

AGENDA
SHAWNEE AIRPORT AUTHORITY
January 21, 2020 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 December 16, 2019 regular meeting.
 - b. Approval of a Commercial Aeronautical Services Lease Agreement with Buco Aviation.
2. New Business

(Any matter not known 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: 01/21/2020

Minutes

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Minutes from the December 16, 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, DECEMBER 16, 2019, DURING THE BOARD OF CITY COMMISSIONERS MEETING AT 6:00 P.M., PURSUANT TO NOTICE DULY POSTED AS PRESCRIBED BY LAW AT 4:23 P.M. ON DECEMBER 13, 2019. UPON ROLL CALL, A QUORUM WAS DECLARED WITH THE FOLLOWING MEMBERS IN ATTENDANCE:

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

ABSENT: None

Call to Order

Declaration of a Quorum

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

a. Minutes from the December 2, 2019 regular meeting.

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

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

NAY: None

AGENDA ITEM NO. 2: 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. 3: Adjournment

There being no further business to be considered, the meeting was adjourned by power of the Chair. (7:46 p.m.)

RICHARD FINLEY, CHAIRMAN

ATTEST:

LISA LASYONE, SECRETARY

DRAFT

Shawnee Airport Authority

1. b.

Meeting Date: 01/21/2020

Lease Agreement

Submitted By: Kacie Eck, City Clerk

Department: City Clerk

Information

Title of Item for Agenda

Approval of a Commercial Aeronautical Services Lease Agreement with Buco Aviation.

Fiscal Impact

Attachments

Memo

Lease



Date: January 4, 2020

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

A handwritten signature in blue ink, appearing to read "Bonnie A. Wilson", is written over the list of commissioners.

From: Bonnie A. Wilson, CM Airport Manager

Subject: Proposed Commercial Aeronautical Services Lease Agreement – Buco Aviation, LLC

Nature of Request:

Authorize staff to execute a Commercial Aeronautical Services Lease Agreement with Buco Aviation, LLC.

Staff Analysis and Considerations:

Staff published a Request for Proposals (RFP) for the lease of Hangar No. 15, and/or the Office T-Hangar complex on the East end of the North T-Hangars in the Shawnee News Star, on several aviation websites. The RFP was also provided directly to parties expressing an interest in submitting a proposal. Four proposals were received by the published deadline. A Review Committee made up of Airport Advisory Board Members Mr. Jim Smith, Mr. Randy Rogers and staff, considered the proposals and scored the submissions according to published weighted scoring criteria.

The Review Committee's recommendation based on the numeric score awarded each proposal is as follows:

Buco Aviation, LLC – 86/100

A&M Aerospace – 76/100

Civil Air Patrol – 67/100

Shawnee Aviation Services – 48/100

Proposers' Described Use of Facilities:

Buco Aviation – Lease of all available property for the purpose of storage and operation of demonstration aircraft used for advertisement; storage and operation of aircraft managed by Buco for third party customers; sale, installation, and repair of avionics; exterior and interior restoration and repair for vintage, antique, war-birds and other specialty aircraft; customer service/business office; hangar space for brokered aircraft, demonstration aircraft, repaired/restored aircraft, aircraft operated by Buco for business purposes.

A&M Aerospace – Lease of all available property for the purpose of providing certain airframe and powerplant (A&P) and component repair services. Proposers wishes to relocate A&P activities from existing facility at Stroud Municipal Airport to Shawnee Regional Airport, and providing overflow space for their component repair division currently in operation at Harrah.

Civil Air Patrol – Lease of Box Hangar No. 15 only for the storage of aircraft; potentially three in total and ancillary equipment.

Shawnee Aviation Services – Lease of Office / T-Hangar complex only for supporting flight instruction and aircraft storage - Piper Warrior (1974)

Recommendation:

The Airport Advisory Board and staff recommend awarding the opportunity to enter into a Commercial Aeronautical Use Agreement with Buco Aviation, LLC, with the following term and conditions:

Term of Leases: Ten (10) years with an option for an additional five (5) years, and the Right of First Refusal on an additional term.

Rental Rate: Hangar No. 15 - \$1.0944 per square foot/year or \$4,104 per year.
T-Hangar Office Complex - \$1.76 per square foot/year or \$2,640 per year.

Rental rates subject to annual increase at the commencement of the City of Shawnee Fiscal Year.

Capital Improvement Rebate:

Hangar No. 15 - Fifty percent (50%) rental rebate for capital improvements of \$15,000 in the first ten years and \$15,000 in the following five years.

Fifty percent (50%) rental rebate for capital improvements of \$15,000 in the first ten years.

Maintenance: Lessee will assume all costs for maintenance and repair both capital and ordinary.

Turf Landing Surface: Lessee will create and maintain a turf landing surface suitable for aircraft use immediately west of Runway 17/35, beginning at Taxiway Delta extending south approximately 2,500 feet with a width of approximately 75 feet approximately 4.3 acres.

Budget Consideration:

The rental rate proposed is equal to the rate paid by the previous tenant, subject to annual increases based on the rate of inflation established by the Consumer Price Index. Presuming an annual increase of approximately 2% across the term of the agreement the rental revenue would equate to \$112,692.80 less a rental rebate for \$45,000 in capital investments, or \$67,692.80.

Buco also estimates purchasing approximately 500 gallons of aviation fuel each month to support their direct operations. A conservative estimate of revenue from these sales is approximately \$7,500.00 in annual revenue, or \$112,500.00 over the term of the agreement.

Additional revenue based on increased traffic utilizing the turf landing strip cannot be accurately estimated at this time.



COMMERCIAL AERONAUTICAL SERVICES LEASE AGREEMENT

This Commercial Lease Agreement ("Agreement") made and entered into this day of February, 2020 by and between the Shawnee Airport Authority, City of Shawnee, Oklahoma ("the City"), and together hereinafter referred to as "Lessor", and Buco Aviation, LLC, an Oklahoma limited liability company, hereinafter referred to as "Lessee".

WITNESSETH THAT:

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

WHEREAS, the Lessor and Lessee are mutually desirous of entering into an Agreement for the use and occupancy of certain areas at the Airport; and

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

1. TERM.

1.1. The term of this Lease Agreement shall be for ten (10) calendar years commencing on February 1, 2020 and terminating on January 31, 2030, unless sooner terminated in accordance with the provisions of this Lease Agreement.

1.1.1. This Agreement may be renewed at the end of the initial term for an additional term of five (5) calendar years, at the mutual agreement of the Lessor and Lessee. The Lessee shall be granted the right of first refusal on any additional extensions under the following conditions:

1.1.1.1. All capital improvements as described in numerical Section 7. CAPITAL IMPROVEMENT ALLOWANCES, of this Agreement have been completed, at the agreed upon level of financial investment, and at a level of quality and sufficiency acceptable to the Lessor.

1.1.1.2. The Lessee remain in good standing throughout the initial term, and any renewal terms of the Lease Agreement.

1.1.1.3. The Lessee provides notice to the Lessor of intent to renew at not less than ninety (90) business days prior to the expiration of the initial term.

2. LEASED PREMISES.

2.1. The Leased Premises consist of the following properties located on the Shawnee Regional Airport for the purposes of this Agreement designated for commercial aeronautical use, and commonly known as:

- 2.1.1. Bulk Hangar No. 15, consisting of approximately three-thousand-seven-hundred-fifty (3,750) square feet of hangar space; and
- 2.1.2. Commercial Office Space and co-located T-Hangar #110 consisting of approximately five-hundred (500) square feet of conditioned office space and one-thousand (1,000) square feet of hangar space, and together the Office/T-Hangar Complex; and
- 2.1.3. Turf landing area, consisting of access to a seventy-five (75) linear foot wide section of the unpaved surface of the airfield, immediately west of Runway 17/35, extending approximately two-thousand-five-hundred (2,500) linear feet; approximately four and three-tenths (4.3) acres. Said section commencing at Taxiway Delta proceeding southward and terminating at Taxiway Bravo, for the purpose of providing an unpaved aircraft landing area for which Lessee bears the sole responsibility for maintenance be it ordinary or extraordinary.

3. AUTHORIZED USE OF LEASED PREMISES.

3.1. Goods and Services. As a part of the consideration for this Lease, and in accordance with 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") applicable to the operation and management of the Airport, aircraft operation, and conduct of persons at the Airport, Lessee agrees to provide at reasonable rates and without discrimination, the following goods and services to the general public at and within the leasehold area of Bulk Hangar No. 15, and Office/T-Hangar Complex.

- 3.1.1. Demonstration, sale and installation of avionics equipment.
- 3.1.2. Aircraft restoration services exclusive of scheduled airframe and or powerplant maintenance.
- 3.1.3. Storage of equipment, materials, supplies, and other items necessary to provide for the authorized services.
- 3.1.4. Aircraft brokerage services and sale of aircraft.
- 3.1.5. Storage of airworthy aircraft under the provisions of a written aeronautical service agreement as a service to third party aircraft owners, provided that said

aircraft owner has not already entered into a lease agreement with the Lessor for storage of the aircraft.

- 3.1.6. Storage of airworthy aircraft used to support the authorized services listed in this Section 3.1.

- 3.1.6.1. Any maintenance performed on the Lessee's aircraft designated for use to support the authorized service must not hinder the airworthiness of the aircraft for more than sixty (60) calendar days. Additional time will not be unreasonably withheld, upon provision of a written scope of work and timing of repairs. If repairs are expected to exceed one-hundred - eighty (180) calendar days, a recommendation to allow for extended time will be required from the Airport Advisory Board.

- 3.1.7. Aircraft Parking. Lessee shall position any aircraft, and or equipment in such a way as to ensure the free passage of aircraft in the vicinity of the Lease Premises.

- 3.1.8. Ground Vehicle Parking. Lessee shall designate ground vehicle parking locations for employees and customers within the leasehold area in locations designed to minimize interaction with aircraft operations and the routine transit activities of other tenants and airport patrons.

- 3.1.9. Lessee shall be solely responsible for securing the Leased Premises when not in active use.

- 4. AIRCRAFT RESTORATION AND/OR MAINTENANCE: The Lessee may engage in any of the aircraft restoration or maintenance activities as defined by, and in compliance with, 14 CFR Part 43.

- 4.1. Any restoration or maintenance activities undertaken on airport property must be performed by a licensed mechanic. Any third-party service providers engaged by the Lessee, must be authorized to provide services at the Shawnee Regional Airport under either an Independent Operators Agreement or Commercial Aeronautical Services Agreement, and must be insured per the terms and conditions of both the Minimum Standards and Rules, and SCHEDULE A. INSURANCE COVERAGE REQUIREMENTS, of this agreement and as may be amended from time to time. The Shawnee Regional Airport, Shawnee Airport Authority, and the City of Shawnee, Oklahoma shall not be liable for any aircraft malfunction due to improper restoration, repair, maintenance or operation.

- 4.2. The Lessee shall be fully and exclusively responsible for the proper and lawful handling and disposal of all waste generated by restoration or maintenance activities and any materials used to control the use and or storage of the substances.

5. THIRD PARTY AGREEMENTS.

- 5.1. Lessee agrees and acknowledges that all of its activities and operations, and the activities and operations of any third- party with whom it has entered any agreement for services on the leased premises shall be conducted in compliance with the Minimum Standards and Rules as now existing or as shall be hereafter amended from time to time.
- 5.2. Lessee agrees to timely provide the Airport Manager with written copies of each third-party agreement entered into for the purpose of providing services set forth in Section 3, AUTHORIZED USE OF LEASED PREMISES, conducted on or about the Leased Premises.

6. RENTAL RATES

- 6.1. Lessee agrees to pay to the Lessor as rental for use of the Leased Premises and the privileges herein granted:
 - 6.1.1. Bulk Hangar No. 15, consisting of three-thousand-seven-hundred-fifty (3,750) square feet of hangar space, the amount of nine and twelve-one-hundredths of a cent (\$0.0912) per square foot per month, for a sum of three-hundred-forty-two dollars (\$342.00) per month; and
 - 6.1.2. Commercial Office Space and co-located T-Hangar #110 consisting of approximately five-hundred (500) square feet of conditioned office space and one-thousand (1,000) square feet of hangar space, and together the Office/T-Hangar Complex, the amount of fifteen cents (\$0.15) per square foot, for a sum of two-hundred twenty dollars (\$220.00) per month; and
 - 6.1.3. Turf landing area, consisting of access to seventy-five (75) linear foot wide by two-thousand-five-hundred (2,500) linear foot long, approximately four and three-tenths (4.3) acres, section of the unpaved surface of the airfield, the amount of labor, materials and equipment necessary to maintain the area in a condition suitable for aircraft landing as determined by the Airport Manager.
- 6.2. Lessee shall pay monthly rent in advance on or before the first day of each month during the initial term or any renewal term of this Agreement. Provided, however, that 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.
- 6.3. Lessee agrees to maintain a current status on rental of Leased Premises. Should Lessee fail to do so, and the amount due becomes sixty (60) calendar 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 Agreement will be terminated. Should a second offense of sixty (60) calendar days delinquency occur within the term of this Lease Agreement, immediate termination of this Lease Agreement shall result, and all rights for renewal shall be forfeited.

- 6.4. It is specifically understood and agreed by and between the Lessor and the Lessee that per the Airport Facilities Lease and Development Policy Statement the monthly rental for said Leased Premises shall be adjusted at the commencement of the Lessor's Fiscal Year. Annual adjustments will be based on the national rate of inflation as established by the Consumer Price Index change from the prior calendar year, with current pricing retained as minimums regardless of inflation activity.
- 6.5. Following notice from the Lessor to the Lessee, the Lessee hereby agrees to pay such adjusted monthly rental commencing on the first day of the first month of the Fiscal Year.

7. CAPITAL IMPROVEMENT ALLOWANCES.

- 7.1. In consideration of certain capital improvements ("Improvements") to be undertaken by the Lessee, the Lessor agrees to provide a capital improvement allowance in the form of rental fee abatement under the following terms and conditions:
 - 7.1.1. The work of the Improvements is to commence not later than thirty (30) business days following execution of this Agreement.
 - 7.1.2. For Bulk Hangar No. 15 Space, Lessee will expend not less than fifteen-thousand dollars (\$15,000.00) during the Initial Term of the Agreement; and during the first Renewal Term, expend an additional fifteen-thousand dollars (\$15,000.00) for capital improvements and refurbishments to include:
 - 7.1.2.1. Initial Term - Repairs to roof to prevent water intrusion into the hangar; repairs to and replacement of existing windows; repairs to damaged sections of walls; application of exterior paint; and replacement of pedestrian doors and security locks.
 - 7.1.2.2. Renewal Term – Installation of interior shop lighting, specifically LED lighting or other low energy high efficiency lighting system components; replacement of South hangar doors.
 - 7.1.2.3. All work described in numerical Section 7.1.2.1 above must be completed to the satisfaction of the Lessor prior to the end of the Initial Term.

- 7.1.2.4. All work described in numerical Section 7.1.2.2 must be completed to the satisfaction of the Lessor prior to the end of the Renewal Term.
 - 7.1.2.5. Rental fee abatement for the cost of the Improvement is not to exceed fifty (50%) of the authorized total of Fifteen-thousand dollars (\$15,000.00).
 - 7.1.3. For Office/T-Hangar Complex, Lessee will expend not less than Fifteen-thousand dollars (\$15,000.00) during the Initial Term of the Agreement for capital improvements and refurbishments to include:
 - 7.1.3.1. Initial Term - Repairs to lavatory to comply with American's With Disabilities Act Accessibility Guidelines ("ADAAG"); repairs to roof and exterior walls to correct and prevent water intrusion; installation of heat and air conditioning units in the office space; removal and replacement of any water damaged/mold impacted wall paneling, carpeting or other materials.
 - 7.1.3.2. All work described in Section 7.1.3.1 above must be completed to the satisfaction of the Lessor prior to the end of the Initial Term.
 - 7.1.3.3. Rental fee abatement for the cost of the Improvement is not to exceed fifty (50%) of the authorized total of Fifteen-thousand dollars (\$15,000).
- 7.2. Documentation of Cost of Improvements.
 - 7.2.1. Rental abatement will be applied following the submission of invoices detailing the nature, and cost of each element of the work, and inspection of the work for sufficiency by the Airport Manager or other qualified individual at the discretion of the Lessor.
- 7.3. Assessment of Improvements
 - 7.3.1. Lessor will conduct an assessment of progress of the improvements at least annually, and at each date of completion of the work specified in this numerical Section 7. CAPITAL IMPROVEMENT ALLOWANCES to ensure completion to the satisfaction of the Lessor.
 - 7.3.2. Lessor reserves the right to adjust rental abatement provisions should Lessee fail to complete the work or undertake the specified capital investments.

8. ACCEPTANCE, CARE, MAINTENANCE, IMPROVEMENTS AND REPAIR

- 8.1. 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 use permitted hereunder.
- 8.2. 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 of the improvements placed upon the Leased Premises by Lessee, its successors and assigns.
- 8.3. 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 may be ordinary or extraordinary, structural or otherwise.
- 8.4. 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.
- 8.5. Provide and maintain on the Leased Premises all obstruction lights and similar devices, and safety equipment required by any federal, state or municipal laws, ordinances, rules, regulations and requirements.
- 8.6. 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 or substances that have a corrosive or detrimental effect thereon.
- 8.7. In the event Lessee fails: (a) to commence to maintain, clean, repair, replace, rebuild or repaint within a period of thirty (30) calendar days after written notice from the Lessor to do any maintenance or repair work required to be done under the provisions of this Lease Agreement, other than preventive maintenance, (b) or within a period of ninety (90) calendar 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 Lease 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 Lease 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 or other tenants at the Airport, 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.

- 8.8. Plans and specifications for all major repairs, constructions, alterations, modifications, additions or replacements, hereinafter referred to as Improvements undertaken by the Lessee shall be submitted to and receive the written approval of the Lessor, and no such work shall be commenced until such written approvals are obtained from the Lessor, which approval shall not be unreasonably withheld or delayed. The Lessor shall advise Lessee within thirty (30) business days after receipt of the written request, together with copies of the plans and specifications for the proposed improvements in sufficient detail to make a proper review thereof, or its approval or disapproval of the proposed work, and in the event, it disapproves, stating its reasons therefore.
- 8.9. 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) calendar 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.
- 8.10. Upon the completion of construction or installation, the complete and unencumbered title to all improvements located on the Leased Premises shall immediately vest in the Lessor 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 Lessor at the time specified is a part of the consideration for this lease. The City of Shawnee, Oklahoma, the Shawnee Airport Authority, and the Shawnee Regional Airport shall not be liable to Lessee or Lessee's contractors or sublessee for the value of any improvements constructed or located on the Leased Premises.

9. ADDITIONAL OBLIGATIONS OF LESSEE

- 9.1. Lessee shall conduct its operations hereunder in an orderly manner. Further, Lessee shall take all reasonable measures:

- 9.1.1. Not to produce on the Airport any disturbance that interferes with the operation by the Lessor or the Federal Aviation Administration of air navigational, communication or flight equipment on the Airport.
- 9.1.2. Lessee shall control the conduct and demeanor of its officers, agents, employees, invitees and, upon objection from the Lessor concerning the conduct, demeanor of any such person, Lessee shall immediately take all lawful steps necessary to remove the cause of the objection.
- 9.1.3. 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 and the improvements thereon and its operations at the Airport hereunder.
- 9.1.4. Lessee shall comply with all written instructions of the Lessor in disposing of its solid waste and refuse at Lessee's expense, and shall use a system of solid waste disposal approved by the Lessor. The manner of handling and disposing of solid waste to include but not limited to 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 the Lessor.
- 9.1.5. 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.
- 9.1.6. Lessee shall not do, nor permit to be done, anything which may interfere with the effectiveness or accessibility of the drainage system, sewerage system, fire protection system, sprinkler system, alarm system and fire hydrants and hoses, if any, installed or located on the Leased Premises.
- 9.1.7. 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.
- 9.1.8. Lessee shall use only a working supply of flammable liquids within any covered or enclosed portion of the Leased Premises. Any other supplies of such liquid shall be kept and stored in safety containers of a type approved by the Underwriters Laboratories.
- 9.1.8.1. The term "working supply" as used in this numerical Section 9. ADDITIONAL OBLIGATIONS OF LESSEE, numerical paragraph 9.1.8, shall mean the amount consumed by Lessee during any normal work day.
- 9.1.9. Except for services permitted under numerical Section 3. AUTHORIZED USE OF LEASED PREMISES hereof to be performed by Lessee or Lessee's subcontractor, Lessee shall provide prompt written notice to the Lessor of any

person, firm or corporation performing aircraft maintenance work, flight instruction of any sort, air taxi, aircraft charter or aircraft leasing of any sort on the Leased Premises for commercial purpose without a valid Commercial Lease Agreement or Independent Operator Agreement.

- 9.1.10. Lessee agrees that it will be responsible for providing and paying for the electric, telephone, natural gas, solid waste, and water utilities utilized on the leased property.
 - 9.1.11. Lessee further agrees to provide and pay for any utilities for any buildings or structures subsequently built thereon or any additional premises leased during the term of the Agreement including, but not limited to, payment for electric, telephone, natural gas, solid waste, and water utilities.
- 9.2. Lessee shall provide locks for the Bulk Hangar No. 15 and the Office/T-hangar Complex.
- 9.2.1. Lessee shall provide the Airport Manager with either (i) a master key or (ii) combination code, as appropriate, to allow for inspection of the Leased Premises, access to perform repairs or maintenance, and for purposes of public safety.

10. INGRESS AND EGRESS.

- 10.1. The Lessee shall have the right of ingress and egress to and from the Leased Premises by means of runways, roadways, taxilanes, and taxiways, to be used in common with others having rights of passage thereon, except when the Airport is closed to the public. The use of any such access routes shall be subject to the Minimum Standards and Rules of the Airport which are now in effect or which may hereafter be promulgated.
- 10.2. The Lessor may, at any time, temporarily or permanently, close or consent to or request the closing of, any such access route 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.
- 10.3. 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 runways, roadways, taxilanes, taxiway 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 runways, roadways, taxilanes, taxiway near the Leased Premises.

11. LIABILITIES AND INDEMNITIES.

- 11.1. 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 the Airport, or as a result of any operations works, acts or omissions performed on the Leased Premises, or the Airport, by Lessee, its sub lessees or tenants or their guest or invitees.
- 11.2. 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 of injury to, or death of, any person or persons, and damage to, destruction or loss of use of any and all property, including Lessor's 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, contractor, 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 on 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.
- 11.3. In addition to Lessee's undertaking, as stated in this numerical Section 11. LIABILITIES AND INDEMNITIES, and as a means of further protecting the Lessor, its officers, agents, servant and employee, Lessee shall at all times during the term of this Agreement obtain and maintain in effect Public Liability Insurance coverage as set forth in Schedule A attached hereto and made a part hereof. In this connection, Lessee agrees to require its contractor(s) doing any work on the Airport, and Lessee's tenants and sub lessees, to carry adequate insurance coverage, and if Lessee so desires, it may accomplish same by an endorsement to Lessee's policies to include such persons or parties as additional named insured.

- 11.3.1.1. The Lessor reserves the right to increase the minimum liability insurance set forth in Schedule A when in the Lessor's opinion

the risks attendant to Lessee's operations hereunder have increased.

- 11.4. 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 any way connected with this Agreement. The Lessee agrees to save and hold the Lessor, 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.
- 11.5. The Lessee represents and warrants that no broker has been concerned on its behalf in the negotiation of this Agreement and that there is no such broker who is, or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the 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.

12. RULES AND REGULATIONS

- 12.1. From time to time the Shawnee Airport Authority and or the City of Shawnee, Oklahoma may adopt and enforce Minimum Standards and Rules with respect to the occupancy and use of the Airport. Lessee agrees to observe and obey any and all Minimum Standards and Rules, 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. Lessor 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 Minimum Standards and Rules, federal, state or municipal laws, ordinances, rules, regulations and requirements. Lessee hereby acknowledges receipt of a current copy of such Minimum Standards and Rules.

13. SIGNS.

- 13.1. 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 ordinances of the City of Shawnee, Oklahoma.
- 13.2. 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 Lessor.

14. ASSIGNMENT AND SUBLEASE

- 14.1. Lessee covenants and agrees that it will not sell, convey, transfer, mortgage, pledge or assign this Lease Agreement or any part thereof, or any rights created thereby, without the prior written consent of the Lessor.
- 14.2. Any assignment or transfer of this Lease Agreement, or any rights of Lessee hereunder, without the consent of the Lessor, shall entitle the Lessor at its option to forthwith cancel this Lease Agreement.
- 14.3. Any assignment of this Lease Agreement approved and ratified by the Shawnee Airport Authority shall be on the condition that the assignee accepts and agree 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.
- 14.4. With the exception of the storage of airworthy aircraft as described in numerical Section 3. AUTHORIZED USE OF LEASED PREMISES, Lessee shall not assign or sublet this Agreement, or any Lessee' s rights concerning the Leased Premises or any part thereof, or any interest therein without the prior written permission of the Lessor
- 14.5. No consent by the Lessor to aeronautical service agreements or subleasing by Lessee of portions of the Leased Premises shall in any way relieve Lessee of any of its obligations to the Lessor set forth or arising from this Lease Agreement and a termination of Lessee's rights hereunder shall ipso facto terminate all service agreements and subleases.

15. GENERAL CIVIL RIGHTS PROVISIONS

- 15.1. Lessee shall comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. If the Lessee transfer its obligation to another, the transferee is obligated in the same manner as the Lessee. This provision obligates the Lessee for the period during which the property is owned, used or possessed by the Lessee and the Airport remains obligated to the Federal Aviation Administration. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.
- 15.2. The Lessee for himself/herself, his/her heirs, personal representative, successors in interest, and assigns, any part of the consideration hereof, does hereby covenant and agree as a covenant running with the Lease Agreement that:

- 15.2.1. In the event facilities are constructed, maintained, or otherwise operated on the property described in this Lease Agreement for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, the Lessee, will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Pertinent List of Nondiscrimination Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.
- 15.3. With respect to licenses, leases, permits, etc., in the event of breach of any of the above Nondiscrimination covenants, the Lessor will have the right to terminate the Lease Agreement and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the Lease Agreement had never been made or issued.
- 15.4. The Lessee for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, docs hereby covenant and agree that (i) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (ii) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (iii) that the Lessee will use the premises in compliance with all other requirements imposed by or pursuant to the List of Nondiscrimination Acts And Authorities.
- 15.4.1. With respect to this Agreement, in the event of breach of any of the above nondiscrimination covenants, the Lessor will have the right to terminate the Lease Agreement and to enter or re-enter and reposes said land and the facilities thereon, and hold the same as if said Lease Agreement had never been made or issued.

16. GOVERNMENTAL REQUIREMENTS.

- 16.1. 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 there at.

- 16.2. 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.
- 16.3. 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.

17. RIGHTS OF ENTRY PRESERVED

- 17.1. The Lessor, 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.
- 17.2. 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 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 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 Airport 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.
- 17.3. 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 thereof, except for claims for damages arising from the Lessor's sole negligence.

- 17.4. 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.
- 17.5. 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.

18. ADDITIONAL RENTS AND CHARGES

- 18.1. Except as provided in numerical Section 8. ACCEPTANCE, CARE, MAINTENANCE, IMPROVEMENTS AND REPAIR, paragraph 8.7, in the event Lessee fails within thirty (30) 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 Lease 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 or other tenants of the Airport, 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.
- 18.2. 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 Lease 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, a late payment fee in the amount of one and one-

half (1.5%) percent will be applied to any overdue balances for charges assessed by the Shawnee Airport Authority, 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 Lease Agreement.

19. DEFAULT

- 19.1. 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 numerical Section 8 ACCEPTANCE, CARE, MAINTENANCE, IMPROVEMENTS AND REPAIR, paragraph 8.7 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 Agreement and Lessee's right of occupancy to be terminated, and Lessee shall at once quit the Premises, taking only such personality 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.

20. TERMINATION BY LESSEE

- 20.1. The Lessee shall have no absolute right to terminate this Lease Agreement prior to the expiration of the term of the Lease Agreement as provided in numerical Section 1. TERM, above. However, as long as Lessee is not in default in payment to the Lessor of any amounts due the Lessor under this Agreement, Lessee may cancel this Agreement and thereby terminate all of its rights and unaccrued obligations hereunder, by giving the Lessor thirty (30) business days' advance written notice upon or after the happening of one of the following events:

- 20.1.1. 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) 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

- 20.1.2. 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) business days.

21. SURRENDER AND RIGHT OF RE-ENTRY

- 21.1. Upon the cancellation or termination of this Lease 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, (i) such normal wear and tear thereof as could not have been prevented by ordinary and usual repairs and maintenance, (ii) obsolescence in spite of repair, and (iii) 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) calendar 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 Lease 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 building and site to the condition above required.

22. SERVICES TO LESSEE

- 22.1. Lessor 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 Shawnee Airport Authority 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 Lessor further agrees to use its best efforts to maintain the runways, taxilanes and taxiways in good repair. Lessor agrees to keep in good repair hard-surfaced public roads for access to the Leased Premises. Lessor 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.

- 22.2. Lessee will contract with and obtain all required permits from the appropriate City Departments for any utility services provided by the 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 of Shawnee, Oklahoma.
- 22.3. 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, solid waste removal telephone, and burglary and fire protection services furnished to the Leased Premises.

23. SURVIVAL OF THE OBLIGATIONS OF THE LESSEE

- 23.1. In the event that the Agreement shall have been terminated in accordance with a notice of termination as provided herein, 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.
- 23.2. 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:
 - 23.2.1. 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 Lease Agreement remains in effect on the basis of the total days in the month; and
 - 23.2.2. An amount equal to all expenses incurred by Lessor 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.

24. USE SUBSEQUENT TO CANCELLATION OR TERMINATION

- 24.1. The Lessor, upon termination or cancellation, 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 Lease Agreement.
- 24.2. 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 Lease Agreement, without affecting, altering or diminishing the obligations of the Lessee hereunder, provided, that any structural changes shall not be at Lessee's expense.
- 24.3. 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 numerical Section 24. USE SUBSEQUENT TO CANCELLATION OR TERMINATION.

25. LIMITATION OF RIGHTS AND PRIVILEGES GRANTED

- 25.1. Except the 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.

26. NOTICES

- 26.1. 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 Lessor: Airport Manager
Shawnee Regional Airport
2202 North Airport Drive
Shawnee, Oklahoma 74804

AND

To Lessee: S. Matthew Buoy
Managing Member
Bucu Aviation, LLC
42415 Moccasin Trail
Shawnee, OK 74804

- 26.2. 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.

27. HOLDING OVER

- 27.1. 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.
- 27.2. 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 Lessor for damages equal to double the rentals provided for herein and which were in effect at the termination of the lease.
- 27.3. 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.

28. INVALID PROVISIONS

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

29. MISCELLANEOUS PROVISIONS

- 29.1. Remedies to be Nonexclusive. All remedies provided in this Lease 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.
- 29.2. 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.
- 29.3. Force Majeure. Neither party shall be deemed in violation of this Lease 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.
- 29.4. Non-Liability of Individuals. 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 Lease Agreement or of a supplement, modification or amendment to this Lease Agreement because of any breach thereof, or because of his or their execution or attempted execution of the same.
- 29.5. Quiet Enjoyment. The Lessor covenants that as long as Lessee is not in default of any provision of this Lease 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 Lease.
- 29.6. General Provisions.
- 29.6.1. 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.

- 29.6.2. 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.
- 29.6.3. 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
- 29.6.4. 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.
- 29.6.5. All covenants, stipulations and agreements in this Lease Agreement shall extend to and bind each party hereto, its legal representatives, successors and assigns.
- 29.6.6. 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.
- 29.6.7. 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.

30. SUBORDINATION CLAUSES.

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

- 30.1.1. 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.
- 30.1.2. 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.
- 30.1.3. 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.

30.1.4. 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.

30.1.5. 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.

31. ENTIRE AGREEMENT

31.1. This Lease Agreement consists of numerical Sections 1. to 31. and all subparagraphs, inclusive, Schedule A - INSURANCE COVERAGE REQUIREMENTS and Exhibit 1, a general depiction of the locations of the LEASED PREMISES.

31.2. 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.

[SIGNATURE PAGE TO FOLLOW IMMEDIATELY]

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

LESSOR:
SHAWNEE AIRPORT AUTHORITY
CITY OF SHAWNEE
OKLAHOMA
A Municipal Corporation

By: _____
W. CHANCE ALLISON, CPA
CITY MANAGER

ATTEST:

LISA LASYONE, CMC
CITY CLERK

LESSEE:
BUCO AVIATION
A Limited Liability Company

By: _____
S. MATTHEW BUOY

Its: _____
MANAGING MEMBER

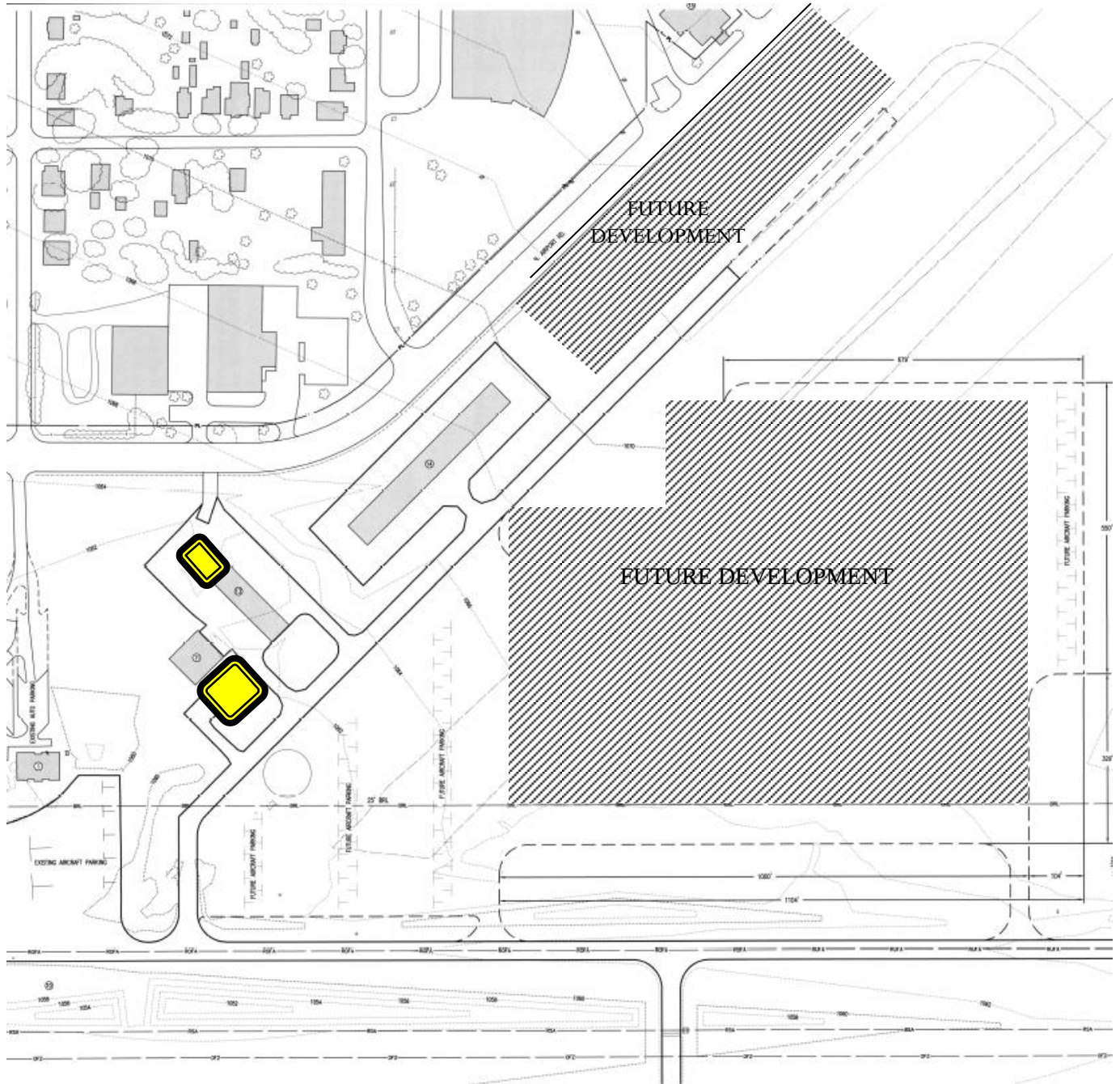
SCHEDULE A

INSURANCE COVERAGE REQUIREMENTS

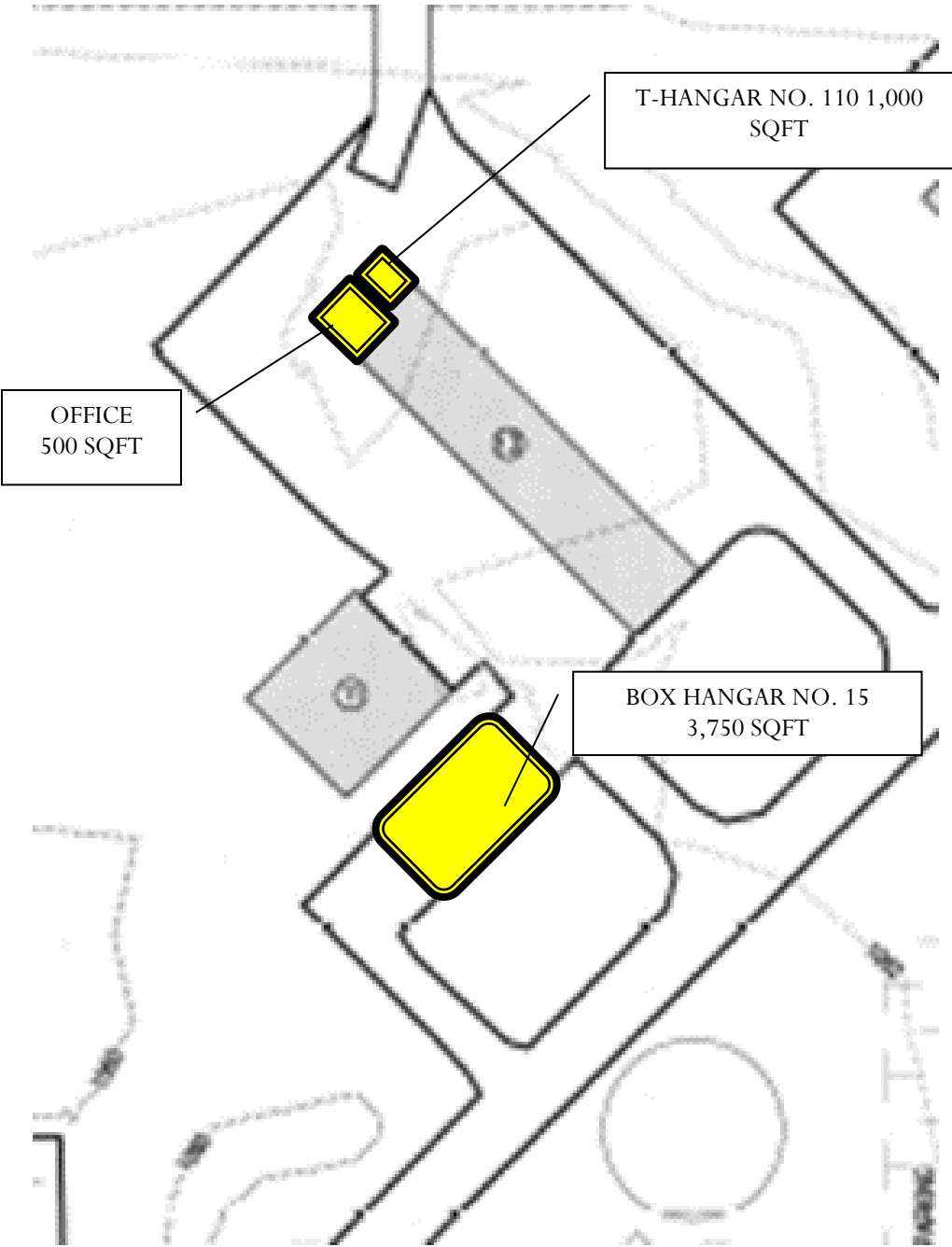
1. The Lessee, at Lessee's expense, shall obtain and maintain in continuous effect during the term of this Lease Agreement, insurance policies issued by an insurance carrier licensed to do business in the State of Oklahoma, providing for:
 - 1.1. Aircraft Liability for any owned, operated or hangared aircraft.
Combined Single Limit Injury and Property Damage
\$1,000,000 each occurrence
\$100,000 per passenger/per seat bodily injury
 - 1.2. Comprehensive General Liability and Property Damage
Combined Single Limit Bodily Injury & Property Damage
\$1,000,000 each occurrence
 - 1.3. Hangar Keeper's Liability
\$500,000 each occurrence
 - 1.4. Product Liability insurance for mechanical services; Worker's Compensation and Motor Vehicle Operator's insurance as may be required by Oklahoma statute.
2. The Lessee's insurance carrier shall provide the Lessor with a Certificate of Insurance indicating proof of the foregoing coverage.
 - 2.1. The Certificate shall name the Shawnee Airport Authority on behalf of the City of Shawnee as additionally insured. Such certificate shall provide that the carrier issuing the certificate shall notify the Lessor at least ten (10) business days in advance of any cancellation or significant change in the terms of coverage of such insurance policies.
 - 2.2. 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 herein.

Exhibit- 1

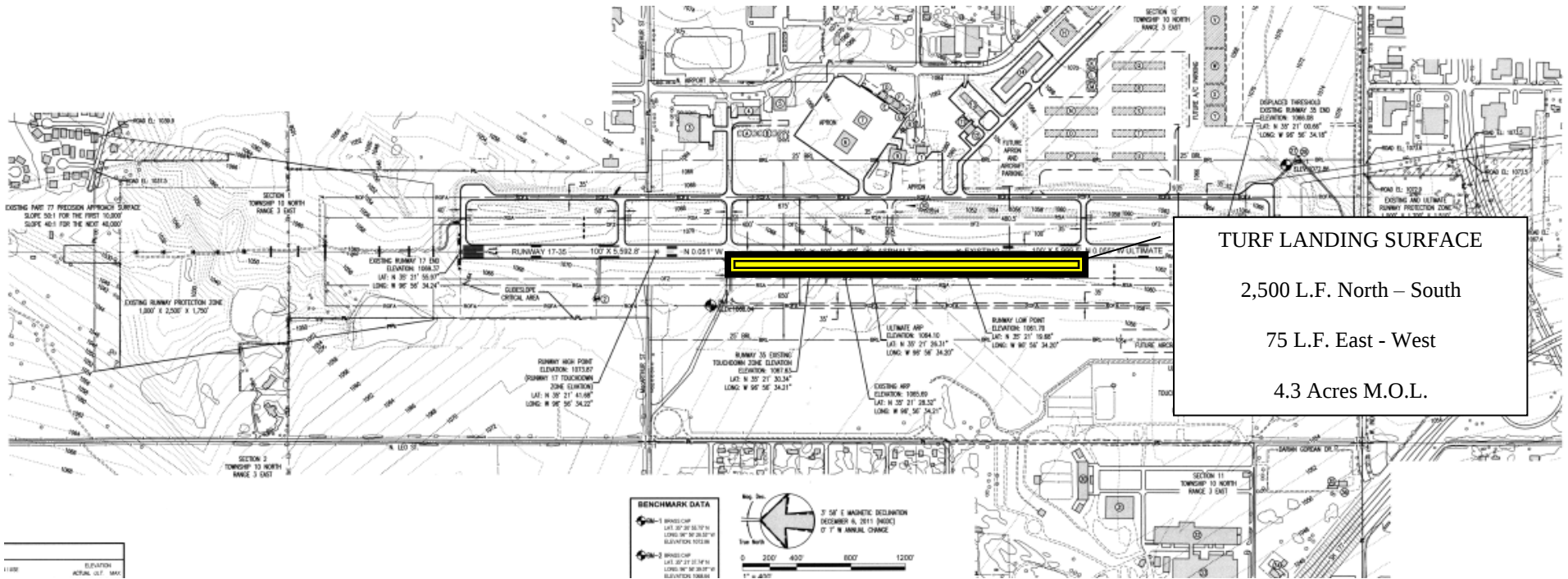
SOUTH AIRPORT OVERVIEW
LEASED PREMISES



LEASED PREMISES
FIXED FACILITIES
HANGAR NO. 15
OFFICE/T-HANGAR COMPLEX



TURF LANDING AREA OVERVIEW



Commercial Lease Agreement – Bucu Aviation
February 1, 2020
Location of Leased Premises