employees, agents, representatives, contractors and furnishers of utilities and other services, shall have the right, at its own cost and expense, whether for its own benefit, or for the benefit of others than the Lessee at the Airport, to maintain existing and future utility, mechanical, electrical and other systems and to enter upon the Leased Premises at all reasonable times to make such repairs, replacements or alterations thereto, as may, in the opinion of the City, be deemed necessary or advisable, and from time to time to construct or install over, in or under the Leased Premises such systems or parts thereof and in connection with such maintenance use the Leased Premises for access to other parts of the Airport otherwise not conveniently accessible, provided, however, that in the exercise of such right of access, repair alteration or new construction, the City, shall not unreasonably interfere with the actual use and occupancy of the Leased Premises by the Lessee. It is specifically understood and agreed that the reservation of the aforesaid right by the City shall not impose or be construed to impose upon the City any obligation to repair, replace or alter any utility service lines now or hereafter located on the Leased Premises for the purpose of providing utility services only to the Leased Premises.
- 14.3 In the event that any personal property of Lessee shall obstruct the access of the City, its officers, employees, agents or contractors, or the utility company furnishing utility service to any of the existing utility, mechanical, electrical and other systems, and thus shall interfere with the inspection, maintenance or repair of any such system, Lessee shall move such property, as directed by the City or said utility company, in order that access may be had to the system or part thereof for inspection, maintenance or repair. If Lessee shall fail to so move such property after direction from City or said utility company to do so, the City or the utility company may move it, and the

Lessee hereby agrees to pay the cost of such moving upon demand, and further Lessee hereby waives any claim for damages as a result thereof, except for claims for damages arising from the City's sole negligence.

- 14.4 At any reasonable time, and from time to time during the ordinary business hours, the City, by its officers, agents and employees, whether or not accompanied by a prospective lessee, occupier or user of the Leased Premises, shall have the right to enter thereon for the purpose of exhibiting and viewing all parts of the same, subject to Lessee's reasonable security requirements.
- 14.5 Exercise of any or all of the foregoing rights, by the City, or others under right of the City, shall not be, nor be construed to be, an eviction of Lessee, nor be made the grounds for any abatement of rental nor any claim or demand for damages, consequential or otherwise.

ARTICLE 15 - ADDITIONAL RENTS AND CHARGES

- 15.1 Except as provided in Section 5.3 (b), in the event Lessee fails within thirty (30) days after receipt of written notice from City to perform or commence to perform any obligation required herein to be performed by Lessee, City may enter the Leased Premises (without such entering causing or constituting a cancellation of this Agreement or an interference with the possession of such Leased Premises by Lessee) and do all things reasonably necessary to perform such obligation, charging to Lessee the cost and expense thereof, and Lessee agrees to pay to the City upon demand such charge in addition to other amounts payable by Lessee hereunder. Provided, however, that if Lessee's failure to perform any such obligation endangers the safety of the public or employees or property of the City or other tenants of the Airport, and City so states in its notice to Lessee, the City may perform such obligation of Lessee at any time after the giving of such notice, and charge to the Lessee the reasonable cost and expense thereof which Lessee shall pay upon demand.
- 15.2 If the City elects to pay any sum or sums or incur any obligation or expense by reason of the failure, neglect or refusal of Lessee to perform or fulfill any one or more of the conditions, covenants or agreements contained in this Agreement, or as the result of any act or omission of Lessee contrary to said conditions, covenants or agreements, Lessee hereby agrees to pay the sum or sums so paid or expense so incurred by the City as a result of such failure neglect or refusal of Lessee, including interest, not to exceed ten percent (10%) per annum, together with all costs, damages and penalties. In such event, the total of such amounts may be added to any installment of rent

thereafter due hereunder, and each and every part of the same shall be and become additional rent recoverable by the City in the same manner and with like remedies as if it were originally a part of the rent provided for in this Agreement.

ARTICLE 16 - DEFAULT

- 16.1 In the event Lessee breaches any term or provision of this Lease, including the obligation to pay rent as and when due, the City shall have the right to terminate this lease upon giving Lessee ten (10) days notice to cure such default (except as otherwise provided in Section 5.3 above). If Lessee shall not have cured its default within said ten (10) day period to the satisfaction of the City, then the City may declare this Lease and Lessee's right of occupancy to be terminated, and Lessee shall at once quit the Premises, taking only such personalty or fixtures as the City may authorize to be removed. The foregoing rights and remedies given to City are and shall be deemed to be cumulative and shall be deemed to be given to City in addition to any other and further rights granted to City herein or by law. The failure by the City at any time to exercise any right or remedy hereby given to it shall not be deemed to operate as a waiver by it of its right to exercise such rights or remedies at any other or future time.

ARTICLE 17 - TERMINATION BY LESSEE

- 17.1 In addition to any other right of cancellation herein given to Lessee, or any other rights to which it may be entitled by law, equity or otherwise, as long as Lessee is not in default in payment to City of any amounts due City under this Agreement, Lessee may cancel this Agreement and thereby terminate all of its rights and unaccrued obligations hereunder, by giving City thirty (30) days' advance written notice upon or after the happening of the following events:

17.1.1 issuance by a court of competent jurisdiction of an injunction which in any way substantially prevents or restrains the use of the Leased Premises, or any part thereof necessary to Lessee's business operations on the Airport, and which injunction remains in force for a period of at least thirty (30) days after the party against whom the injunction has been issued has exhausted or abandoned all appeals or one hundred twenty (120) days whichever is shorter, if such injunction is not necessitated by or issued as a result of an act or omission of Lessee; or

17.1.2 The assumption by the United States Government, or any authorized agency thereof, of the operation, control or use of the Airport and its facilities, or any substantial part thereof, in such a manner as substantially to restrict Lessee from operating its authorized Airport business for a

continuous period of at least ninety (90) days.

ARTICLE 18 - SURRENDER AND RIGHT OF RE-ENTRY

- 18.1 Upon the cancellation or termination of this Agreement pursuant to any terms hereof, Lessee agrees peaceably to surrender up the Leased Premises to the City in the same condition as they are at the time of the commencement of the term hereof, and as they may hereafter be repaired and improved by Lessee; save and except, (a) such normal wear and tear thereof as could not have been prevented by ordinary and usual repairs and maintenance, (b) obsolescence in spite of repair, and (c) damage to or destruction of the leasehold improvements for which insurance proceeds are received by the City. Upon such cancellation or termination, the City may re-enter and repossess the Leased Premises together with all improvements and additions thereto, or pursue any remedy permitted by law for the enforcement of any of the provisions of this Agreement, at City's election. Furthermore, upon such cancellation or termination, and for a reasonable time thereafter (not exceeding thirty (30) days after such cancellation or termination, and for which period Lessee will pay to the City current lease rentals), or during the term of this Agreement, if Lessee is not in default in rentals or any other charges or obligations due the City, Lessee shall have the right to remove its personal property, fixtures and trade equipment which it may have on the Leased Premises, provided the removal thereof does not impair, limit or destroy the utility of said Leased Premises or building for the purpose for which they were constructed or improved, and provided, further, that Lessee repairs all damages that might be occasioned by such removal, and restores the building and site to the condition above required.

ARTICLE 19 - SERVICES TO LESSEE

- 19.1 City covenants and agrees that during the term of this Agreement it will operate the Airport as such for the use and benefit of the public provided, however, that the City may prohibit or limit any given type, kind, or class of aeronautical use of the Airport if such action is necessary for the safe operation of the Airport or necessary to serve the civil aviation needs of the public. The City further agrees to use its best efforts to maintain the runways and taxiways in good repair. City agrees to keep in good repair hard-surfaced public roads for access to the Leased Premises. City also agrees to maintain its water and sanitary sewer facilities in areas designated for utilities or easements adjacent to the Leased Premises for access thereto by Lessee in accordance with City Ordinances governing same.
- 19.2 Lessee will contract with and obtain all required permits from the appropriate City Departments for any utility services provided by City, paying any required connection fees, including those to be paid by owners, and all such services will be provided at rates and on terms and conditions

established by the City for similar users in the City.

- 19.3 Lessee will also contract with the furnishers of all other utilities for the furnishing of such services to the Leased Premises and shall pay for all water, gas, electricity, sanitary sewer service, telephone, and burglary and fire protection services furnished to the Leased Premises.

ARTICLE 20 - SURVIVAL OF THE OBLIGATIONS OF THE LESSEE

- 20.1 In the event that the Agreement shall have been terminated in accordance with a notice of termination as provided in Article 16 hereof, all the obligations of the Lessee under this Agreement shall survive such termination, re-entry, regaining or resumption of possession and shall remain in full force and effect for the full term of this Agreement, and the amount or amounts of damages or deficiency shall become due and payable to City to the same extent, at the same time or times, and in the same manner as if no termination, re-entry, regaining or resumption of possession had taken place. City may maintain separate actions each month to recover the damage or deficiency then due or at its option and at any time may sue to recover the full deficiency less the proper discount, for the entire unexpired term of the Agreement.

- 20.2 The amount of damages for the period of time subsequent to termination (or re-entry, regaining or resumption of possession) on account of the Lessee's rental obligations shall be the sum of the following:

20.2.1 the amount of the total of all installments thereof payable prior to the effective date of termination except that the credit to be allowed for the installment payable on the first (1st) day of the month in which the termination is effective shall be prorated for the part of the month the Agreement remains in effect on the basis of the total days in the month;

20.2.2 An amount equal to all expenses incurred by City in connection with regaining possession, restoring the Leased Premises, acquiring a new lease for the Leased Premises, legal expenses (including but not limited to attorney's fees), putting the Leased Premises in order, maintenance and brokerage fees.

ARTICLE 21 - USE SUBSEQUENT TO CANCELLATION OR TERMINATION

- 21.1 The City, upon termination or cancellation pursuant to Article 16 hereof, may occupy the Leased Premises or may enter into an agreement with

another lessee and shall have the right to permit any person, firm or corporation to enter upon the Leased Premises and use the same. Such use may be of part only of the Leased Premises or of the entire Leased Premises, together with other premises, and for a period of time the same as or different from the balance of the term hereunder remaining, and on terms and conditions the same as or different from those set forth in this Agreement.

- 21.2 City shall also, upon said termination or cancellation, or upon re-entry, regaining or resumption of possession, have the right to repair and to make structural or other changes in the Leased Premises, including changes which alter its character and the suitability thereof for the purposes of the Lessee under this Agreement, without affecting, altering or diminishing the obligations of the Lessee hereunder, provided, that any structural changes shall not be at Lessee's expense.
- 21.3 In the event either of use by others or of any actual use and occupancy by City, there shall be credited to the account of the Lessee against its survived obligations hereunder any net amount remaining after deducting from the amount actually received from any lessee, licensee, permittee or other occupier in connection with the use of the said Leased Premises or portion thereof during the balance of the term of use and occupancy as the same if originally stated in this Agreement, or from the market value of the occupancy of such portion of the Leased Premises as City may itself during such period actually use and occupy, all expenses, costs and disbursements incurred or paid by City in connection therewith. No such use and occupancy shall be or be construed to be an acceptance of a surrender of the Leased Premises, nor shall such use and occupancy constitute a waiver of any rights of City hereunder. City will use its best efforts to minimize damages to Lessee under this Article.

ARTICLE 22 - LIMITATION OF RIGHTS AND PRIVILEGES GRANTED

- 22.1 Except the exclusive right of Lessee to possession of the Leased Premises, no exclusive rights at the Airport are granted by this Agreement and no greater rights or privileges with respect to the use of the Leased Premises or any part thereof are granted or intended to be granted to the Lessee by this Agreement, or by any provision thereof, than the rights and privileges expressly and specifically granted hereby.

ARTICLE 23 - NOTICES

- 23.1 All notices, consents and approvals required or desired to be given by the parties hereto shall be sent in writing, and shall be deemed sufficiently given when same is deposited in the United States Mail, sufficient postage prepaid,

registered or certified mail, return receipt requested, addressed to the recipient at the address set forth below:

To City: Airport Manager
P.O. Box 1448
Shawnee, Oklahoma 74802-1448

AND

To Lessee: Jason Skillern and Brian Thompson
1310 E Independence
Shawnee, OK 74804

- 23.2 Such addresses shall be subject to change from time to time to such other addresses as may have been specified in written notice given by the intended recipient to sender.

ARTICLE 24 - HOLDING OVER

- 24.1 No holding over by Lessee after the termination of this lease shall operate to extend or renew this lease for any further term whatsoever; but Lessee will by such holding over become the tenant at will of City and after written notice by City to vacate such premises, continued occupancy thereof by Lessee shall constitute Lessee a trespasser.
- 24.2 Any holding over by Lessee beyond the thirty (30) day period permitted for removal of fixtures without the written consent of the City shall make the Lessee liable to the City for damages equal to double the rentals provided for herein and which were in effect at the termination of the lease.
- 24.3 All insurance coverage that Lessee is required under the provisions hereof to maintain in effect shall continue in effect for so long as Lessee, or any of Lessee's sub lessees or tenants occupy the Leased Premises or any part thereof.

ARTICLE 25 - INVALID PROVISIONS

- 25.1 The invalidity of any provisions, articles, paragraphs, portions, or clauses of this Agreement shall have no effect upon the validity of any other part or portion hereof, so long as the remainder shall constitute an enforceable

Agreement.

ARTICLE 26 - MISCELLANEOUS PROVISIONS

Remedies to be Nonexclusive.

- 26.1 All remedies provided in this Agreement shall be deemed cumulative and additional and not in lieu of, or exclusive of, each other, or of any other remedy available to the City, or Lessee, at law or in equity, and the exercise of any remedy, or the existence herein of other remedies or indemnities shall not prevent the exercise of any other remedy.

Non-Waiver of Rights.

- 26.2 The failure by either party to exercise any right, or rights accruing to it by virtue of the breach of any covenant, condition or agreement herein by the other party shall not operate as a waiver of the exercise of such right or rights in the event of any subsequent breach by such other party, nor shall other party be relieved thereby from its obligations under the terms hereof.

Force Majeure.

- 26.3 Neither party shall be deemed in violation of this Agreement if it is prevented from performing any of its obligations hereunder by reason of labor disputes, acts of God, acts of the public enemy, acts of superior governmental authority or other circumstances for which it is not responsible or which is not in its control provided, however, that this section shall not excuse Lessee from paying the rentals herein specified.

Non-Liability of Individuals.

- 26.4 No director, officer, agent or employee of either party hereto shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or of an supplement, modification or amendment to this Agreement because of any breach thereof, or because of his or their execution or attempted execution of the same.

Quiet Enjoyment.

- 26.5 The City covenants that as long as Lessee is not in default of any provision of this Agreement, Lessee shall and may peaceably and quietly have, hold and enjoy the Leased Premises exclusively to it during the term hereof unless

sooner canceled as provided in this Agreement.

General Provisions.

- 26.6 Lessee shall not use, or permit the use of, the Leased Premises, or any part thereof, for any purpose or use other than those authorized by this Agreement.
- 26.7 This Agreement shall be performable and enforceable in Shawnee, Oklahoma and shall be construed in accordance with the laws of the State of Oklahoma.
- 26.8 This Agreement is made for the sole and exclusive benefit of the City and Lessee, their successors and assigns, and is not made for the benefit of any third party.
- 26.9 In the event of any ambiguity in any of the terms of this Agreement, it shall not be construed for or against any party hereto on the basis that such party did or did not author the same.
- 26.10 All covenants, stipulations and agreements in this Agreement shall extend to and bind each party hereto, its legal representatives, successors and assigns.
- 26.11 The titles of the several articles of this Agreement are inserted herein for convenience only, and are not intended and shall not be construed to affect in any manner the terms and provisions hereof, or the interpretation or construction thereof.
- 26.12 Nothing herein contained shall create or be construed to creating a co-partnership between the City and the Lessee or to constitute the Lessee an agent of the City. The City and the Lessee each expressly disclaim the existence of such a relationship between them.

ARTICLE 27 - SUBORDINATION CLAUSES

- 27.1 This Agreement is subject and subordinate to the following:
 - 27.1.1 City reserves the right to develop and improve the Airport as it sees

fit, regardless of the desires or view of Lessee, and without interference or hindrance by or on behalf of Lessee, provided, Lessee is not deprived of the use of or access to the Leased Premises.

27.1.2 City reserves the right to take any action it considers necessary to protect the aerial approaches to the Airport against obstruction, together with the right to prevent Lessee from erecting or permitting to be erected any building or other structure on the Airport which, in the opinion of the City, would limit the usefulness of the Airport or constitute a hazard to aircraft.

27.1.3 This Agreement is and shall be subordinate to the provisions of existing and future agreements between City and the United States relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the obtaining or expenditure of Federal funds for the benefit of the Airport.

27.1.4 During the time of war or national emergency, City shall have the right to lease all or any part of the landing area or of the Airport to the United States for military or naval use, and if any such lease is executed, the provisions of this Agreement insofar as they may be inconsistent with the provisions of such lease to the Government, shall be suspended, but such suspension shall not extend the term of this Agreement. Abatement of rentals shall be determined by the City in proportion to the degree of interference with Lessee's use of the Leased Premises.

27.1.5 Except to the extent required for the performance of any obligations of Lessee hereunder, nothing contained in this Agreement shall grant to the Lessee any rights whatsoever in the airspace above the Leased Premises other than those rights where subject to Federal Aviation Administration rules, regulations and orders currently or subsequently effective.

ARTICLE 28 - ENTIRE AGREEMENT

- 28.1 The Agreement consists of Articles 1 to 28, inclusive, and Schedule A and Exhibit A.

28.2 It constitutes the entire Agreement of the parties hereto and may not be changed, modified, discharged or extended except by written instrument duly executed by the City and the Lessee. The parties agree that no representations or warranties shall be binding upon the City or the Lessee unless expressed in writing in this Agreement of Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written above.

LESSOR:
THE CITY OF SHAWNEE
OKLAHOMA
A Municipal Corporation

By: _____

JAMES C. COLLARD,
CITY MANAGER
/ AIRPORT MANAGER

(SEAL)
ATTEST:

DIANA HALLOCK, CMC, CITY CLERK

LESSEE:
Slide & Grind Sk8 Shack, LLC
A Corporation

By: _____
Jason Skillern

ATTEST:

By: _____
Brian Thompson

SCHEDULE "A"

INSURANCE COVERAGE

The Lessee, at Lessee's expense, shall obtain and maintain in continuous effect during the term of this Lease Agreement, insurance policies issued by an insurance carrier licensed to do business in the State of Oklahoma, providing for:

1. Comprehensive General Liability - having a minimum of \$100,000.00 per person, \$300,000.00 for any one accident, and \$100,000.00 property damage with the following coverage:
 - A. broad form contractual liability
 - B. premises and operations
2. Fire coverage

The Lessee shall provide the City with a Certificate of Insurance indicating proof of the foregoing coverage. Such certificate shall provide that the carrier issuing the certificate shall notify the City within ten (10) days in advance of any cancellation or significant change in the terms or coverage of such insurance policies.

The failure of the Lessee to obtain and maintain such insurance coverage shall not relieve the Lessee from any liability arising from this Lease Agreement nor shall any such liability be limited to the liability insurance coverage provided for herein.

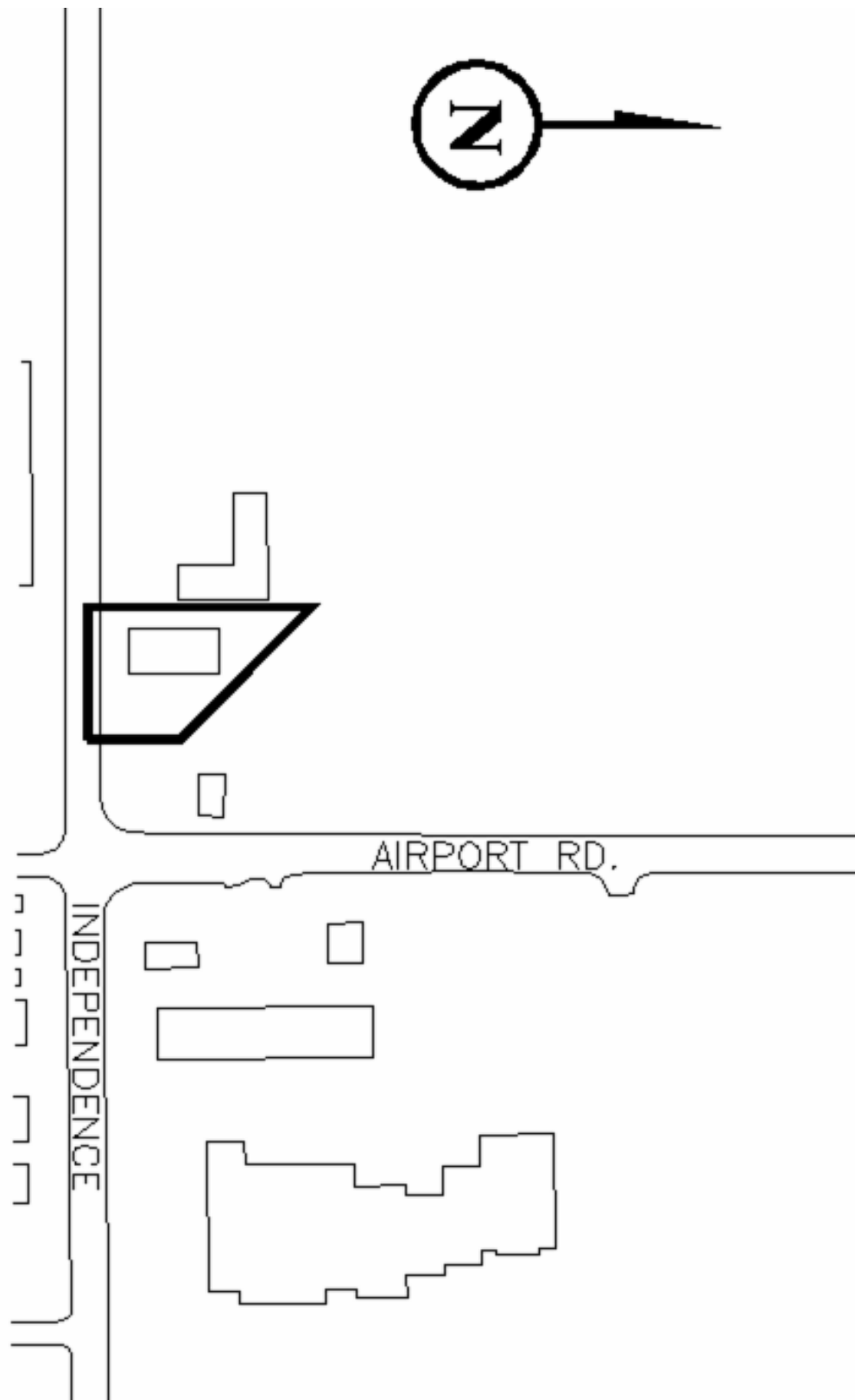


EXHIBIT "A"

BUSINESS PLAN

Incredible Inflatables

Jessica and Jordan McLaughlin

2018

1. EXECUTIVE SUMMARY

1.1 Product

Incredible Inflatables is a children's bounce house. It will primarily function as party venue, but we hope to expand and add group play date parties, school field trips, group celebrations for sports and school teams, and open gym times for open play.

1.2 Customers

Our target customers are families, teams, and schools with children ages 1-18 years of age.

1.3 What Drives Us

The goal of this company is to give families a safe and fun environment to come and enjoy themselves in. We want to add a variety of gym equipment outside of the bounce houses we will already have. We would like to be able to offer sensory experiences, ninja courses, foam pits, rock walls, etc., to expand the variety of activities a child can do at our facility. We want to be the "ultimate birthday and party destination" so our community does not have to venture out of town for fun!

2. COMPANY DESCRIPTION

2.1 Mission Statement

Our mission at Incredible Inflatables is to provide to ultimate safe and fun party experience!

2.2 Principal Members

Jessica McLaughlin, co-owner, cleaner, event coordinator, and marketer

Jordan McLaughlin, co-owner, business manager, in charge of finances and gym maintenance

Inflatables employee- work hours for parties to help families have a great experience and to run open gym hours when owners cannot be present.

2.3 Legal Structure

We will function under the McLaughlin Enterprises LLC (pending).

3. MARKET RESEARCH

3.1 Industry

There are only a couple of other facilities offering party packages like we have in Shawnee. The skating rink offers party packages, the Firelake and Shawnee bowling alleys have parties, and rising star gymnastics center allows open gym parties as well. There is not another facility offering the same type of atmosphere that we have, unless you travel into Oklahoma City. There is a business in town called Extreme Inflatables that rents out bounce houses to your home.

3.2 Customers

Our customer base will be families, schools, and teams in Shawnee, and surrounding towns.

3.3 Competitors

Our competition in the town of Shawnee consists of Star Skate, bowling alleys, and Rising Star Gymnastics that also advertise as party and play venues.

3.4 Competitive Advantage

Our gym offers private party play and room time, we do the cleaning, and we can also provide supplies upon request. We have equipment that no other place in town offers. We are the only bounce house, and when we add other gym equipment we will be the only facility with a variety indoor play gym equipment.

3.5 Regulation

All current Oklahoma and Federal laws in regards to amusement rides.

4. PRODUCT/SERVICE LINE

4.1 Product or Service

We will provide access to indoor inflatables and a party room. We offer set up and clean up services with the party package purchase. We offer a variety of party experiences including laser tag, glow in the dark bounce, and dodge ball.

4.2 Pricing Structure

Open play: \$10 per child

Private play dates: \$125

Parties: \$250 for 2 hrs with \$50 deposit at booking

4.3 Product/Service Life Cycle

It is in the growth stage.

4.4 Intellectual Property Rights

We do not have intellectual property rights. This is a business that has been around for a while in our town, and there are many like it across the state.

4.5 Research & Development

We will run surveys and poll our audience regularly to see how we can continue to meet their needs. We will do this more when we gear up to start adding other activities and equipment into our facility. We have a line of specials we plan to run to get people in the door and see what we are all about. We will run specials, weekly and monthly, and offer specials and coupons to the schools and teams that book events with us.

5. MARKETING & SALES

5.1 Growth Strategy

Online marketing via website, Facebook page, Instagram account

Offer coupons to different groups, schools, churches to pass out to families.

Run specials to market to specific populations throughout the year.

5.2 Communication

We will primarily communicate via social media, website, Instagram, Facebook, and allow people to sign up for texts when we run specials.

5.3 Prospects

Marketing through social media and getting people in the doors to use the facility, run incentives to come back, rotate out parts of the gym and activities, and make it new and different when people continue to come back.

McLaughlin Enterprises LLC
Profit and Loss (Proforma)
August 1, 2018 - July 31, 2019

	<u>Aug 2018 - July 2019</u>
Ordinary Income/Expense	
Income	
Revenue (Parties / Avg of 8 per week)	\$ 104,000
Revenue (Open Gym / Avg of 20 per week at \$10 each)	\$ 10,400
<i>Total Income</i>	<u>\$ 104,000</u>
Expense	
Insurance	\$ 5,400
Interest	\$ 3,000
Lease	\$ 12,000
Utilities	\$ 7,500
Inpsections	\$ 325
Repairs	\$ 4,000
Advertising	\$ 2,500
Salaries and Wages (potentially will not need additional staf	\$ 10,400
Supplies	\$ 5,000
<i>Total Expense</i>	<u>\$ 50,125</u>
<i>Net Ordinary Income</i>	<u>\$ 53,875</u>
Other Income/Expense	
Miscellaneous Income	\$ 1,000
Net Other Income	<u>\$ 1,000</u>
<i>Net Income</i>	<u>\$ 54,875</u>
<i>Cash available for Debt Service</i>	\$ 57,875
<i>Estimated Annual Debt Service</i>	\$ 10,080
<i>Excess Cash Flow</i>	\$ 47,795

McLaughlin Enterprises LLC
Balance Sheet (Proforma)
End of Year 1

Assets

Cash on Hand	\$ 20,000
Fixed Assets / Equipment, Furniture, Fixtures, et	\$ 22,500
Intangible Assets	<u>\$ 27,500</u>
<i>Total Assets</i>	<i>\$ 70,000</i>

Liabilities

Long Term Debt	\$ 43,000
Current Portion of Long Term Debt	<u>\$ 10,080</u>
<i>Total Liabilities</i>	<i>\$ 53,080</i>

<i>Owners Equity</i>	<i>\$ 16,920</i>
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McLaughlin Enterprises LLC
Break Even Analysis
January through December 2018

	<u>Jan - Dec '18</u>
Expected Debt Service Requirement (Annually)	\$ 10,080
Operating Expense	
Insurance	\$ 5,400
Interest	\$ 3,000
Lease	\$ 12,000
Utilities	\$ 7,500
Inspections	\$ 325
Repairs	\$ 4,000
Advertising	\$ 2,500
Salaries and Wages (potentially will not need additional staff)	\$ 10,400
Supplies	\$ 5,000
Total Operating Expenses	<u>\$ 50,125</u>
Total Fixed Cost	\$ 60,205
Number of Parties per week required to break even	5



ASSIGNMENT AND ASSUMPTION AGREEMENT FOR COMMERCIAL LEASE

THIS AGREEMENT made and entered into to be effective as of September 1st, 2018 ("Effective Date") by and between Greta Madson Enterprises, LLC. (Assignor), and McLaughlin Enterprises, LLC (Assignee).

Recitals

WHEREAS the parties hereto recognize and accept that Assignor is presently Lessee under a Lease Agreement dated February 18, 2009 (hereinafter referred to as Lease Agreement) with the Shawnee Airport Authority, wherein Lessee leases a certain existing building at 702 West Independence Street, Shawnee, Oklahoma existing of approximately 7,200 square feet; unimproved and improved land area consisting of approximately 35,305 square feet; and real property improvement constructed or installed thereon; and

WHEREAS, subject to the terms hereof Assignor desires to assign to Assignee all of its right, title, interest, and obligations in and under said Lease Agreement with the Shawnee Airport Authority; and

WHEREAS, Assignor and Assignee hereby acknowledge that pursuant to the provisions of said Lease Agreement, any and all assignments shall not be effected without the prior written approval of the Shawnee Airport Authority; and

WHEREAS, Assignee hereby accepts such assignment of the above described Lease Agreement, and hereby agrees to strictly comply with and assume all the terms, provisions, conditions, and obligations of Assignor/Lessee under said Lease Agreement, effective upon approval of the Shawnee Airport Authority.

NOW, THEREFORE, for and in consideration of mutual covenants herein contained, the parties hereto agree as follows:

1. That Assignor assigns to Assignee, all of its right, title, interest, and obligations in and under that certain Lease Agreement between Assignor/Lessee and the Shawnee Airport Authority, and Assignee hereby agrees to strictly comply with and assume all the terms, provisions, conditions, and obligations as Lessee under said Lease Agreement, accruing from and after the Effective Date.
2. The Shawnee Airport Authority approves the assignment of said Lease Agreement and transfer to the Assignee, to the extent it is consistent with the Lease Agreement and further approves the assumption by Assignee of all right, title, interest, and obligations in and under that certain Lease Agreement subject to the terms hereof.
3. That all recitals hereinabove are contractual in nature, are made a part of this Assignment and Assumption Agreement, and are true and correct.
4. Assignee shall accept the assignment made and any covenants contained in this instrument and assume the duty to perform all of the terms and conditions of the Lease Agreement and this Assignment and Assumption Agreement accruing from and after the Effective Date.

5. This Assignment and Assumption Agreement and the Lease Agreement contains the entire agreement between the parties, and no statements, promises, or inducements made by any part, or agent of any party hereto, that are not contained in this written agreement or in the Lease Agreement shall be valid or binding; and this assignment may not be enlarged, modified, or altered except in writing, signed by all parties, and endorsed thereon.
6. Each of Assignor and the Shawnee Airport Authority represent to the other parties hereto that it is not in default under the Lease Agreement, nor does there exist any circumstances which, with the passage of time or the giving of notice, or both, would cause such a default to exist, nor, to the knowledge of such party, is there a default under the Lease Agreement by any other party, nor does there exist any circumstances which, with the passage of time or the giving of notice, or both, would cause such a default to exist.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the day and year first above written

[SIGNATURE PAGES FOLLOW IMMEDIATELY]

Greta Madson Enterprises, LLC

Name: Greta Madson

[illegible]

(Name/Title)

Notary Public

Commission Number: _____

ASSIGNEES:

McLaughlin Enterprises, LLC

By: _____

Name: Jordan McLaughlin

Title: _____

By: _____

Name: Jessica McLaughlin

Title: _____

STATE OF OKLAHOMA)

) ss.

COUNTY OF POTTAWATOMIE)

Jordan McLaughlin, of lawful age being duly sworn, deposes and says: I do hereby certify that I am the _____ of McLaughlin Enterprises, LLC and am authorized to execute documents, contracts, and agreements and have the authority under the standing authorities of said organization to bind McLaughlin Enterprises, LLC to the terms and provisions of said documents, contracts, and agreements.

(Name/Title)

Subscribed and sworn to before me this ____ day of _____, ____.

Notary Public

My Commission Expires: _____ Commission Number: _____

Jessica McLaughlin, of lawful age being duly sworn, deposes and says: I do hereby certify that I am the _____ of McLaughlin Enterprises, LLC and am authorized to execute documents, contracts, and agreements and have the authority under the standing authorities of said organization to bind McLaughlin Enterprises, LLC to the terms and provisions of said documents, contracts, and agreements.

(Name/Title)

Subscribed and sworn to before me this ____ day of _____, ____.

Notary Public

My Commission Expires: _____ Commission Number: _____

APPROVED by the Shawnee Airport Authority this ____ day of August 2018, with the expressed condition that no further assignment of the described Agreement, or any subletting of the leased premises, shall be permitted without the prior written permission of the Shawnee Airport Authority.

THE CITY OF SHAWNEE
OKLAHOMA
A Municipal Corporation

By:
JUSTIN ERICKSON,
CITY MANAGER

ATTEST:
(SEAL)

LISA LASYONE, CMC, CITY CLERK

By:
JOSEPH VORNDRAN
CITY ATTORNEY



AMENDMENT TO COMMERCIAL LEASE AGREEMENT

This Amendment to the Agreement of Lease made and entered into this _____ day of _____, 2018 by and between the City of Shawnee, Oklahoma, hereinafter referred to as "Lessor," and McLaughlin Enterprises, LLC, hereinafter referred to as "Lessee."

WITNESSETH THAT:

WHEREAS, the City of Shawnee is the owner of the premises known as Shawnee Regional Airport (the "Airport"); and

WHEREAS, the City of Shawnee and Lessee are mutually desirous of entering into a Lease Agreement for the use and occupancy of certain areas at the Airport;

WHEREAS, the City of Shawnee made and entered into a certain Lease Agreement with Slide & Grind Sk8 Shack, LLC; and

WHEREAS, at the request of Slide & Grind Sk8 Shack, LLC, the City of Shawnee approved a transfer and assumption of that certain Lease Agreement to Greta Madson Enterprises, LLC; and

WHEREAS, at the request of Greta Madson Enterprises, LLC, the City of Shawnee approved a transfer and assumption of that certain Lease Agreement to McLaughlin Enterprises, LLC, hereinafter referred to as "Lessee".

NOW, THEREFORE, in consideration of the premises and of the rents, covenants and conditions in that certain Lease Agreement therein contained, the City does hereby grant to the Lessee the right to use and occupy the area of the Airport described in Article 2 therein, (hereinafter referred to as the "Leased Premises"), during the term therein and pursuant to the conditions therein set forth.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to the Lease Agreement on the day and year written above.

[SIGNATURE PAGE TO FOLLOW IMMEDIATELY]

LESSEE:

MCLAUGHLIN ENTERPRISES, LLC

BY: _____
JORDAN MCLAUGHLIN

TITLE: _____

Subscribed to before me this ____ day of _____ 2018

Notary Public

My Commission Expires: _____

Commission Number: _____

BY: _____
JESSICA MCLAUGHLIN

TITLE: _____

Subscribed to before me this ____ day of _____ 2018

Notary Public

My Commission Expires: _____

Commission Number: _____

LESSOR

THE CITY OF SHAWNEE
OKLAHOMA
A Municipal Corporation

By: _____
JUSTIN ERICKSON
CITY MANAGER

ATTEST:
(SEAL)

LISA LASYONE, CMC, CITY CLERK

By: _____
JOSEPH VORNDRAN
CITY ATTORNEY

Shawnee Airport Authority

2.

Meeting Date: 08/20/2018

Taxilane Construction

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Consideration, discussion, and possible action on an Agreement for Services with H.W. Lochner for FAA AIP Project No. 3-40-0088-018-2018; Construct T-Hanger Taxilane.

Fiscal Impact

Attachments

Taxilane Construction



Date: August 16, 2018

To: Shawnee Airport Authority

The Honorable Richard Finley, Mayor
James Harrod, Vice Mayor
Ed Bolt, Commissioner
Ron Gillham, Commissioner
Darren Rutherford, Commissioner
Ben Salter, Commissioner
Jeff Sehorn, Commissioner

From: Bonnie A. Wilson, CM Airport Manager

Subject: Proposed Agreement for Professional Engineering Services

Nature of Request:

The Federal Aviation Administration (FAA) has provided a grant in aid through the Airport Improvement Program (AIP) to support the construction of a Taxiway and supporting infrastructure for a new T-Hangar Complex at the Shawnee Regional Airport (SNL). The contract for construction was awarded to GCC Enterprises, Inc., at the Regular Meeting of Shawnee Airport Authority (SAA) on May 21, 2018.

At this time staff is requesting the authority to enter into a professional services agreement with H.W. Lochner, Inc. (Lochner) of Oklahoma City, Oklahoma to provide construction services generally consisting of: construction administration, materials testing, project observation and project close out services. A copy of the agreement is provided as Attachment 1 to this memorandum.

Staff Analysis and Considerations:

Following publication of a Request for Qualifications and an assessment of the submissions provided Lochner was selected to provide Professional Airport Engineering Services at SNL. Lochner has successfully completed several major projects for SNL since that time including the preparation of the design and technical specifications for the Taxiway T-Hangar project. Having served as the project design team Lochner has a unique capacity to provide the technical and professional services required to support the construction phase of this project.

Recommendation:

The Airport Advisory Board and airport staff are recommending the Shawnee Airport Authority authorize the execution of a professional services agreement with Lochner to provide construction administration, materials testing, project observation and project close out services.

Budget Consideration:

The total cost of construction, based on bids received and accepted is \$817,557.00. The FAA has provided \$559,465 in AIP funds to support the construction of this project. SNL will provide the \$62,163 from airport revenue and \$195,929.00 from restricted use funds generated by the sale of land adjacent to the airport.

Lochner has requested a total of \$150,950.00, to perform the services described. Restricted funds from prior sales of airport land will be used to support these costs. Specifically \$80,654.00 from the previous sale, and \$70,296.00 from the pending sale of additional land.

**SUPPLEMENTAL AGREEMENT NO. 1
AGREEMENT FOR SERVICES FOR
SHAWNEE REGIONAL AIRPORT
SHAWNEE, OKLAHOMA**

**FAA AIP PROJECT NO. 3-40-0088-017-2017 (DESIGN)
FAA AIP PROJECT NO. 3-40-0088-018-2018 (CONSTRUCTION)**

ORIGINAL AGREEMENT DATED MAY 16th, 2017

THIS SUPPLEMENTAL AGREEMENT NO. 1 made and entered into this _____ day of _____, 2018 by and between the City of Shawnee, Oklahoma, hereinafter called the "Sponsor," with offices located at 16 W 9th Street Shawnee, OK 74801, and H.W. Lochner, Inc. (Lochner) with offices located at 13439 Broadway Ext., Suite 101, Oklahoma City, OK 73114, hereinafter called the "Consultant."

WITNESSETH:

WHEREAS, the Sponsor is desirous of making the following improvements, hereinafter called the "Project", at the Shawnee Regional Airport:

- Base Bid
Construct T-Hangar Taxilane
- Add Alternate No. 1
Construct T-Hangar Taxilane to Object Free Area
- These items are being funded through a future grant from the Federal Aviation Administration (FAA)

WHEREAS, the Sponsor now desires to add the Scope of Services, Time Schedule, and Compensation associated with the following items as identified in the Original Agreement.

A. BASIC SERVICES

4. Bidding Phase

C. CONSTRUCTION SERVICES

WHEREAS, the Sponsor has agreed to employ the Consultant to provide the engineering services required for performing designs, construction plans, contract documents/technical specifications, tabulation of construction quantities, engineer's opinion of probable construction cost and project budget. The Consultant shall also assist the Sponsor with administrative services. The Sponsor now desires to add to this Agreement the additional services for providing bidding services, construction administration, materials testing, observation, and project closeout services for the proposed Project upon the award of the Construction Contract.

NOW, THEREFORE, in consideration of these premises and the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I SCOPE OF SERVICES

Add the entire contents of the following Item A.4. to the Original Agreement:

A. BASIC SERVICES

4. Bidding Phase

- a. Assist the Sponsor with advertisement for bids. The Consultant shall prepare the advertisement and send the "Notice to Bidders" to prospective Contractors. (The Sponsor shall place the advertisement in the appropriate media.)
- b. Print and distribute Construction Plans and Contract Documents/Technical Specifications to plan holding houses and prospective Bidders.
- c. Answer questions, clarify points, and issue addenda as necessary pertaining to the Construction Plans and Contract Documents/Technical Specifications during the Bidding Services phase.
- d. Attend and conduct a prebid conference at the Airport or City Offices.
- e. Prepare and issue addendums during the Bidding Phase as required.
- f. The Consultant will attend the bid opening at the City Offices and assist the Sponsor with one (1) receipt of bids.
- g. Tabulate and analyze bid results, prepare Project budget, review Contractor's qualifications and DBE subcontractor's list provided by the Contractor, and make recommendation of contract award.

Replace the entire contents of Item C. of the Original Agreement with the following:

C. CONSTRUCTION SERVICES

1. Preliminary Phase

- a. Prepare copies of the Construction Plans and Contract Documents/Technical Specifications for use by the Contractor during construction.
- b. Develop Construction Observation Plan for submittal to the Sponsor and FAA.
- c. Attend and conduct a pre-construction conference. Minutes of the conference will be prepared and distributed to the attendees.

2. Provide on-site construction observation and observation management.

- a. Provide construction observation services, including preparation of daily reports, weekly reports, and other reports as required by the FAA to document the prosecution and progress of the Project. The Consultant shall provide full time observation of the Project.
 - b. Review shop drawings and material certification submittals from the Contractor.
 - c. Provide observation and testing of construction materials.
 - d. Prepare Contractor's progress estimates, Sponsor's request for reimbursement of funds, and FAA quarterly reports.
 - e. Prepare change orders and supplements necessary for construction of the Project.
 - f. Attend and conduct a final review of the Project with the Sponsor and the FAA.
3. Project Closeout Phase
- a. Prepare and submit to the Sponsor one (1) set of black line prints of the record drawings. The Sponsor will be provided with electronic data of the record drawings upon request.
 - b. Prepare the documents relating to engineering design and construction services for Project closeout as required by the FAA.
 - c. Prepare and submit the Final Construction Report.
 - d. Compile a copy of the Contractor's certified payroll records for the Sponsor.
 - e. Revise the Airport Layout Drawing to reflect the new taxilane location and submit to the Sponsor and FAA.

ARTICLE II SPONSOR'S RESPONSIBILITIES

No Change from Original Agreement.

ARTICLE III TIME SCHEDULE

*Change Item A.4. **BASIC SERVICES** of the Original Agreement to read as follows:*

SCHEDULED PERFORMANCE IN CALENDAR DAYS

A. BASIC SERVICES

4) Bidding Phase..... As Required

Change Item C. **CONSTRUCTION SERVICES** of the Original Agreement to read as follows:

The performance of this Supplemental Agreement is contingent and valid only on the receipt by the Sponsor of a grant from the Federal Aviation Administration for the Project. After receipt and acceptance of the grant offer, the Consultant agrees to proceed with the services immediately upon receipt of a written Notice to Proceed (NTP) by the Sponsor and to employ such personnel as required to complete the Scope of Services in accordance with the following time schedule:

C. CONSTRUCTION SERVICES

1. through 2. Construction Services As Required for 70 Calendar
Day Construction Project for Base Bid
As Required for 90 Calendar
Day Construction Project for Base Bid and Add Alternate No. 1
3. Project Closeout Phase 90 Calendar Days After

**ARTICLE IV
COMPENSATION**

Delete the entire contents of Article IV, Compensation, from Original Agreement, and replace with the following:

The Sponsor agrees to compensate the Consultant for performing engineering services as described herein on the following basis:

COMPENSATION SCHEDULE

A. BASIC SERVICES

1. Preliminary Phase (*Original Agreement*) \$5,060.70 Lump Sum
2. Design Phase – Engineer’s Design Report (*Original Agreement*) \$13,083.94 Lump Sum
3. Design Phase – Plans and Specifications (*Original Agreement*) \$43,579.65 Lump Sum
4. Bidding Phase \$9,600.00 Lump Sum
- Subtotal Basic Services (*Original and Supplemental Agree.*) \$71,324.29 Lump Sum

B. SPECIAL SERVICES (ORIGINAL AGREEMENT)

1. Administrative Assistance \$4,621.82 Lump Sum
2. Field Survey – Engineering Design \$7,786.35 Lump Sum
3. Geotechnical and Pavement Investigation \$6,935.64 Lump Sum
4. Permitting / SWPPP / CatEx Checklist \$1,463.02 Lump Sum
- Subtotal Special Services (*Original Agreement*) \$20,806.83 Lump Sum
- Total Basic and Special Services (*Orig. and Suppl. Agree.*) \$92,131.12 Lump Sum**

C. CONSTRUCTION SERVICES

1. through 2
Base Bid\$111,750.00 Not-to-Exceed
Base Bid and Add Alternate No. 1.....\$133,350.00 Not-to-Exceed

3. Project Closeout Phase..... \$8,000.00 Lump Sum
- Total Bidding Phase and Construction Services Base Bid\$129,350.00 Not-to-Exceed**
- Total Bidding Phase and Construction Services Base Bid**
plus Add Alternate.....\$150,950.00 Not-to-Exceed

The Consultant shall not proceed with the services described herein until written authorization in the form of a Notice to Proceed is received from the Sponsor.

For Item A. Basic Services, Item B. Special Services, and Item C. Construction Services, Part 3, partial payment shall be made to the Consultant for those portions of the services completed. The Consultant shall submit to the Sponsor a monthly statement showing an estimate of completion, and the portion of compensation requested for each element and phase of the services. The request for partial payments will not be in excess of the value of the services completed at the time the statement is rendered.

The fixed payment to the Consultant for services outlined in Item C. 1. through 2., Construction Services, shall be \$11,629.31, and the total payment to the Consultant shall not exceed \$111,750.00 if only the base bid is awarded. The fixed payment to the Consultant for services outlined in Item C. 1. through 2., Construction Services, shall be \$14,107.61, and the total payment to the Consultant shall not exceed \$133,350.00 if the base bid plus add alternate is awarded

If the Contractor exceeds a construction contract period of **70** calendar days, if only the Base Bid is awarded, or 90 Calendar Days if both the Base Bid and Add Alternate are awarded, the Consultant may renegotiate the respective fixed payment and not-to-exceed amount. The renegotiated fixed payment and not-to-exceed amount will be estimated based on direct salary costs, labor and general overhead, out-of-pocket expenses, and profit similar to those used in this Supplemental Agreement.

The Consultant will use an independent laboratory for all pavement materials acceptance testing. The Consultant will provide a Nuclear Moisture/Density Gauge (Troxler) for the testing of subgrade soils and base course materials. A daily charge of \$60.00 per day will be charged for the Troxler for each day that it is required on the Project. The charge for the Troxler does not include the cost of testing personnel.

Travel on and off the Project site required of Consultant personnel will be compensated at the current rate allowed by the Internal Revenue Service.

For engineering services applicable to Item C., Parts 1 and 2, the Consultant will submit monthly statements to the Sponsor for payroll costs times a factor for labor and general administrative overhead (**2.75**) and all other expenses incurred on the Project. A pro rata share of the fixed payment in proportion of the statement amount to the not-to-exceed amount will be included on the monthly statement.

Costs other than personnel services incurred by the Consultant will be documented in the written statement and will be at the cost to the Consultant from the vendor.

Progress payments shall be made to the Consultant within thirty (30) calendar days of receipt of proper billing statement.

**ARTICLE V
MANDATORY FEDERAL CONTRACT PROVISIONS**

No Change from Original Agreement:

**ARTICLE VI
MISCELLANEOUS PROVISIONS**

No Change from Original Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Agreement No. 1 to be signed by their duly authorized officers on the day and year first above-written. This Supplemental Agreement shall be binding upon the undersigned parties, their successors, partners, assigns, and legal representatives. All other stipulations of the Original Agreement dated May 16th, 2017 shall remain in effect.

ATTEST:

SPONSOR:

CITY OF SHAWNEE, OKLAHOMA

ATTEST:

CONSULTANT:

H.W. LOCHNER, INC.

DERIVATION OF CONSULTANT PROJECT COSTS

BIDDING SERVICES

BASE BID
CONSTRUCT T-HANGAR TAXILANE

FAA PROJECT NO. AIP 3-40-0088-018-2018
SHAWNEE REGIONAL AIRPORT
SHAWNEE, OKLAHOMA

April 23, 2018

1. DIRECT SALARY COSTS

<u>TITLE</u>	<u>HOURS</u>	<u>RATE/HOUR</u>	<u>COST (\$)</u>
Principal	1	\$65.00	\$ 65.00
Project Manager	23	\$58.00	\$ 1,334.00
Design Engineer II	9	\$38.00	\$ 342.00
Design Engineer I	24	\$30.00	\$ 720.00
Administrative Assistant	23	\$20.00	\$ 460.00

Total Direct Salary Costs= \$ 2,921.00

2. LABOR AND GENERAL ADMINISTRATIVE OVERHEAD

Percentage of Direct Salary Costs @ 175.00% \$ 5,111.75

3. SUBTOTAL OF ITEMS 1 AND 2 \$ 8,032.75

4. PROFIT @ 15% \$ 1,204.91

5. OUT-OF-POCKET EXPENSES

a. Mileage	180 miles @ \$0.545/mile =	\$ 98.10
b. Meals	2 days @ \$51.00/day =	\$ 102.00
c. Motel	0 days @ \$93.00/day =	\$ -
d. Materials & Supplies	=	\$ 162.24

Total Expenses = \$ 362.34

6. SUBCONTRACT COST

a. None \$ -

7. TOTAL COST (ITEMS 3, 4, 5 AND 6) \$ 9,600.00

**DERIVATION OF CONSULTANT PROJECT COSTS
CONSTRUCTION OBSERVATION SERVICES**

**BASE BID
CONSTRUCT T-HANGAR TAXILANE**

**FAA PROJECT NO. AIP 3-40-0088-018-2018
SHAWNEE REGIONAL AIRPORT
SHAWNEE, OKLAHOMA**

70 CALENDAR DAYS CONSTRUCTION CONTRACT FOR BASE BID

April 23, 2018

1. DIRECT SALARY COSTS

<u>TITLE</u>	<u>HOURS</u>	<u>RATE/HOUR</u>	<u>COST (\$)</u>
Principal	9	\$65.00	\$ 585.00
Project Manager	64	\$58.00	\$ 3,712.00
Construction Observer	516	\$38.00	\$ 19,608.00
Design Engineer I	92	\$30.00	\$ 2,760.00
Administrative Assistant	60	\$20.00	\$ 1,200.00
Total Direct Salary Costs=			\$ 27,865.00

2. LABOR AND GENERAL ADMINISTRATIVE OVERHEAD

Percentage of Direct Salary Costs @ 175.00% \$ 48,763.75

3. MATERIAL TESTING

a. Troxler Testing 15 days @ \$60.00/day = \$ 900.00

4. SUBTOTAL OF ITEMS 1, 2 AND 3 \$ 77,528.75

5. PROFIT @ 15% \$ 11,629.31

6. OUT-OF-POCKET EXPENSES

a. Mileage 7,320 miles @\$0.545/mile = \$ 3,989.40
b. Meals 68 days @ \$51.00/day = \$ 3,468.00
c. Motel 0 days @ \$93.00/day = \$ -
d. Materials & Supplies = \$ 134.54

Total Expenses = \$ 7,591.94

7. SUBCONTRACT COST

a. Lab TBD. - Materials Acceptance Testing \$ 15,000.00

8. TOTAL COST (ITEMS 4, 5, 6 AND 7) \$ 111,750.00

**DERIVATION OF CONSULTANT PROJECT COSTS
CONSTRUCTION OBSERVATION SERVICES**

**BASE BID PLUS ADD ALTERNATE
CONSTRUCT EDGE OF T-HANGAR TAXILANE TO OBJECT FREE AREA**

**FAA PROJECT NO. AIP 3-40-0088-018-2018
SHAWNEE REGIONAL AIRPORT
SHAWNEE, OKLAHOMA**

**90 CALENDAR DAYS CONSTRUCTION CONTRACT
FOR BASE BID PLUS ADD ALTERNATE**

April 23, 2018

1. DIRECT SALARY COSTS

<u>TITLE</u>	<u>HOURS</u>	<u>RATE/HOUR</u>	<u>COST (\$)</u>
Principal	9	\$65.00	\$ 585.00
Project Manager	67	\$58.00	\$ 3,886.00
Construction Observer	659	\$38.00	\$ 25,042.00
Design Engineer I	100	\$30.00	\$ 3,000.00
Administrative Assistant	68	\$20.00	\$ 1,360.00
Total Direct Salary Costs=			\$ 33,873.00

2. LABOR AND GENERAL ADMINISTRATIVE OVERHEAD

Percentage of Direct Salary Costs @ 175.00% **\$ 59,277.75**

3. MATERIAL TESTING

a. Troxler Testing 15 days @ \$60.00/day = **\$ 900.00**

4. SUBTOTAL OF ITEMS 1, 2 AND 3 \$ 94,050.75

5. PROFIT @ 15% \$ 14,107.61

6. OUT-OF-POCKET EXPENSES

a. Mileage 9,730 miles @ \$0.545/mile = \$ 5,302.85
b. Meals 91 days @ \$51.00/day = \$ 4,641.00
c. Motel 0 days @ \$93.00/day = \$ -
d. Materials & Supplies = \$ 247.79

Total Expenses = **\$ 10,191.64**

7. SUBCONTRACT COST

a. Lab TBD. - Materials Acceptance Testing **\$ 15,000.00**

8. TOTAL COST (ITEMS 4, 5, 6 AND 7) \$ 133,350.00

**DERIVATION OF CONSULTANT PROJECT COSTS
PROJECT CLOSEOUT SERVICES**

**Base Bid
Construct T-Hangar Taxilane**

**Add Alternate
Construct T-Hangar Taxilane to Object Free Area**

**FAA PROJECT NO. AIP 3-40-0088-018-2018
SHAWNEE REGIONAL AIRPORT
SHAWNEE, OKLAHOMA**

April 23, 2018

1. DIRECT SALARY COSTS

<u>TITLE</u>	<u>HOURS</u>	<u>RATE/HOUR</u>	<u>COST (\$)</u>
Project Manager	15	\$58.00	\$ 870.00
Construction Observer	0	\$38.00	\$ -
Design Engineer	32	\$30.00	\$ 960.00
Airport Planner	16	\$37.00	\$ 592.00
Administrative Assistant	4	\$20.00	\$ 80.00
Total Direct Salary Costs=			\$ 2,502.00

2. LABOR AND GENERAL ADMINISTRATIVE OVERHEAD

Percentage of Direct Salary Costs @ 175.00% \$ 4,378.50

3. SUBTOTAL OF ITEMS 1 AND 2 \$ 6,880.50

4. PROFIT @ 15% \$ 1,032.08

5. OUT-OF-POCKET EXPENSES

a. Mileage	0	miles @ \$0.56/mile =	\$ -
b. Meals	0	days @ \$46.00/day =	\$ -
c. Motel	0	days @ \$83.00/day =	\$ -
d. Materials & Supplies			= \$ 87.42

Total Expenses = \$ 87.42

6. TOTAL COST (ITEMS 3, 4 AND 5) \$ 8,000.00