

AGENDA
SHAWNEE AIRPORT AUTHORITY
May 2, 2022 AT 6:00 P.M.
COMMISSION CHAMBERS AT CITY HALL
16 WEST 9TH STREET
SHAWNEE, OKLAHOMA

Official action can only be taken on items which appear on the agenda. The public body may adopt, approve, ratify, deny, defer, recommend, amend, strike, or continue any agenda item. When more information is needed to act on an item, the public body may refer the matter to Staff or back to Committee or the recommending body. Under certain circumstances, items are deferred to a future date or stricken from the agenda entirely.

CALL TO ORDER

DECLARATION OF A QUORUM

1. Consider approval of Consent Agenda:
 - a. Minutes from the April 18, 2022 regular meeting.
2. Consideration of an Amendment to Lease Agreement with Shawnee Alano Club, Inc.
3. Consideration of a request to increase rental rates per the Airport Facilities Lease and Development Policy Statement and authorize execution of new leases and renewal of existing leases.
4. Consideration of a budget amendment for Fund 511 Shawnee Airport Authority.
5. New Business
(Any matter not known or which could not have been reasonably foreseen prior to the posting of the agenda)
6. Adjournment

Respectfully submitted,

Lisa Lasyone, CMC, City Clerk

The City of Shawnee encourages participation from its citizens in public meetings. If participation is not possible due to a disability, notify the City Clerk, in writing, at least forty-eight hours prior to the scheduled meeting and necessary accommodations will be made. (ADA 28 CFR/36)

Shawnee Airport Authority

1. a.

Meeting Date: 05/02/2022

Minutes

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Minutes from the April 18, 2022 regular meeting.

Fiscal Impact

Attachments

Minutes

THE TRUSTEES OF THE SHAWNEE AIRPORT AUTHORITY OF THE CITY OF SHAWNEE, COUNTY OF POTTAWATOMIE, STATE OF OKLAHOMA, MET IN REGULAR SCHEDULED SESSION, MONDAY, APRIL 18, 2022, DURING THE BOARD OF CITY COMMISSIONER MEETING AT 6:00 P.M., PURSUANT TO NOTICE DULY POSTED AS PRESCRIBED BY LAW AT 4:20 P.M. ON APRIL 18, 2022. UPON ROLL CALL, A QUORUM WAS DECLARED WITH THE FOLLOWING MEMBERS IN ATTENDANCE:

PRESENT: Matthews, Engles, Flood, Bolt, 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 April 4, 2022 regular meeting.

A motion was made by Trustee Matthews, seconded by Trustee Engles, to approve Consent Agenda Item No. 1(a). Motion carried 7-0.

AYE: Matthews, Engles, Flood, Bolt, Rutherford, Sehorn, Salter

NAY: None

AGENDA ITEM NO. 2:

Consideration of a resolution declaring certain items of personal property surplus and authorizing the sale of said items at auction or disposal at the Shawnee Regional Airport's discretion.

Airport Manager Bonnie Wilson provided a staff report.

A motion was made by Trustee Rutherford, seconded by Trustee Sehorn, to approve a resolution declaring certain items of personal property surplus and authorizing the sale of said items at auction or disposal at the Shawnee Regional Airport's discretion.

Resolution No. SAA-2022-1 was introduced.

A RESOLUTION DECLARING CERTAIN PERSONAL PROPERTY SURPLUS AND NO LONGER NEEDED FOR SHAWNEE REGIONAL AIRPORT PURPOSES; DESCRIBING SAID ITEMS; AND AUTHORIZING THE SALE OR DISPOSAL OF SAID ITEMS AT THE SHAWNEE REGIONAL AIRPORT'S DISCRETION.

Motion carried 7-0.

AYE: Rutherford, Sehorn, Salter, Matthews, Engles, Flood, Bolt

NAY: None

AGENDA ITEM NO. 3:

Discussion and consideration to enter into a lease to own agreement with Ascent Aviation Group, Inc. for two (2) refuelers, in the total amount of \$166,882.00.

Airport Manager Bonnie Wilson provided a staff report and explained the lease to own agreement is a sixty (60) month term with a zero percent (0%) interest rate.

A motion was made by Trustee Sehorn, Seconded by Trustee Rutherford, to approve a lease to own agreement with Ascent Aviation Group, Inc. for two (2) refuelers. Motion carried 7-0.

AYE: Sehorn, Rutherford, Salter, Matthews, Engles, Flood, Bolt
NAY: None

AGENDA ITEM NO. 4:

New Business (Any matter not known, or which could not have been reasonably foreseen prior to the posting of the agenda)

There was no New Business.

AGENDA ITEM NO. 5:

Adjournment

There being no further business to be considered, the meeting was adjourned by power of the Chair. (7:27 p.m.)

ED BOLT, CHAIRMAN

ATTEST:

LISA LASYONE, CMC, CITY CLERK

Shawnee Airport Authority

2.

Meeting Date: 05/02/2022

Lease

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Consideration of an Amendment to Lease Agreement with Shawnee Alano Club, Inc.

Fiscal Impact

Attachments

Memo

Amendment

1997 Lease



Shawnee Regional Airport

2202 N. Airport Dr.
Shawnee, OK 74804
ShawneeOK.org

Date: May 2, 2022
To: Shawnee Airport Authority
From: Bonnie Wilson, Airport Manager
Subject: Consideration of Amendment to Lease Agreement with Shawnee Alano Club, Inc.

Background: The Shawnee Airport Authority (“SAA”) entered into a lease agreement with the Shawnee Alano Club, Inc. (Alano Club), July 19, 1972, for the lease of 0.34 acres of land, located at 1872 North Airport Drive, Shawnee, Oklahoma 74804. The term of the initial lease was for twenty-five calendar years. The annual rental fee was set at \$75.00 per year.

The SAA entered into a second lease agreement with the Alano Club, commencing July 1, 1997, for lease of the same property, at an annual rental fee of \$600.00 per year. This second lease also contains a clause offering the Shawnee Alano Club, Inc. the option to renew for three additional terms of five years each.

The Alano Club has requested the opportunity to exercise the first of the three options to renew for a term commencing July 1, 2002, terminating June 30, 2027.

The lease provides the opportunity to include an annual rental rate escalation clause at the time of renewal bringing the terms of the lease into compliance with the existing Airport Facilities Lease and Development Policy Statement (October 2019).

This amendment provides for the renewal for the period of five calendar years commencing July 1, 2022, terminating June 30, 2027. It also includes an escalation clause increasing the annual rental fee each year on July 1st in compliance with the Airport Facilities Lease and Development Policy Statement.

Financial Impact: Annual revenue of \$642, deposited to Shawnee Airport Authority Fund, Revenue, 511-46250 Airport Rental Revenue.

Attachment: Lease Amendment and 1997 Lease Agreement.

Staff Recommendations: Approval of the item.



Amendment to Non-Aeronautical Commercial Lease Agreement

This Amendment ("Amendment") to that certain Non-Aeronautical Commercial Lease Agreement dated 1 July 1997, by and between the Shawnee Airport Authority (the "Airport Authority"), on behalf of the City of Shawnee, Oklahoma, hereinafter referred to as "Lessor," and the Shawnee Alano Club, Inc., an Oklahoma Not for Profit Corporation, hereinafter referred to as "Lessee."

NOW, THEREFORE, the Lessor and Lessee agree that certain Non-Aeronautical Commercial Use Lease Agreement be amended as follows herein.

1. Amendment to Article 1 – Term, Paragraphs 1.1 and 1.2 are amended as follows:
 - 1.1. Lessee requests and Lessor agrees to extend the lease agreement by five calendar years commencing July 1, 2022 and terminating June 30, 2027, unless sooner canceled as provided in the Lease Agreement. Said rental rate shall be reviewed every five (5) years for compliance with the Airport Authority's obligation to the federal government to obtain fair market rental rates.
 - 1.2. Lessee shall have the option to renew this lease for two (2) additional terms of five (5) years each upon the same terms and conditions contained herein, subject to the provisions of Article 1, Section 1.2 hereof. Renewal shall be at the option of the Lessor, upon receipt of written notice to the Airport Authority giving at least ninety (90) days' notice prior to the expiration on the extension term, provided that any such renewal is in accordance with the then established fee and rental policies of the Airport Authority and further provided that this lease or any extension or renewal shall be subject to termination by either party upon ninety (90) days written notice thereof.
2. Amendment to Article 4 – Rental, Paragraph 4.1 is amended as follows:
 - 4.1 Lessee agrees to pay to the City as rental for use of the premises and the privileges herein granted, the sum of \$642.00 per year for the first calendar year of the agreement.
 - 4.1.1 It is specifically understood and agreed by and between the Lessor and the Lessee that the monthly rental for said leased premises shall be adjusted from time to time. The monthly rental shall be determined by the Lessor based upon the recommendations of the Airport Advisory Board, and approval of the Shawnee Airport Authority. The Lessee hereby agrees to pay such adjusted monthly rental following notice of the adjusted rate from the Lessor.

[Signature page to follow immediately]

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

ATTEST:

Lisa Lasyone, CMC City Clerk

LESSOR:

SHAWNEE AIRPORT AUTHORITY
CITY OF SHAWNEE, OKLAHOMA
A Municipal Corporation

By: _____
Andrea Weckmueller-Behringer
AICP, GISP, RAS
City Manager

LESSEE:
SHAWNEE ALANO CLUB, INC.
An Oklahoma Not for Profit Corporation

By: _____
Mr. Bart West

Its: _____

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orig
1 of 2

LEASE AGREEMENT

This Agreement of Lease, made and entered into this 1st day of July, 1997, by and between the City of Shawnee, Oklahoma, a Municipal Corporation, hereinafter referred to as "Lessor", and Shawnee Alano Club, Inc., a corporation having an office at 1827 N. Airport Drive, Shawnee, Oklahoma, hereinafter referred to as "Lessee".

W I T N E S S E T H T H A T:

WHEREAS, the City is the owner of the premises known as Shawnee Municipal 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.

$\frac{3}{4}$ per Square Foot

ARTICLE 1 - TERM

1.1 This lease shall be for a twenty-five (25) year period commencing on the 1st day of July, 1997 and ending on the 30th day of June, 2022; said rental rate shall be reviewed every five (5) years for compliance with the City's obligation to the federal government to obtain fair market rental rates; and may be terminated by either party with a thirty (30) day prior written notice to the City giving at least ninety (90) days written notice thereof.

1.2 Lessee shall have the option to renew this lease for three (3) additional terms of five (5) years each upon the same terms and conditions contained herein, subject to the provisions of Article 1, Section 1.2 hereof. Renewal shall be at the option of the Lessee, expressed in a written notice to the City giving at least ninety (90) days notice prior to the expiration on the extension term, provided that any such renewal is in accordance with the then established fee and rental policies of the City and further provided that this lease or any extension or renewal shall be subject to termination by the City upon ninety (90) days written notice thereof.

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 improved land area consisting of approximately 15,000 square feet,

2.1.2 any real property improvement now existing, or constructed or installed thereon during the term hereof.

2.1.3 the Leased Premises are more fully described as follows:

Beginning N44 46'W a distance of 550 feet from a point which is 164 feet north and 66.5 feet east of the Northwest corner of the SE/4 of the SE/4 of Section 12, T10N, R3E, I.M., Pottawatomie County, Oklahoma. Thence N45 14'E a distance of 150 feet; thence N44 46'W a distance of 100 feet; thence S45 14'W a distance of 150 feet; thence S44 46'E a distance of 100 feet to the point of beginning. Containing 0.34 acres, more or less.

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 Conducting business operations of the organization

3.1.2 Nothing contained in this Agreement shall give or be construed to give the Lessee any right to sell or store aviation fuel of any kind.

ARTICLE 4 - RENTAL

4.1 Lessee agrees to pay to the City as rental for use of the premises and the privileges herein granted, the sum of \$600.00 per year.

4.2 Lessee shall pay rent in advance on or before the first day of July, each year, during the term or any renewal of this lease.

4.3 The annual 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:

Shawnee Alano Club Lease Agreement
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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

Shawnee Alano Club Lease Agreement
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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 therefrom 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 therefor.

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 changes to the satisfaction of 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 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 sublessees for the value of any improvements constructed or located on the Leased Premises.

ARTICLE 6 - ADDITIONAL OBLIGATIONS OF LESSEE

6.1 Lessee shall conduct its operations hereunder in an orderly and proper manner, considering the nature of such operation so as not to unreasonably annoy, disturb, endanger or be offensive to others.

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.

6.3 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.

6.4 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.

6.5 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.

6.6 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.

6.7 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.

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

6.9 Lessee shall not do, nor permit to be done, any act or thing upon the Leased Premises:

6.9.1 which may constitute a hazardous condition so as to increase the risks attendant upon the operations permitted by the Agreement.

6.10 Lessee shall not use or store flammable liquids within any covered or enclosed portion of the Leased Premises.

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 sublessees 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, sublessees 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 Comprehensive General Liability and Fire Insurance coverage in the amount of \$10,000.00, naming the City of Shawnee as additional insured. In this connection, Lessee agrees to require its contractors doing work on the Airport, and Lessee's tenants and sublessees, 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 insureds.

8.3.1 The City reserves the right to increase the minimum liability insurance herein established, when in the City's opinion the risks attendant to Lessee's operations hereunder have increased.

8.3.2 If said insurance company becomes financially incapable of performing under the terms of said policy, Lessee shall promptly obtain a new policy issued by a financially responsible carrier and shall submit such new policy as previously provided.

8.3.3 The above stated insurance coverages shall name Lessee as the insured, Lessor as additional insured, provide a thirty (30) days notice of cancellation or material change, by registered mail, to the Office of the Airport Manager.

8.3.4 Lessee shall provide a copy of the above stated insurance policies to the Office of the Airport Manager at least seven (7) days prior to the inception of this Lease Agreement. Upon the failure of Lessee to maintain such insurance as above provided, Lessor, at its option, may take out such insurance and charge the cost thereof to Lessee with the next installment of the monthly fee due hereunder or may declare a default hereunder.

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 Lessor shall have no obligation to repair or rebuild any fixtures, equipment or other personal property installed by Lessee.

8.6 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 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 sublessee.

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, sublessee 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 therefrom, 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 personal property 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, other utilities, telephone, 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

Shawnee Alano Club Lease Agreement

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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:

Shawnee Alano Club Lease Agreement
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To City: Airport Manager
P.O. Box 1448
Shawnee, Oklahoma 74802-1448

AND

To Lessee: Shawnee Alano Club, Inc.
% Mr. Claude Hendon
229 N. Kickapoo
Shawnee, Oklahoma 74801

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 sublessees 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 - ENVIRONMENTAL PROTECTION AGENCY OBLIGATIONS

28.1 Lessee or any Sublessee or Assignee of the Lessee shall assume the sole and entire responsibility, obligations and liability of all requirements and regulations of the Environmental Protection Agency and all responsibility, obligations and liability relating to any other environmental hazards regarding Lessee, Sublessee or Assignee of the Lessee's operations on said Leased Premises.

28.2 Said responsibility, obligations and liability shall include, but is not limited to, the storage, treatment and disposal of materials used in Lessee's or Sublessees or Assignees operations on the Airport.

28.3 The foregoing liability of Lessee, or any sublessee or assignee of Lessee, shall survive the termination of this lease and shall include, but not be limited to any and all Environmental Protection Agency violations or environmental hazards known or unknown at the time of the termination of this lease.

ARTICLE 29 - ENTIRE AGREEMENT

29.1 This Agreement consists of Articles 1 to 29, inclusive, Exhibit A and Schedule A.

29.2 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.

Shawnee Alano Club Lease Agreement
Page 23

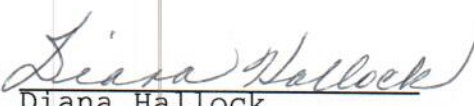
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written above.

(LESSOR)

THE CITY OF SHAWNEE,
A MUNICIPAL CORPORATION

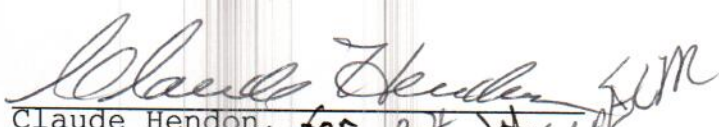

Terry H. Powell
City Manager

Attest


Diana Hallock
CMC, City Clerk

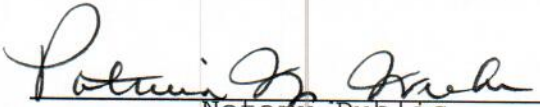
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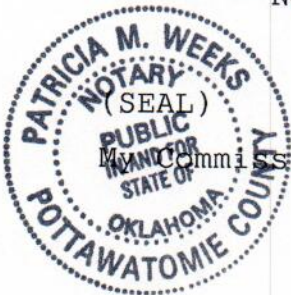
(LESSEE)


Claude Hendon, for 
Shawnee Alano Club, Inc.

Claude Hendon -

Subscribed and sworn to before me, a Notary Public in and for the State of Oklahoma, this 20th day of June, 1997.


Notary Public



Commission expires

May 26, 2002.

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 coverages:
 - 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 coverages. 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.

Shawnee Airport Authority

3.

Meeting Date: 05/02/2022

rental rates

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Consideration of a request to increase rental rates per the Airport Facilities Lease and Development Policy Statement and authorize execution of new leases and renewal of existing leases.

Fiscal Impact

Attachments

Memo

Lease

Policy Statement



Shawnee Regional Airport

2202 N. Airport Dr.
Shawnee, OK 74804
ShawneeOK.org

Date: May 2, 2022
To: Shawnee Airport Authority
From: Bonnie Wilson, Airport Manager
Subject: Consideration of Increase to Rental Rates Per the Airport Facilities Lease and Development Policy Statement and Authorize Execution of New Leases and Renewal of Existing Leases

Background: The Shawnee Airport Authority issued the amended Airport Facilities Lease and Development Policy Statement October 2019. The Policy establishes a standard annual rental rate increase based on the national rate of inflation as established by the Consumer Price Index (CPI) change from the prior calendar year. The Policy also establishes the commencement of the City of Shawnee's Fiscal Year as the date of application of new rates.

The CPI based rate of inflation for Calendar Year 2021 was 7%. This item applies the CPI escalation clauses included in lease agreements and increases the annual rental fee each year on July 1st in compliance with the Airport Facilities Lease and Development Policy Statement

This item also authorizes the City Manager to execute necessary amendments to existing leases, and any new Standard Hangar Leases as may be required for the duration of the City of Shawnee Fiscal Year 2023.

Financial Impact: Increase in Annual revenue of \$8,515.36 - deposited to Shawnee Airport Authority Fund, Revenue, 511-46250 Airport Rental Revenue and 511-46260 Hangar Rental Revenue.

Attachment: Airport Facilities Lease and Development Policy Statement (October 2019) and Standard Hangar Lease Agreement.

Staff Recommendation: Approval of the item.



SHAWNEE REGIONAL AIRPORT

HANGAR LEASE AGREEMENT

This Lease Agreement made and entered into on this _____ day of _____, 2022, by and between the Shawnee Airport Authority on behalf of the City of Shawnee, Oklahoma, a Municipal Corporation, and together hereinafter called Lessor, and _____, hereinafter called Lessee,

WITNESSETH:

WHEREAS, the Lessor is the owner of certain real property commonly known as the Shawnee Regional Airport, located within the City of Shawnee, Pottawatomie County, Oklahoma; and

WHEREAS, the Lessee desires to lease from the Lessor a certain hangar commonly known as **T-Hangar No. _____**, for the storage of an airworthy aircraft of which Lessee is one of the following: (i) registered with the FAA as owner, (ii) co-owner or managing partner, (iii) a direct employee of the registered owner utilizing the aircraft as a means to fulfill employment responsibilities, (iv) third party manager, or (v) aircraft lessee; and which said hangar is owned by the Lessor and is constructed on said regional airport property.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. **LEASE:** The Lessor hereby leases, lets, and demises to the Lessee, **Hangar No. _____** constructed upon Shawnee Regional Airport primarily within the City of Shawnee, Oklahoma, consisting of one thousand (1,000) square feet of usable space more or less.
2. **TERM:** The Lessor leases to the Lessee said hangar space for a term commencing on _____ day of _____ 2022 and terminating on the _____ day of _____, 2023, unless sooner terminated in accordance with the provisions of this lease.
 - 2.1. After the initial term, the Lessee may renew the lease for additional, one (1) calendar year terms at the option of the Lessor under the following conditions:
 - 2.1.1. Lessee must be in compliance with the terms and conditions of the Lease as provided herein; and
 - 2.1.2. Lessee responds in the affirmative, via execution of a written offer to renew, provided by the Lessor prior to the end date of the initial term.

3. RENTAL: The Lessee hereby agrees to pay to the Lessor as rental for said **Hangar No.** _____ the sum of **One hundred** _____ (**\$1___.00**) per month for a Standard T-Hangar with the first month's rent due and payable in advance of the date of commencement of this Lease.

3.1. Rent thereafter shall be due and payable on the first day of each month and shall be deemed late if not received by the tenth (10th) calendar day of each month. Lessee also agrees to pay a deposit in the amount of **One hundred** _____ **dollars (\$1 ___.00)** due and payable in advance of the date of commencement of this Lease.

3.1.1. If any monthly rental payment is not paid on or before the tenth day following the first day of each month, a late payment fee in the amount of one- and one-half percent (1.5%) will be applied to any overdue balances for charges assessed by the Shawnee Airport Authority.

3.1.2. It is understood and agreed by and between the Lessor and the Lessee that Lessee agrees to maintain a current status on rental of the, and for said **Hangar No.** ____ should Lessee fail to do so, and the account becomes sixty (60) business days delinquent, then the Lessor shall give the Lessee written notice, by certified mail, that the account must be brought current within ten (10) business days or said Lease may be terminated at the discretion of the Lessor. Should a second offense of sixty (60) calendar days delinquency occur within the term of this Lease, immediate termination of this Agreement shall result, and renewal options shall be forfeited.

3.2. It is specifically understood and agreed by and between the Lessor and the Lessee that the monthly rental for said hangar space shall be adjusted from time to time. The monthly rental shall be determined by the Lessor based upon the recommendations of the Airport Advisory Board, and approval of the Shawnee Airport Authority.

3.2.1. The Lessee hereby agrees to pay such adjusted monthly rental following notice of the adjusted rate from the Lessor.

4. AUTHORIZED USE OF LEASED PREMISES.

4.1. Said **Hangar No.** _____ is being leased to the Lessee for the storage of a _____, **Registration Number N** _____ and its ancillary equipment.

4.2. Lessee may temporarily store a personal vehicle within the hangar while the aircraft is in active use for flight.

4.3. Lessee shall not keep firearms, fuel, explosives, or any noxious, dangerous substances within the hangar space.

4.4. Lessee shall not make any alterations, installations, attachments, or make any

improvements to **Hangar No. ____** except as authorized in writing by the Lessor.

- 4.5. Lessee shall be responsible for ensuring the doors on said **Hangar No. ____** are closed at all times except during active ingress and egress, after which, doors shall be immediately closed. Lessee shall be solely responsible for: (i) securing **Hangar No. ____** and (ii) shall provide and maintain security locks for **Hangar No. ____**; and (iii) shall provide either an access card, or combination code to the Airport Manager.
5. INSPECTION: The Lessor retains the right to perform inspections of the **Hangar No. ____** at irregular intervals.
 - 5.1. Notice of proposed inspections will be provided to the Lessee to minimize disruption of activities within **Hangar No. ____**.
6. AIRCRAFT:
 - 6.1. Lessee agrees to maintain said aircraft in an airworthy condition and to provide documentation indicating airworthy status to the Airport Manager as requested. Evidence of airworthy status includes but is not limited to evidence of annual inspection undertaken by a Federal Aviation Administration Certified Airframe and Powerplant mechanic.
 - 6.1.1. Any maintenance performed on the aircraft within **Hangar No. ____** at the Shawnee Regional Airport is limited to the maintenance authorized to be performed by the aircraft owner or pilot in compliance with 14 CFR Appendix A to Part 43 - Major Alterations, Major Repairs, and Preventive Maintenance and the Shawnee Regional Airport Minimum Standards, and as amended from time to time.
 - 6.1.2. Should Lessee desire to engage a commercial maintenance or repair service to undertake repairs or maintenance on the aircraft at the Shawnee Regional Airport, prior permission of the Lessor will be required.
 - 6.1.3. Lessee must provide notice to the Airport Manager of the proposed time, date, and estimated duration of activities prior to the commencement of any maintenance or repair activity on the aircraft.
 - 6.1.4. Lessor reserves the right to determine a location for the provision of proposed services.
 - 6.1.5. Commercial maintenance or repair service providers must be certified by the Federal Aviation Administration, to provide proposed services, and provide evidence of such certification to the Airport Manager.
 - 6.1.6. Commercial maintenance or repair service providers must provide the Airport Manager with a copy of the service provider(s) certificate(s) of

product completion and liability insurance in an amount not less than one-million dollars (\$1,000,000).

6.1.7. Per 14 CFR Chapter I [Docket No. FAA 2014-0463] Policy on the Non-Aeronautical Use of Airport Hangars Use of Aeronautical Land and Facilities, maintenance, repair, or refurbishment of aircraft, may not extend for an indefinite period of time. Proposed maintenance, repairs or refurbishment must not hinder the airworthiness of the aircraft for more than sixty (60) calendar days without prior written permission from the Airport Manager.

6.1.7.1. Additional time for completion of maintenance, repairs or rehabilitation may be granted at the discretion of the Airport Manager in the form of written authorization establishing a schedule of work and date of completion.

6.2. Lessee agrees to register said aircraft with the Federal Aviation Administration, maintain said registration in a current status, and provide the Airport Manager with documentation of current registration as requested while storing the aircraft at the Shawnee Regional Airport.

6.3. In the event the Lessee disposes of or transfers title to the aircraft being stored in **Hangar No. ____**, Lessee has a duty to notify the Lessor immediately upon such transfer of title or the disposing of such aircraft.

6.3.1. Lessee will be provided with the opportunity to retain this lease by acquiring another aircraft, providing the Airport Manager with proof of purchase, a copy of an application for re-registration of the aircraft with the FAA, and all insurance certificates required by this lease within ninety (90) business days from the date of disposal or transfer of title of the aircraft governed by this lease.

6.3.2. Failure to provide notice of disposal of aircraft or transfer of title will result in termination of this lease.

7. **UTILITIES:** Lessee shall be responsible for the provision of any desired utilities to **Hangar No. ____**. If installation of utility service lines and/or equipment are required to support the desired services, written approval from the Lessor will be required prior to installation.

8. **LIMITATION OF LIABILITIES:** The Lessee hereby agrees to provide at his or its sole expense a policy of liability insurance insuring both the Lessor and the Lessee from liability resulting from injury or death to persons or damage to property, the terms, limits, and conditions of which shall be acceptable to the Lessor. The Lessee shall indemnify and hold harmless the Lessor for any injury or death to persons or damage to property as a result from third parties involved in the care, maintenance, or use of the Lessee's aircraft and/or Leased Premises.

8.1. 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:

8.1.1. Aircraft Liability for any owned and operated aircraft.
Combined Single Limit Injury and Property Damage
\$1,000,000 each occurrence
\$100,000 per passenger/per seat bodily injury

8.1.2. Comprehensive General Liability and Property Damage
Combined Single Limit Bodily Injury & Property Damage
\$1,000,000 each occurrence

8.2. Said policies shall be endorsed that the Lessor is an additional insured. Copies of insurance certificates, amendments to policies, and renewal documents shall be provided to the Lessor at the following address:

Shawnee Regional Airport
2202 North Airport Drive
Shawnee, OK 74804

8.3. Said policy shall also provide that in the event of cancellation, the insurance company shall give the Lessor at least ten (10) business days written notice of intent to cancel.

8.4. The Lessee hereby indemnifies the Lessor from any and all claims, demands, losses, actions, causes of action of any kind, arising out of the Lessee's use, occupancy, or rental of said hangar space. This indemnification covers all losses and expenses to the Lessor, including attorney fees and expenses to defend litigation.

9. COVENANTS OF LESSEE: Lessee expressly covenants that:

9.1. Lessee shall be liable for all damages which Lessee causes to the hangar, normal wear and use being excepted. Lessee shall not make any alterations, installations, attachments, or make any improvements to the hangar, except as authorized by the Lessor.

9.2. Lessee shall comply with city, county, state and federal laws and regulations, and the Minimum Standards and Requirements for Capital Development on Shawnee Regional Airport Property, Commercial Aeronautical Services Commercial on-Aeronautical Services and Non-Commercial Aeronautical Activities at the Shawnee Regional Airport ("Minimum Standards and Rules") and as amended from time to time, which are incorporated by reference into the Agreement.

9.3. Lessee shall not assign or sublet this Lease, or any Lessee's rights concerning this hangar space or any part thereof, or any interest therein.

10. TERMINATION:

- 10.1. It is understood and agreed by and between the Lessor and the Lessee that the payment of monthly rental, provision of required documentation, insurance and all other conditions imposed upon the Lessee are conditions, the violation of any one of which shall be grounds for terminating this Lease in the discretion of the Lessor.
- 10.2. In the event of such violation, the Lessor shall give the Lessee thirty days' notice in writing of the Lessor's intent to terminate this Lease provided, however, if such violation, in the opinion of the Lessor, constitutes a hazard to life or property the Lessor may immediately terminate this Lease Agreement and enter said Hangar and take whatever means are reasonable and necessary in the opinion of the Lessor to eliminate such hazard.
- 10.3. The Lessee shall have no absolute right to terminate this Lease Agreement prior to the expiration of the term of the Lease as provided for in numerical paragraph 2. TERM above. However, in the event unforeseen special circumstances arise, the Lessee may make written application to the Lessor not less than thirty days prior to a requested termination of this Lease Agreement. The Lessor in its sole, unrestricted discretion may approve or disapprove the request for early termination.

11. SURRENDER OF POSSESSION:

- 11.1. Upon the termination of this Lease Agreement, for any reason, Lessee shall immediately surrender possession of the premises to the Lessor. In the event that Lessee fails and refuses to immediately surrender possession, the Lessor shall have the right to commence a court action for the recovery of possession of the premises, for the recovery of all damages due, reasonable attorney's fees, and all court costs.
- 11.2. The Lessee hereby grants to the Lessor a lien on the Lessee's property in said hangar. Said lien is for the purpose of securing payment for all rental damages, and other costs due the Lessor from the Lessee pursuant to the terms of this Lease Agreement.

12. SUBORDINATION CLAUSES: This Agreement is subject and subordinate to the following:

- 12.1. The Lessor 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.
- 12.2. The Lessor 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 Lessor, would limit the usefulness of the Airport or constitute a hazard to aircraft.

- 12.3. This Lease Agreement is and shall be subordinate to the provisions of existing and future agreements between the City of Shawnee, Oklahoma, and or the Shawnee Airport Authority 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.
- 12.4. During the time of war or national emergency, Lessor 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 Lease 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 Lessor in proportion to the degree of interference with Lessee's use of the Leased Premises.
- 12.5. Except to the extent required for the performance of any obligations of Lessee hereunder, nothing contained in this Lease 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.

13. General Provisions.

- 13.1. 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 Lease Agreement.
- 13.2. This Lease Agreement shall be performable and enforceable in Shawnee, Oklahoma and shall be construed in accordance with the laws of the State of Oklahoma.
- 13.3. This Lease Agreement is made for the sole and exclusive benefit of the Lessor and Lessee, their successors, and assigns, and is not made for the benefit of any third party
- 13.4. In the event of any ambiguity in any of the terms of this Lease 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.
- 13.5. All covenants, stipulations and agreements in this Lease Agreement shall extend to and bind each party hereto, its legal representatives, successors, and assigns.
- 13.6. The titles of the several sections of this Lease 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.

- 13.7. Nothing herein contained shall create or be construed to creating a co-partnership between the Lessor and the Lessee or to constitute the Lessee an agent of the Lessor. The Lessor and the Lessee each expressly disclaim the existence of such a relationship between them.
14. ENTIRE AGREEMENT. This Lease Agreement consists of numerical Sections 1. to 14. and all subparagraphs, inclusive. It constitutes the entire Lease Agreement of the parties hereto and may not be changed, modified, discharged, or extended except by written instrument duly executed by the Lessor and Lessee. The parties agree that no representations or warranties shall be binding upon the Lessor or Lessee unless expressed in writing in this Lease Agreement. This Agreement shall be binding upon the executors, administrators, and successors of the parties hereto.

[SIGNATURE PAGE FOLLOWS IMMEDIATELY]

IN WITNESS WHEREOF, the parties have hereunto affixed their signatures as follows:

LESSOR:

THE CITY OF SHAWNEE, OKLAHOMA,
A Municipal Corporation

By: _____
ANDREA WECKMUELLER-BEHRINGER, AICP, GISP, RAS
CITY MANAGER

This _____ day of _____, 2022

ATTEST:

LISA LASYONE, CMC
CITY CLERK

LESSEE:

Printed Name: ALL CAPS TENANT NAME

Signature: _____

E-mail: ALL CAPS EMAIL ADDRESS

Address: ALL CAPS STREET ADDRESS
ALL CAPS CITY, STATE

Telephone:

Airport Facilities Lease and Development Policy Statement

October 2019

It is the policy of the Shawnee Regional Airport Advisory Board to establish rental rates for aeronautical and non-aeronautical use facilities in compliance with Federal Aviation Administration policies and regulations governing airport rates and charges.

Objective

Development and application of a standardized fee structure and lease language for Shawnee Regional Airport owned facilities to support the costs of operation and development of the Shawnee Regional Airport.

Methodology for Leasing SNL Facilities

1. Utilize standard terms and conditions for lease agreements for facilities within identified property categories.
2. Participate in and/or conduct a survey of the aviation facilities market annually to ensure competitive pricing.
3. Engage a third-party assessor to conduct property value assessments every five calendar years and/or in response to any significant changes to the regional market.
4. Apply a standard rate of increase to annual lease rates based on the national rate of inflation as established by the Consumer Price Index change from the prior calendar year, in each intervening year, with current pricing retained as minimums regardless of inflation activity.
5. Adjust rental rates annually at the commencement of the Fiscal Year.

Methodology for Establishing Rates for Hangaring and Aircraft Storage Agreements

1. The current rate for Standard 1,000 square foot T-hangars serves as the basis for establishing rates on a per square foot for hangaring and other aircraft storage agreements.
2. Standard Long-Term Tie-Down Spaces (1,000 SQFT) will be leased at the rate of 50% of the current per square foot rate for a Standard T- Hangar.
3. Large Long-Term Tie-Down Spaces (1,500 SQFT), will be leased at the rate of 75% of the current per square foot rate for a Standard T- Hangar.
4. Standard Bulk Hangar Space (1,000 SQFT) will be leased at 85% of the current per square foot rate for Standard T- Hangars.
5. Standard T-Hangars with electrical terminals provided will be leased at the rate of 3% greater than the then current rate for Standard T-Hangars.
6. Large Bulk Hangar Spaces, (1,500 SQFT), will be leased at the rate of 115% of the current rate for Standard T-Hangars.
7. Extended Bulk Hangar Spaces, (2,000 SQFT) square feet will be leased at the rate of 120% of the current rate for Standard T- Hangars.
8. Annual Rate increases will be applied in accordance with the established percentage differentials for each type of rental space.

Rate Chart by Example Only:

Location	Approximate Square Footage	Rate Variant	Per SQFT Per Year	Rate Per Year
Standard T- Hangar	1,000	100%	\$1.80	\$1,800
Standard Tie Down	1,000	50%	\$0.90	\$900
Large Tie Down	1,500	75%	\$1.35	\$2,025
Standard Bulk	1,000	85%	\$1.53	\$1,530
Large Bulk	1,500	115%	\$2.07	\$3,105
Extended Bulk	2,000	120%	\$2.16	\$4,320

Methodology for Allocation of Available Hangar Space

1. Current aircraft tenants in good standing, including subtenants of aircraft storage providers at Shawnee Regional Airport, will be given priority opportunity to apply for available aircraft storage space owned and/or managed by SNL, and/or new hangars constructed by SNL at the completion of construction in the following manner:
 - a. Tenants leasing Bulk Hangar spaces will be provided the opportunity to be placed on a Tenant Only Waiting List for a Standard T-Hangar space.
 - i. Requests will be recorded in date order by date of receipt.
 - ii. Notifications of availability will be provided in the order requests are received.
 - iii. The opportunity to lease a Standard T-Hangar is a first refusal opportunity only, not a guarantee of an agreement.
 - b. Tenants utilizing either type of Long Term Tie Down spaces will be provided the opportunity to be placed on a Tenant Only Waiting List for an appropriately sized Bulk Hangar space or Standard T-Hangar.
 - i. Requests will be recorded in date order by date of receipt.
 - ii. Notifications of availability will be provided in the order requests are received.
 - iii. The opportunity to lease a Bulk Hangar space or Standard T-Hangar is a first refusal opportunity only, not a guarantee of an agreement.
 - c. All Tenants in good standing seeking to lease new hangars at the completion of construction will be given the opportunity to be placed on a New Construction Waiting List.
 - i. The New Construction application will be made available following completion of design, a final schedule for construction and establishment of rates for new construction.
 - ii. Agreements for new construction will be offered on a lottery basis.
 - d. Standard lease rates in place, and any scheduled rate adjustments will apply to new agreements.
 - e. Applicants must accept the opportunity to enter into a new agreement, including all terms and conditions, within one business week following notification of availability.

- i. Failure to confirm intent within that timeframe will result in available space being offered to the next applicant on the waiting list.
2. Non-tenant applicants will be given the opportunity to apply for a place on a Hangar Space Waiting List which will be categorized by the type/size of space requested, and date of receipt of request.
 - a. Notifications of availability will be made to Non-tenant applicants only after current tenants in good standing have had the opportunity to refuse available space.

Methodology for Land Leases Supporting Third Party Capital Development

1. All capital construction must be compatible with the current approved Airport Layout Plan.
2. All capital construction plans and specifications must meet the standards of the City of Shawnee Planning Office, and the Federal Aviation Administration as issued from time to time.
3. Land leases for the purpose of capital development may not exceed forty calendar years.
4. Proposals for capital development leases must include:
 - a. A comprehensive business plan describing the proposed use of the facility, estimated costs of operation, estimated revenue, market analysis, and source of labor and direct employment impacts; and
 - b. A financial statement describing the source of funds for construction, and continued operations and maintenance.
5. Leases must include a reversion clause whereby facilities constructed by third parties become the property of SNL on a specified future date to be determined based on the level of initial investment.
6. Leases must include minimum capital improvement clauses to ensure facilities retain their value throughout the lease term.

Shawnee Airport Authority

4.

Meeting Date: 05/02/2022

Budget Amendment

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Consideration of a budget amendment for Fund 511 Shawnee Airport Authority.

Fiscal Impact

Attachments

Memo

Budget Amendment



Finance

16 W. 9th St.
Shawnee, OK 74801
ShawneeOK.org

Date: May 2, 2022
To: City Commission
From: Jacob Bussell, Assistant Finance Director
Subject: Consideration of budget amendments to appropriate funds for Airport expenditures.

Background: This fiscal year the Airport continues to experience increased air traffic which has resulted in significantly more fuel sales. The Airport has also made expenditures during the year to more effectively operate the airfield and facilities. Staff is requesting an increase in appropriations to increase the available budget for expenditures utilizing the increased fuel revenue and other revenue. The amount for appropriation, is as follows:

- \$39,670 – Airport personnel – supporting 4 FTE (3 full-time, 2 part-time).
- \$10,000 – Fuel purchases – in FY22, the Airport will have made 5 bulk fuel purchases due to the increase in traffic, whereas the average is 3 to 4 bulk fuel purchases.
- \$36,600 – Other Professional Services – for engineering services for the National Guard Armory, and surveying of other Airport property.
- \$7,050 – Capital Outlay – for various building and equipment repairs.

Financial Impact: See Attached Budget Amendment.

Attachment: Amendment.

Staff Recommendation: Approval of the item.

City of Shawnee
2021-2022 Budget Amendment
Shawnee Airport Authority

Estimated Revenue, Fund Balance, or Transfers IN

Fund Number	Account Number	Project Code	Line Item	Description	Balance Before Amendment	Amount of Amendment Increase (Decrease)	Balance After Amendment
511	48360			FUEL SALES	(120,000.00)	(77,889.00)	(197,889.00)
511	48040			INSURANCE RECOVERY	-	(8,450.00)	(8,450.00)
511	48090			SALE OF SURPLUS PROPERTY	-	(6,981.00)	(6,981.00)
				Total	(120,000.00)	(93,320.00)	(213,320.00)

Appropriations

Fund Number	Account Number	Project Code	Line Item	Description	Balance Before Amendment	Amount of Amendment Increase (Decrease)	Balance After Amendment
511	5-0120-51010			REGULAR SALARIES	126,570.52	15,000.00	141,570.52
511	5-0120-51020			OVERTIME	1,300.00	2,400.00	3,700.00
511	5-0120-51070			CONTRACTED SALARIES	-	10,400.00	10,400.00
511	5-0120-51130			HEALTH INSURANCE	21,249.60	8,500.00	29,749.60
511	5-0120-51140			LIFE INSURANCE	296.40	120.00	416.40
511	5-0120-51150			OMRF RETIREMENT	11,035.78	1,200.00	12,235.78
511	5-0120-51550			WORKER'S COMPENSATION	1,180.68	210.00	1,390.68
511	5-0120-52050			UNIFORMS AND CLOTHING	-	1,840.00	1,840.00
511	5-0120-52170			LOW LEAD 100 OCTANE FUEL	142,500.00	4,000.00	146,500.00
511	5-0120-52180			JET A FUEL	95,000.00	6,000.00	101,000.00
511	5-0120-53190			OTHER PROFESSIONAL SERVICES	5,000.00	36,600.00	41,600.00
511	5-0120-54200			CAPITAL OUTLAY-BLDGS & IMPRV	20,000.00	5,050.00	25,050.00
511	5-0120-54500			CAPITAL OUTLAY-EQUIPMENT	-	2,000.00	2,000.00
					424,132.98	93,320.00	517,452.98

Approved by the City Commission this

Explanation of Budget Amendment:
 To appropriate airport revenue received for airport expenditures (personnel, fuel, engineering, and capital outlay)

Approved:

Mayor _____

Attest: _____

City Clerk _____

Posted By _____ Date _____ BA# _____ Pkt.# _____