

**LEASE AGREEMENT
1836 N. KICKAPOO**

This Agreement of Lease made and entered into this 1st day of July 1, 2013, by and between the City of Shawnee, Oklahoma, hereinafter referred to as "Lessor," and Brett and Shelly VanMeter, hereinafter referred to as "Lessee."

WITNESSETH THAT:

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

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

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

ARTICLE 1 - TERM

- 1.1 The term of this lease shall be for a five (5) year period commencing on July 1, 2013 and terminating on June 30, 2018.
- 1.2 At the expiration of the original term, a new lease may be negotiated following the rate calculation outlined in Article 4 Section 4.4.

ARTICLE 2 - LEASE PREMISES

- 2.1 The Leased Premises shown on Exhibit "A," attached hereto and made a part hereof, consist of:
 - 2.1.1 Improved/unimproved land area consisting of approximately 8,462 square feet located at 1836 N. Kickapoo.
 - 2.1.2 Any real property improvement constructed or installed thereon during the term hereof.

ARTICLE 3 - USE OF LEASED PREMISES

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

3.1.1 Drive-through coffee and bagel shop.

ARTICLE 4 - RENTAL

- 4.1 Lessee agrees to pay to Lessor as rental for use of the premises and the privileges herein granted the sum of \$ 1,620.00 per year (\$130.00 per month).
- 4.2 Lessee shall pay one-twelfth (1/12) of the annual rent in advance on or before the first day of each month during the term or any renewal of this lease. Provided, however, that if any monthly rental payment is not paid on or before the tenth day following the first day of each month, such payment shall bear interest at 10% per annum. Lease rates will be adjusted annually based on the inflation rate established by the consumer price index.
- 4.3 The monthly rent shall be payable at the office of the Airport Manager or such other locations as may from time to time be directed in writing by Lessor.
- 4.4 A security deposit equal to two month's rent shall be made at the beginning of the lease term.

**ARTICLE 5 - ACCEPTANCE, CARE MAINTENANCE,
IMPROVEMENTS, AND REPAIR**

- 5.1 Lessee warrants that it has inspected the Leased Premises and accepts possession of the Leased Premises and the improvements thereon "as is" in its present condition, and subject to all limitations imposed upon the use thereof by the rules and regulations of the Federal Aviation Administration and by ordinances of Lessor, and admits its suitability and sufficiency for the uses permitted hereunder. Except as may otherwise be provided for herein, 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 presently located thereon. Lessor shall never have any obligation to repair, maintain or restore, during the term of this lease, any improvements placed upon the Leased Premises by Lessee, its successors and assigns.
- 5.2 Lessee shall throughout the term of this Agreement assume the entire responsibility, cost and expense, for all repair and maintenance whatsoever on the Leased Premises and all improvements thereon in a good workmanlike manner, whether such repair or maintenance be ordinary or extraordinary, structural or otherwise. Additionally, Lessee, without limiting the generality hereof, shall:
 - 5.2.1 Keep at all times, in a clean and orderly condition and appearance, the Leased Premises, all improvements thereon and all of the

Lessee's fixtures, equipment and personal property which are located on any part of the Leased Premises.

- 5.2.2 Repair any damage caused by Lessee to paving or other surface of the Leased Premises caused by any oil, gasoline, grease, lubricants or other flammable liquids and substances having a corrosive or detrimental effect thereon.
 - 5.2.3 Take measures to prevent erosion, including but not limited to, the planting and replanting of grasses with respect to all portions of the Leased Premises not paved or built upon, and in particular shall plant, maintain and replant any landscaped areas at least to the condition at the commencement of the Lease.
 - 5.2.4 Be responsible for the maintenance and repair of all utility service lines placed on the Leased Premises and used by Lessee exclusively, including, but not limited to, water lines, gas lines, electrical power and telephone conduits and lines, sanitary sewers and storm sewers.
- 5.3 In the event Lessee fails: (a) to commence to maintain, clean, repair, replace, rebuild or repaint within a period of thirty (30) days after written notice from 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) 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, 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 Lessor by Lessee on demand. Provided, however, if in the opinion of Lessor, the Lessee's failure to perform any such maintenance endangers the safety of the public, the employees or property of Lessor or other tenants at the Airport, and the City so states same in its notice to Lessee, 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 Lessor the cost and expense of such performance on demand. Furthermore, should 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 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 Lessor any obligations to maintain the Leased Premises, unless specifically stated otherwise herein.

- 5.4 Plans and specifications for all major repairs, constructions, alterations, modifications, additions or replacements (hereinafter referred to as "improvements") undertaken by the Lessee shall be submitted to and receive the written approval of Lessor, and no such work shall be commenced until such written approvals are obtained from Lessor, which approval shall not be unreasonably withheld or delayed. Lessor shall advise Lessee within thirty (30) days after receipt of the written request, together with copies of the plans and specifications for the proposed improvements in sufficient detail to make a proper review thereof, or its approval or disapproval of the proposed work, and in the event it disapproves, stating its reasons therefore.

ARTICLE 6 - ADDITIONAL OBLIGATIONS OF LESSEE

6. Lessee shall conduct its operations hereunder in an orderly and proper manner.
- 6.1 Lessee shall comply with all health and safety laws and requirements and any other federal, state or municipal laws, ordinances, rules, regulations and requirements, applicable to the Leased Premises and the improvements thereon and its operations at the Airport hereunder.
- 6.2 Lessee shall not commit, nor permit to be done, anything which may result in the commission of a nuisance, waste or injury on the Leased Premises.
- 6.3 Lessee will contract with and obtain all required permits from the appropriate Lessor's Departments for any utility services provided Lessor, 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 Lessor for similar users of Lessor.
- 6.4 Lessee will also contract with the furnishers of all other utilities for the furnishing of such services to the Leased Premises and shall pay for all water, gas, electricity, sanitary sewer service, telephone, and burglary and fire protection services furnished to the Leased Premises.

ARTICLE 7 - LIABILITIES AND INDEMNITIES

- 7.1 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, 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 guests or invitees.

- 7.2 Lessee agrees to indemnify, save and hold harmless, Lessor, (its elected officials, 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, contractors, sub lessees or tenants. Provided, however, that upon the filing with Lessor by anyone of a claim for damages arising out of incidents for which Lessee herein agrees to indemnify and hold Lessor harmless, 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 Lessor. It is specifically agreed, however, that Lessor at its own cost and expense, may participate in the legal defense of any such claim. Any final judgment rendered against 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.
- 7.3 In addition to Lessee's undertaking, as stated in this Article, and as a means of further protecting 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 "A" attached hereto and made a part hereof. In this connection, Lessee agrees to require its contractors doing work on the Airport, and Lessee's tenants and sub lessees, to carry adequate insurance coverage, and if Lessee so desires, it may accomplish same by an endorsement to Lessee's policies to include such persons or parties as additional named insured.
- 7.3.1 Lessor reserves the right to increase the minimum liability insurance set forth in Schedule "A" when in Lessor's opinion the risks attendant to Lessee's operations hereunder have increased.

ARTICLE 8 - RULES AND REGULATIONS

- 8.1 From time to time, Lessor may adopt and enforce rules and regulations with respect to the occupancy and use of the Airport. Lessee agrees to observe and obey any and all rules and regulations and all other Federal, State and municipal rules, regulations and laws and to require its officers, agents, employees, contractors, and suppliers, to observe and obey the same to the extent they affect the Leased Premises. 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 rules, regulations or laws.

Lessee hereby acknowledges receipt of a current copy of such Lessor's rules and regulations.

ARTICLE 9 - SIGNS

- 9.1 Lessee shall have the right to install and maintain one or more signs on the Leased Premises identifying it and its operations, provided, however, the subject matter, type, design, number, location and elevation of such signs, and whether lighted or unlighted, shall be subject to and in accordance with the written approval of Lessor.

ARTICLE 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 Lessor.
- 10.2 Any assignment or transfer of this Agreement, or any rights of Lessee hereunder, without the consent of Lessor, shall entitle Lessor at its option to forthwith cancel this Agreement.
- 10.3 Any assignment of this Agreement approved and ratified by 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, with the prior written consent of Lessor, 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 Lessor compatible with Lessee's authorized Airport business, but in no event shall the Lessee sublet all or any portion of the Leased Premises to a fixed base operator.
- 10.5 No consent by Lessor to subleasing by Lessee of portions of the Leased Premises shall in any way relieve Lessee of any of its obligations to Lessor set forth or arising from this lease and a termination of Lessee's rights hereunder shall *ipso facto* terminate all subleases.
- 10.6 No consent to subleasing by the Lessee to a person, corporation or partnership conducting any business for profit derived from activities at the Airport shall be granted by Lessor without a duly executed permit agreement between Lessor and the sub lessee.
- 10.7 If the Lessee assigns, sells, conveys, transfers, mortgages, or pledges this

agreement or sublets any portion of the Leased Premises in violation of the foregoing provisions of this Article, or if the Leased Premises are occupied by anyone other than the Lessee, Lessor may collect from any assignee, sub lessee or anyone who claims a right to this Agreement or who occupies the Leased Premises any charges or fees payable by it and may apply the net amount collected to the rents herein reserved; and no such collection shall be deemed a waiver by Lessor of the agreements contained in this Article nor of acceptance by Lessor of any assignee, claimant or occupant, nor as a release of the Lessee by Lessor from the further performance by the Lessee of the agreements contained herein.

ARTICLE 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 The Lessee, for itself, its personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Leased Premises; (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Lessee shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
- 11.3 In this connection, 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 Lessor to cease and desist, will constitute a material breach of this Agreement and will entitle 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.

- 11.4 Lessee shall include the foregoing provisions in every agreement or concession pursuant to which any person or persons, other than the Lessee, operates any facility at the Leased Premises providing service to the public and shall include thereon a provision granting Lessor a right to take such action as the United States may direct to enforce such covenant.
- 11.5 Lessee shall indemnify and hold harmless Lessor 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 Lessor for any loss or expense incurred by reason of such noncompliance.

ARTICLE 12 - GOVERNMENTAL REQUIREMENTS

- 12.1 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 thereafter.
- 12.2 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 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.

ARTICLE 13 - RIGHTS OF ENTRY RESERVED

- 13.1 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 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 At any reasonable time, and from time to time during the ordinary business hours, 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.
- 13.3 Exercise of any or all of the foregoing rights, by the City, or others under right of 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.

ARTICLE 14 - ADDITIONAL RENTS AND CHARGES

- 14.1 Except as provided in Section 5.3 (b), 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 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 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 Lessor or other tenants of the Airport, and Lessor so states in its notice to Lessee, 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 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 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 Lessor in the same manner and with like remedies as if it were originally a part of the rent provided for in this Agreement.

ARTICLE 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, Lessor shall have the right to terminate this Lease upon giving Lessee a ten (10) day notice to cure such default (except as otherwise provided in Section 5.3 above). If Lessee shall not have cured its default within said ten (10) day period to Lessor's satisfaction, then Lessor may declare this Lease and Lessee's right of occupancy to be terminated, and Lessee shall at once quit the Premises, taking only such personalty or fixtures as Lessor may authorize to be removed. The foregoing rights and remedies given 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 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.

ARTICLE 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) days' advance written notice upon or after the happening of the following events:
- 16.1.1 Issuance by a court of competent jurisdiction of an injunction which in any way substantially prevents or restrains the use of the Leased Premises, or any part thereof necessary to Lessee's business operations on the Airport, and which injunction remains in force for a period of at least thirty (30) days after the party against whom the injunction has been issued has exhausted or abandoned all appeals or one hundred twenty (120) days whichever is shorter, if such injunction is not necessitated by or issued as a result of an act or omission of Lessee; or
- 16.1.2 The assumption by the United States Government, or any authorized agency thereof, of the operation, control or use of the Airport and its facilities, or any substantial part thereof, in such a manner as substantially to restrict Lessee from operating its authorized Airport business for a continuous period of at least ninety (90) days.

ARTICLE 17 - SURRENDER AND RIGHT OF RE-ENTRY

- 17.1 Upon the cancellation or termination of this Agreement pursuant to any terms hereof, Lessee agrees peaceably to surrender up the Leased Premises to 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 leasehold improvements for which insurance proceeds are received by Lessor. Upon such cancellation or termination, 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) days after such cancellation or termination, and for which period Lessee will pay to 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 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 the Leased Premises or building for the purpose for which they were constructed or improved, and provided, further, that Lessee repairs all damages that might be occasioned by such removal, and restores the building and site to the condition above required.

ARTICLE 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 Article 15 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 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.

**ARTICLE 19 - USE SUBSEQUENT TO
CANCELLATION OR TERMINATION**

- 19.1 Lessor, upon termination or cancellation pursuant to Article 15 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 Lessee under this Agreement, without affecting, altering or diminishing the obligations of 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 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 Article.

ARTICLE 20 - LIMITATION OF RIGHTS AND PRIVILEGES GRANTED

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

ARTICLE 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 Lessor:

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

AND

To Lessee: Brett and Shelly VanMeter
42417 Little River Rd
Tecumseh, OK 74873

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

ARTICLE 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 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 Lessor shall make 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.

- 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.

ARTICLE 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.

ARTICLE 24 - MISCELLANEOUS PROVISIONS

Remedies to be Non-Exclusive.

- 24.1 All remedies provided in this Agreement shall be deemed cumulative and additional and not in lieu of, or exclusive of, each other, or of any other remedy available to 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.

Non-Waiver of Rights.

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

Force Majeure.

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

Non-Liability of Individuals.

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

of his or their execution or attempted execution of the same.

Quiet Enjoyment.

- 24.5 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.

General Provisions.

- 24.6 Lessee shall not use, or permit the use of, the Leased Premises or any part thereof for any purpose or use other than those authorized by this Agreement.
- 24.7 This Agreement shall be performable and enforceable in Shawnee, Oklahoma, and shall be construed in accordance with the laws of the State of Oklahoma.
- 24.8 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.
- 24.9 In the event of any ambiguity in any of the terms of this Agreement, it shall not be construed for or against any party hereto on the basis that such party did or did not author the same.
- 24.10 All covenants, stipulations and agreements in this Agreement shall extend to and bind each party hereto, its legal representatives, successors, and assigns.
- 24.11 The titles of the several articles of this Agreement are inserted herein for convenience only and are not intended to and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.
- 24.12 Nothing herein contained shall create or be construed to creating a co-partnership between Lessor and Lessee or to constitute Lessee an agent of the Lessor. Lessor and Lessee each expressly disclaim the existence of such a relationship between them.

ARTICLE 25 - SUBORDINATION CLAUSES

- 25.1 This Agreement is subject and subordinate to the following:
- 25.1.1 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.

25.1.2 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 Lessor, would limit the usefulness of the Airport or constitute a hazard to aircraft.

25.1.3 This Agreement is and shall be subordinate to the provisions of existing and future agreements between Lessor 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.

25.1.4 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 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 Lessor in proportion to the degree of interference with Lessee's use of the Leased Premises.

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

ARTICLE 26 - ENTIRE AGREEMENT

26.1 The Agreement consists of Articles 1 to 26, inclusive, and Exhibit "A."

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

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

LESSOR:
THE CITY OF SHAWNEE, OKLAHOMA
A Municipal Corporation

By: _____
BRIAN MCDOUGAL
CITY MANAGER / AIRPORT MANAGER

ATTEST:

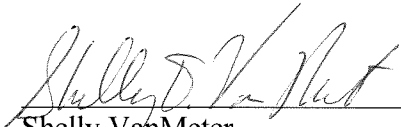
PHYLLIS LOFTIS, CITY CLERK

[SEAL]

LESSEE:



Brett VanMeter



Shelly VanMeter

SCHEDULE "A"

INSURANCE COVERAGE

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

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

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

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