

AGENDA
SHAWNEE AIRPORT AUTHORITY
April 15, 2019 AT 6:00 P.M.
COMMISSION CHAMBERS AT CITY HALL
SHAWNEE, OKLAHOMA

CALL TO ORDER

DECLARATION OF A QUORUM

1. Consider approval of Consent Agenda:
 - a. Minutes from the April 1, 2019 regular meeting.
 - b. Authorize an annual adjustment in rental rates; and authorize execution of standard lease documents as necessary.
 - c. Authorize staff to solicit bids for the leasing of the North Airport Property for the purpose of harvesting hay.
2. New Business

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

Respectfully submitted

Lisa Lasyone, CMC, City Clerk

Shawnee Airport Authority

1.a.

Meeting Date: 04/15/2019

SAA Minutes

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Minutes from the April 1, 2019 regular meeting.

Fiscal Impact

Attachments

SAA Minutes

THE TRUSTEES OF THE SHAWNEE AIRPORT AUTHORITY OF THE CITY OF SHAWNEE, COUNTY OF POTTAWATOMIE, STATE OF OKLAHOMA, MET IN REGULAR SCHEDULED SESSION IN THE COMMISSION CHAMBERS AT CITY HALL, 9TH AND BROADWAY, SHAWNEE, OKLAHOMA, MONDAY, APRIL 1, 2019, DURING THE BOARD OF CITY COMMISSIONERS MEETING AT 6:00 P.M., PURSUANT TO NOTICE DULY POSTED AS PRESCRIBED BY LAW. UPON ROLL CALL, A QUORUM WAS DECLARED WITH THE FOLLOWING MEMBERS IN ATTENDANCE:

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

ABSENT: Rutherford

Call to Order

Declaration of a Quorum

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

- a. Minutes from the March 18, 2019 regular meeting.

A motion was made by Trustee Harrod, seconded by Trustee Gillham, to approve Consent Agenda Item No. 1(a). Motion carried 6-0.

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

NAY: None

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

There was no New Business.

AGENDA ITEM NO. 3: Adjournment

There being no further business to be considered, the meeting was adjourned by power of the Chair. (6:27 p.m.)

RICHARD FINLEY
CHAIRMAN

ATTEST:

LISA LASYONE, SECRETARY

Shawnee Airport Authority

1.b.

Meeting Date: 04/15/2019

Annual Rates

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Authorize an annual adjustment in rental rates; and authorize execution of standard lease documents as necessary.

Fiscal Impact

Attachments

Annual Rates



Date: April 3, 2019

To: Shawnee Airport Authority

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

From: Bonnie A. Wilson, CM Airport Manager

Subject: Proposed Annual Adjustment in Rental Rates;
Authorization to Execute Standard Lease Documents as Necessary

Nature of Request:

Staff is seeking authorization to apply an increase to the current rental rates for all airport properties subject to a rate escalation. The proposed increase of 1.9% is based on the rate of inflation established by the Consumer Price Index for calendar year 2018 per the lease rate policy adopted by the Shawnee Airport Authority June 4, 2018. Staff is also seeking the authority to renew existing hangar leases for a period of one calendar year, for tenants in good standing, and to execute standard hangar leases for new tenants throughout Fiscal Year 2020.

Staff Analysis and Considerations:

The majority of the current hangar lease agreements and two of the "off-airport" commercial leases include an escalation clause providing for an annual increase in rental rates based on the rate of inflation as established by the CPI for the prior year. Staff proposes to provide a letter amendment advising of the rental rate increase and seeking concurrence by execution of the notice letter (see Attachment 1). Any requests for new non-commercial hangar lease agreements will be offered at the rates established for Fiscal Year 2020, and will be under the terms and conditions of the standard form of lease document.

Recommendations:

Authorize increase in rental rates per the terms of the existing leases, and; authorize renewal of standard hangar lease agreements for the period of one calendar year via letter amendment; and authorize execution of any new non-commercial hangar leases requested throughout Fiscal Year 2020.

Budget Consideration:

The average monthly increase will be \$5.45 ranging from \$1.18 to \$19.00. Initial estimates for increased rental revenue in Fiscal Year 2020 totals are \$850.00.

DATE

ADDRESS BLOCK

Dear _____:

I am pleased to offer you an opportunity to renew your lease agreement with the City of Shawnee for Hangar _____. Per the terms and conditions of that agreement, the Shawnee Airport Authority has authorized an increase in the rental rate reflective of the rate of inflation as established by the national Consumer Price Index rise across calendar year 2018.

If you choose to renew the lease agreement, the new monthly rental rate will be \$_____ per month, \$_____ per year, commencing July 1, 2019. All other terms and conditions of the existing lease agreement will remain in place until otherwise notified. To accept this offer to renew the lease at the rate established for Fiscal Year 2020, please sign and date below, and return a copy of this letter to my attention not later than DATE, 2019.

If you wish to decline the opportunity to renew the current lease agreement in favor of an alternative aircraft parking option, your request will be accommodated to the degree feasible. Rental rates for hangar and tie down agreements will be at the Fiscal Year 2020 rates approved by the Shawnee Airport Authority at the Regular Meeting, _____, 2019.

I look forward to your continued partnership with the Shawnee Regional Airport.

Bonnie A. Wilson, CM
Airport Manager

LESSEE NAME HERE

HANGAR _____

Signature of Lessee

Date

Shawnee Airport Authority

1.c.

Meeting Date: 04/15/2019

Solicit Bids

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Authorize staff to solicit bids for the leasing of the North Airport Property for the purpose of harvesting hay.

Fiscal Impact

Attachments

Solicit Bids



Date: April 3, 2019

To: Shawnee Airport Authority

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

From: Bonnie A. Wilson, CM Airport Manager

Subject: Proposed Authorization to Advertise for Bids for Lease of North Airport Property for the Purpose of Harvesting Hay

Nature of Request:

Staff requests authorization to solicit bids from for the leasing of approximately two-hundred (200) acres of property, commonly referred to as the "North Airport Property", for the purpose of harvesting hay.

Staff Analysis and Considerations:

Leasing the property for hay harvesting will generate income for the airport and allow for routine access to the land by the Shawnee Municipal Authority, and the Shawnee Police Department training facility.

Recommendations:

The land requires certain improvements to increase yield and improve accessibility, therefore the recommendation is to offer the lease for two years with an option for an annual renewal for three additional years. Previous agreements established the rental fee at \$2,500 per year, staff is recommending the bid reserve be set at this figure.

Budget Consideration:

Rental income will increase by \$2,500 per year; costs include advertisement of the bid solicitation and administration of the lease agreement.



NOTICE TO BIDDERS

Sealed Bids will be received by the City of Shawnee, 9th & Broadway, P. O. Box 1448, Shawnee, Oklahoma, up to 4:00 p.m., **DATE**, for:

Lease of the Shawnee Airport Authority Property Located at Jonco Road, one-half mile west of Highway 18, Shawnee, Oklahoma for the purpose of harvesting hay.

Instructions and Bid documents are available at the Shawnee Regional Airport, 2202 Airport Drive, Shawnee, Oklahoma 74804, and on the City of Shawnee website at www.shawneecok.org

Each bid shall be filed in a sealed envelope. On the front of each envelope shall be written the following words to the left of the address:

BID - Lease of The Shawnee Airport Authority Property Located at Jonco Road, One-Half Mile West of Highway 18, Shawnee, Oklahoma for the Purpose of Harvesting Hay.

The Original Bid shall be filed with the City Clerk of the City of Shawnee, together with a sworn non-collusion affidavit in writing that the Bidder has not entered into any agreement, expressed or implied, with any other Bidder, or Bidders, for the purpose of limiting the Bid, or Bidders or parcel out to any Bidder, or Bidders or any other persons, any part of the contract or subject matter of the Bid.

Bids will be opened and considered by the Shawnee Airport Authority at a Public Meeting in the City Hall Commission Chambers, Shawnee, Oklahoma, at 6:00 p.m., Monday, **DATE**.

The City of Shawnee reserves the right to reject any or all Bids.

CITY OF SHAWNEE, A Municipal Corporation

By: _____ Date: _____
S. Eric Benson
Interim City Manager

(SEAL)

ATTEST:

Date: _____
Lisa Lasyone, CMC
City Clerk
City of Shawnee Oklahoma



REQUEST FOR BIDS/INFORMATION FOR BIDDERS
FOR
LEASE OF THE SHAWNEE AIRPORT AUTHORITY PROPERTY
FOR THE PURPOSE OF HARVESTING HAY
BY THE
SHAWNEE AIRPORT AUTHORITY
ON BEHALF OF THE CITY OF SHAWNEE, OKLAHOMA

1. GENERAL INFORMATION FOR BIDDERS

- 1.1. The Shawnee Airport Authority, on behalf of the City of Shawnee, a municipal corporation, (hereinafter called "City"), desires to lease certain property comprised of two-hundred (200) acres more or less, for the purposes of harvesting hay per the terms and conditions of the "Lease Agreement" provided as Attachment 1, to this Request for Bids.
- 1.2. The City will accept sealed bids ("Bid") for the **lease of the Shawnee Airport Authority property located at Jonco road, one-half mile west of highway 18, Shawnee, Oklahoma for the purpose of harvesting hay**, at the Office of the City Clerk, 9th & Broadway, P. O. Box 1448, Shawnee, Oklahoma 74802-1448, until 4:00 p.m., Monday, **DATE**, (the "Bid Deadline").
- 1.3. Bids filed with the City Clerk prior to the Bid Deadline will be opened and considered by the Shawnee Airport Authority at a Public Meeting in the City Hall Commission Chambers, Shawnee, Oklahoma, at 6:00 p.m., Monday, **DATE** 2019.
 - 1.3.1. Any Bid may be withdrawn prior to the above scheduled time for the opening of Bids or authorized postponement thereof. Any Bid received after the time and date specified shall not be considered.
- 1.4. The Bidder must satisfy themselves of the accuracy of the instructions and specifications. Any questions related to the Information for Bidders or the terms and conditions of the Lease Agreement must be submitted in written form, not later than **DATE** to:

Bonnie A. Wilson, CM
Airport Manager
Shawnee Regional Airport
2202 Airport Drive
Shawnee, OK 74804

Or via email: bonnie.wilson@shawneeok.org
- 1.5. Responses to questions will be provided in the form of an Addendum. No Addendum will be issued after DATE, with the exception of an Addendum withdrawing the opportunity to submit bids.
- 1.6. After Bids have been submitted, the Bidder shall not assert that there was a misunderstanding concerning the nature of the services to be provided.

- 1.7. Information obtained from an officer, agent, or employee of the City or any other person shall not affect the risks or obligations assumed by the Bidder or relieve the Bidder from fulfilling any of the conditions of the Bid.
- 1.8. The City reserves the right to waive any informalities or minor defects or reject any and all Bids.

2. BID REQUIREMENTS

- 2.1. An original executed copy of the Bid shall be filed with the City Clerk, City of Shawnee, Oklahoma.
- 2.2. Each bid shall be filed in a sealed envelope. On the front of each envelope shall be written the following words to the left of the address:

“BID - Lease of The Shawnee Airport Authority Property Located at Jonco Road, One-Half Mile West of Highway 18, Shawnee, Oklahoma for the Purpose of Harvesting Hay”
- 2.3. All Bids must be made on the Bid Form provided as part of this Information for Bidders.
- 2.4. The Bid Form must be complete and executed by original signature when submitted.
- 2.5. Only one copy of the Bid form is required in each bid package.
- 2.6. An executed BUSINESS RELATIONSHIP AFFIDAVIT and an executed NON-COLLUSION AFFIDAVIT, in the form provided as part of this Information for Bidders, must be included in the Bid package.
- 2.7. A letter from an insurance carrier attesting to insurability of the Bidder.



**SHAWNEE AIRPORT AUTHORITY
BID FORM**

BID: LEASE OF THE SHAWNEE AIRPORT AUTHORITY PROPERTY CONSISTING OF TWO-HUNDRED ACRES MORE OR LESS OF LAND LOCATED AT JONCO ROAD, ONE-HALF MILE WEST OF HIGHWAY 18, SHAWNEE, OKLAHOMA FOR THE PURPOSE OF HARVESTING HAY

BID SUBMITTED TO: Office of The City Clerk
The City of Shawnee
9th & Broadway - P.O. Box 1448
Shawnee, Oklahoma 74802-1448

1. If this Bid is accepted, the undersigned Bidder proposes to supply the services specified in accordance with the other terms and conditions of the Lease Agreement provided as an attachment to the Information to Bidders.
2. Bidder accepts all of the terms and conditions of the Notice to Bidders and the Lease Agreement.
3. This Bid will remain subject to acceptance for thirty (30) days after the day of Bid opening.
4. In submitting this Bid, Bidder represents that:
 - 4.1. Bidder has examined copies of all the Bid Documents and of the following Addenda (receipt of all which is hereby acknowledged) (if none, so state)
 - 4.1.1. ADDENDA NUMBER (S): _____
5. This bid is genuine and not made in the interest of or on behalf of any undisclosed person, firm or corporation; and is not submitted in conformity with any agreement or rules of any group, association, organization, or corporation; Bidder has directly or Indirectly induced or solicited any other Bidder to submit a false sham Bid; Bidder has not solicited or induced any person, firm or corporation to refrain from bidding; and Bidder has not sought by collusion to obtain for itself any advantage over any other Bidder or over the City of Shawnee or the Shawnee Airport Authority.
6. The following documents are attached and made a condition of this Bid:
 - 6.1. Bid form.
 - 6.2. Non-collusion Affidavit
 - 6.3. Business Relationship Affidavit
 - 6.4. Letter from insurance carrier of insurability in the type and amounts required by the Lease Agreement

7. Bid amount.

Rental fee in the amount of: _____ (\$_____) dollars and _____ (.____) cents, per annum.

8. Identification of Bidder.

BIDDER: _____

ADDRESS: _____

SIGNATURE: _____

DATE: _____

BUSINESS RELATIONSHIP AFFIDAVIT

STATE OF _____ }
 } SS:
COUNTY OF _____ }

_____, of lawful age, being first duly sworn, on oath says that he/she is the agent authorized by the Bidder to submit the attached Bid. Affiant further states that the nature of any partnership, joint venture, or other business relationship presently in effect or which existed within one (1) year prior to the date of this statement with any party to the prospective contract is as follows:

Affiant further states that any such business relationship presently in effect or which existed within one (1) year prior to the date of this statement between any officer or director of the Bidder and any other party to the prospective Lease Agreement is as follows:

Affiant further states that the names of all persons having such business relationships and the positions they hold with their respective companies or firms are as follows:

(If none of the business relationships herein above mentioned exists, affiant should so state.)

AFFIANT: _____
 Signature

 Printed Name

Sworn before me this _____ day of _____, 2019

Notary Public

My commission expires _____



AGRICULTURAL USE
LEASE AGREEMENT

This Agreement ("Agreement") is entered into between the Shawnee Airport Authority, the City of Shawnee Oklahoma, a municipal corporation and together hereinafter called the Lessor, and _____, hereinafter called the Lessee.

WHEREAS the Lessor is the owner of public property commonly known as The North Airport, consisting of two-hundred (200) acres of land more or less, hereinafter referred to as the "Property", in the City of Shawnee, Pottawatomie County, State of Oklahoma, and;

WHEREAS, it is the Lessor and the Lessee are mutually desirous of entering into an Agreement for the use of the Property;

NOW, THEREFORE, in consideration of the covenants, terms and conditions herein contained, the Lessor and Lessee agree as follows:

1. Term. The Initial Term of this Agreement shall be for a period of two (2) calendar years, commencing on _____ and expiring on _____ unless sooner terminated in accordance with the provisions of this Agreement.
 - 1.1. Renewal Options. After the Initial Term of the Agreement, at the option of the Lessor, Lessee may renew the agreement for three (3) additional successive calendar years by providing written notice to the Lessor of the desire to renew not less than sixty (60) calendar days prior to the expiration of the Initial term, and any renewal term thereafter.
2. Leased Premises. The Leased Premises shown on Exhibit 1, attached hereto and made a part hereof consists of:
 - 2.1. Existing land located on Jonco Road, one half mile west of Highway 18, Shawnee, Oklahoma consisting of approximately two-hundred (200) acres of land more or less.
3. Use of the Leased Premises by Lessee. The Lessee shall use the Leased Premises for the following purposes and for no other purpose whatsoever:
 - 3.1. Improving the land through leveling, removing of stumps, bushes, rocks, and other impediments to mechanized mowing; application of fertilizers, herbicides and pesticides to increase yield; and, the cutting and bailing of hay.
4. Access to and Use of the Leased Premises by Lessor. It is agreed that the Property is to be used by the Lessee solely for the purposes described in numerical Section 3 of this Agreement. It is further agreed that the lessee shall make every effort to accommodate the Lessor's requirement for access to and on the property for the purpose of injecting pre-treated waste water into the soil.

5. Rental. The Lessee agrees to pay as rental for the use of the Leased Premises and the privileges herein granted the sum of \$(*to be Determined by Bid*) per year, payable at the Office of the City Clerk or other such location as may from time to time be directed in writing by the Lessor.
6. Acceptance, Management and Care of the Leased Premises.
 - 6.1. Lessee warrants this is has inspected the Leased Premises and accepts the Leased Premises “as is” in its present condition, and subject to all limitations imposed upon the use thereof by the rules and regulations and ordinances of the City of Shawnee, Oklahoma, and admits its suitability and sufficiency for the uses permitted hereunder. Except as may otherwise be provided for herein, the Lessor shall not be required to maintain nor to make any improvements, repairs or restorations upon or to the Leased Premises or to any improvements presently located thereon.
 - 6.2. Lessor shall never have any obligation to repair, maintain or restore, during the term of this lease, any improvements placed on the Leased Premises by the Lessee, its successors and assigns.
 - 6.3. The Lessor makes no guarantee on the yield of the quality of the hay produced on the Leased Premises.
 - 6.4. The Lessee shall harvest the hay on the Leased Premises before the hay reaches five (5) foot in average height.
 - 6.5. Lessee shall remove baled hay within thirty (30) calendar days of baling.
 - 6.5.1. Lessee may request Lessor grant an extension of time to remove bales based on inclement weather conditions. Such requests must be made in writing to the Manager of the Shawnee Regional Airport. Such extension will not be unreasonably withheld by the Lessor.
 - 6.6. 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:
 - 6.6.1. Keep at all times, in a clean and orderly condition and appearance, the Leased Premises, all improvements thereon and all of the Lessee's equipment and or personal property which may be located on any part of the Leased Premises.
 - 6.6.2. Repair any damage caused by Lessee to paving or other surface of the Leased Premises caused by Lessee's operations.
 - 6.7. In the event Lessee fails: (a) to clean, repair, replace, rebuild or repaint within a period of thirty (30) business days after written notice from the Lessor 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) business 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 Lessor 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 Lessor by Lessee on demand. Provided, however, if in the opinion of the Lessor, the Lessee's failure to perform any such maintenance endangers the safety of the public, the employees or property of the Lessor, and the Lessor so states same in its notice to Lessee, the Lessor may, at its sole option, in addition to all other remedies which may be available to it, elect to perform such maintenance at any time after the giving of such notice, and Lessee agrees to pay to the Lessor the cost and expense of such performance on demand. Furthermore, should the Lessor, its officers, employees or agents undertake any work hereunder, Lessee hereby waives any claim for damages, consequential or otherwise, as a result thereof except for claims for damages arising from the Lessor'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 Lessor any obligations to maintain the Leased Premises, unless specifically stated otherwise herein.

- 6.8. If Lessee makes any improvements without Lessor's approval, then, upon notice to do so, Lessee shall remove the same or at the option of Lessor, cause the same to be changed to the satisfaction of Lessor. If Lessee fails to comply with such notice within thirty (30) business days or to commence to comply and pursue diligently to completion, Lessor may effect the removal or change and Lessee shall pay the cost thereof to the Lessor. Lessee expressly agrees in the making of all improvements that, except with the written consent of Lessor, 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) business days after notice of filing thereof. Notice is hereby given by Lessor to all persons that no lien attaches to any such improvements.
- 6.9. The Lessor reserves the right to sell/lease some or all of the property to another entity for non-agriculture related uses during the term of the lease. Should any such sale/lease occur, the amount of any future lease payments due from Lessee would be reduced proportionately to the amount of land removed from production.

7. Additional Obligations of Lessee

- 7.1. Lessee shall conduct its operations hereunder in an orderly and proper manner.
- 7.2. Lessee shall control the conduct and demeanor of its officers, agents, employees, invitees and, upon objection from Lessor concerning the conduct, demeanor of any such person, Lessee shall immediately take all lawful steps necessary to remove the cause of the objection.
- 7.3. 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.

- 7.4. Lessee shall comply with all written instructions of the Lessor in disposing of its trash and refuse at Lessee's expense, and shall use a system of refuse disposal approved by the Lessor. The manner of handling and disposing of trash, garbage and other refuse and the frequency of removal thereof from the Leased premises shall at all times be subject to the rules, regulations and approval of the Lessor.
- 7.5. 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.
- 7.6. Lessee shall not do, nor permit to be done, anything which may interfere with the effectiveness or accessibility of the drainage system, sewerage system, and fire hydrants and hoses, if any, installed or located on the Leased Premises.
- 7.7. Lessee shall not do, nor permit to be done, any act or thing upon the Leased Premises which may constitute a hazardous condition so as to increase the risks attendant upon the operations permitted by the Agreement.

8. Ingress and Egress

- 8.1. 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.
- 8.2. The Lessee hereby releases and discharges the Lessor, 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 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.

9. Liabilities and Indemnities

- 9.1. Lessor 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 as a result of any operations works, acts or omissions performed on the Leased Premises, by Lessee, its sub lessees or tenants, or their guest or invitees.
- 9.2. Lessee agrees to indemnify, save and hold harmless, the Lessor, (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 injury to, or death of, any person or persons, and damage to, destruction or loss of use of any and all property, including City of Shawnee personnel and Lessor's property, directly or indirectly arising from, or resulting from, any operations, works, acts or omissions of Lessee, its agents, servants, employees, contractors, sub

lessees or tenants. Provided, however, that upon the filing with the Lessor by anyone of a claim for damages arising out of incidents for which Lessee herein agrees to indemnify and hold the Lessor harmless, the Lessor 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 Lessor. It is specifically agreed, however, that the Lessor at its own cost and expense, may participate in the legal defense of any such claim. Any final judgment rendered against the Lessor 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.

- 9.3. In addition to Lessee's undertaking, as stated in this numerical Section 9, and as a means of further protecting the Lessor, its officers, agents, servants and employees, Lessee shall at all times during the term of this Agreement obtain and maintain in effect Public Liability Insurance coverage as set forth in Schedule 1 attached hereto and made a part hereof. In this connection, Lessee agrees to require its contractors doing work on the Leased Premises to carry adequate insurance coverage, and if Lessee so desires, it may accomplish same by an endorsement to Lessee's policies to include such persons or parties as additional named insured.
- 9.4. Lessor reserves the right to increase the minimum liability insurance set forth in Schedule 1 when in the Lessor's opinion the risks attendant to Lessee's operations hereunder have increased.
- 9.5. 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.
- 9.6. 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 Lessor 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.

10. Assignment and Sublease

- 10.1. 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 Lessor.
- 10.2. Any assignment or transfer of this Agreement, or any rights of Lessee hereunder, without the consent of the Lessor, shall entitle the Lessor at its option to forthwith cancel this Agreement.
- 10.3. Any assignment of this Agreement approved and ratified by the Lessor 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.

- 10.4. Subject to all of the terms and provisions hereof, Lessee may not 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 Lessor compatible with Lessee's authorized business.

11. Non-Discrimination

- 11.1. 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.
- 11.2. In this connection, the Lessor 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 Lessor to cease and desist, will constitute a material breach of this Agreement and will entitle the Lessor, 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.
- 11.3. 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.

12. Governmental Requirements

- 12.1. 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.
- 12.2. The Lessee shall pay all taxes, licenses, certification, permit and examination fees and excise taxes, if any, which may be assessed, levied, exacted or imposed on the Leased Premises or operation hereunder or on the gross receipts or income to Lessee there from, and shall make all applications, reports and returns required in connection therewith.
- 12.3. 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 there from.

13. Rights of Entry Reserved

- 13.1. 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 Lessor, its officers, employees, agents, representatives and contractors does not unreasonably interfere with the Lessee's use, occupancy, or security requirements of the Leased Premises.
- 13.2. Without limiting the generality of the foregoing, the Lessor, 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, 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 Lessor, 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 Leased Premises otherwise not conveniently accessible, provided, however, that in the exercise of such right of access, repair alteration or new construction, the Lessor, 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 Lessor shall not impose or be construed to impose upon the Lessor 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.
- 13.3. In the event that any personal property of Lessee shall obstruct the access of the Lessor, 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 Lessor 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 Lessor or said utility company to do so, the Lessor 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 there from, except for claims for damages arising from the Lessor's sole negligence.
- 13.4. At any reasonable time, and from time to time during the ordinary business hours, the Lessor, 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.
- 13.5. Exercise of any or all of the foregoing rights, by the Lessor, or others under right of the Lessor, 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.

14. Additional Rents and Charges

- 14.1. Except as provided in Section 6.7 (b), in the event Lessee fails within thirty (30) business days after receipt of written notice from Lessor to perform or commence to perform any obligation required herein to be performed by Lessee, Lessor 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 Lessor 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 Lessor and Lessor so states in its notice to Lessee, the Lessor 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.
- 14.2. If the Lessor 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 Lessor 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 Lessor in the same manner and with like remedies as if it were originally a part of the rent provided for in this Agreement.

15. Default.

- 15.1. In the event Lessee breaches any term or provision of this Lease, including the obligation to pay rent as and when due, the Lessor shall have the right to terminate this lease upon giving Lessee ten (10) business days' notice to cure such default (except as otherwise provided in Section 6.7 above). If Lessee shall not have cured its default within said ten (10) business day period to the satisfaction of the Lessor, then the Lessor may declare this Lease and Lessee's right of use to be terminated, and Lessee shall at once quit the Premises, taking only such personal property or fixtures as the Lessor may authorize to be removed. The foregoing rights and remedies given to Lessor are and shall be deemed to be cumulative and shall be deemed to be given to Lessor in addition to any other and further rights granted to Lessor herein or by law. The failure by the Lessor 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.

16. Termination by Lessee

- 16.1. 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 Lessor of any amounts due Lessor under this Agreement, Lessee may cancel this Agreement and thereby terminate all of its rights and unaccrued obligations hereunder, by giving Lessor thirty (30) business days' advance written notice upon or after the happening of the following events:

16.2. 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 Leased Premises, and which injunction remains in force for a period of at least thirty (30) business days after the party against whom the injunction has been issued has exhausted or abandoned all appeals or one hundred twenty (120) business days whichever is shorter, if such injunction is not necessitated by or issued as a result of an act or omission of Lessee; or

16.3. 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 business for a continuous period of at least ninety (90) days.

17. Surrender and Right of Re-Entry

Upon the cancellation or termination of this Agreement pursuant to any terms hereof, Lessee agrees peaceably to surrender up the Leased Premises to the Lessor 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 Lessor. Upon such cancellation or termination, the Lessor 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 Lessor's election. Furthermore, upon such cancellation or termination, and for a reasonable time thereafter (not exceeding thirty (30) business days after such cancellation or termination, and for which period Lessee will pay to the Lessor 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 Lessor, 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 site to the condition above required.

18. Survival of the Obligations of the Lessee.

18.1. In the event that the Agreement shall have been terminated in accordance with a notice of termination as provided in numerical Section 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 Lessor 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. Lessor 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.

18.2. 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:

18.2.1. 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;

18.2.2. 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.

19. Use Subsequent to Cancellation or Termination

19.1. The Lessor, upon termination or cancellation pursuant to numerical Section 16 hereof, may occupy the Leased Premises or may enter into an agreement with another lessee and shall have the right to permit any person, firm or corporation to enter upon the Leased Premises and use the same. Such use may be of part only of the Leased Premises or of the entire Leased Premises, together with other premises, and for a period of time the same as or different from the balance of the term hereunder remaining, and on terms and conditions the same as or different from those set forth in this Agreement.

19.2. Lessor 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.

19.3. In the event either of use by others or of any actual use and occupancy by Lessor, 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 Lessor may itself during such period actually use and occupy, all expenses, costs and disbursements incurred or paid by Lessor 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 Lessor hereunder. Lessor will use its best efforts to minimize damages to Lessee under this Section.

20. Limitation of Rights and Privileges Granted

Except the right of Lessee to possession of the Leased Premises, no exclusive rights on the Leased Premises 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.

21. Notices

21.1. All notices, consents and approvals required or desired to be given by the parties hereto shall be sent in writing, and shall be deemed sufficiently given when same is deposited in the United States Mail, sufficient postage prepaid, registered or certified mail, return receipt requested, addressed to the recipient at the address set forth below:

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

AND

To Lessee: _____

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.

22. Holding Over

22.1. 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 the Lessor and after written notice by Lessor to vacate such premises, continued occupancy thereof by Lessee shall constitute Lessee a trespasser.

22.2. Any holding over by Lessee beyond the thirty (30) day period permitted for removal of fixtures without the written consent of the Lessor 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.

22.3. All insurance coverage that Lessee is required under the provisions hereof to maintain in effect shall continue in effect for so long as Lessee, or any of Lessee's sub lessees or tenants occupy the Leased Premises or any part thereof.

23. Invalid Provisions

23.1. 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.

24. Miscellaneous Provisions

24.1. Remedies to be Nonexclusive. 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 Lessor, 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.

24.2. Non-Waiver of Rights. 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.

24.3. Force Majeure. 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.

24.4. Non-Liability of Individuals. No director, officer, agent or employee of Lessor shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or of a 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.

24.5. Quiet Enjoyment. The Lessor 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.

25. General Provisions.

25.1. 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 Agreement.

25.2. This Agreement shall be performable and enforceable in Shawnee, Oklahoma and shall be construed in accordance with the laws of the State of Oklahoma.

25.3. This 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.

25.4. 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.

25.5. All covenants, stipulations and agreements in this Agreement shall extend to and bind each party hereto, its legal representatives, successors and assigns.

25.6. 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.

25.7. 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.

26. Subordination Clauses

26.1. This Agreement is subject and subordinate to the following:

26.1.1. Lessor reserves the right to develop and improve the Leased Premises 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. Entire Agreement

27.1. The Agreement consists of Sections 1 to 27, inclusive, Exhibit 1 and Schedule 1.

27.2. 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 Lessor and the Lessee. The parties agree that no representations or warranties shall be binding upon the Lessor or the Lessee unless expressed in writing in this Agreement of Lease.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS.]

Exhibit 1
Leased Premises

Tract of land located in Section 18, T11N, R4E, I.M., Pottawatomie County Oklahoma, described as: the W/2 of the SW/4 being Lots 3 and 4 of Section 18, T11N, R4E of I.M, containing 80 acres more or less; and, the E/2 of the SW/4 and the S/2 of the S/2 of the NW/4 of Section 18, T11N, R4E, of I.M. Pottawatomie County, Oklahoma, containing 120 acres more or less.

Schedule 1

Insurance Requirements

1. The Lessee shall maintain during the life of this contract, such Public Liability and Property Damage Insurance as will protect him from claims for damages for bodily injury, including accidental death, as well as claims from property damages, which may arise from operations under the contract; and the amount of insurance shall be as follows:
 - 1.1. Comprehensive Public Liability Insurance including, but not limited to product liability:
 - 1.1.1. Bodily Injury – Each Person \$125,000.00
 - 1.1.2. Bodily Injury – Each Accident \$1,000,000.00
 - 1.1.3. Property Damage – Each Person \$50,000.00
 - 1.1.4. Property Damage – Each Accident \$1,000,000.00
2. The policies of insurance shall be executed by insurance of indemnity carriers authorized to do business in the State of Oklahoma and said insurance shall name the City of Shawnee, Oklahoma and the Shawnee Regional Airport as co-insured.
3. The Lessee shall furnish Lessor with a Certificate of Insurance indicating proof of the foregoing coverage. Such certificate shall provide that the carrier issuing the certificate shall notify the Lessor within ten (10) business days in advance of any cancellation or significant change in the terms or coverage of such insurance policies.
4. 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 coverage provided for herein.