

## LEASE AGREEMENT

THIS INDENTURE MADE AND ENTERED INTO this 10<sup>th</sup> day of August, 2009 by and between the MEDFORD PUBLIC WORKS AUTHORITY, existing under and by virtue of the Laws of the State of Oklahoma, hereafter referred to as LESSOR, and Randy Miller, hereinafter referred to as LESSEE:

### WITNESSETH:

THE parties hereto for the consideration hereinafter shown, covenant and agree as follows:

1. LESSOR hereby leases to LEASEE, ground area as shown in "Exhibit A" attached hereto and made a part hereof containing 0.11 acres, further described as follows, to wit:

A tract of parcel of land lying in the Northwest  $\frac{1}{4}$  of Section 28, Township 27 North, Range 5 West in Grant County, Oklahoma more particularly described as follows:

Commencing at a point 954.55 feet East and 793.20 feet North of the West  $\frac{1}{4}$  Corner of Section 28, Township 27 North, Range 5 West. Thence North a distance of 100.0 feet, thence due East a distance of 50.0 feet, thence due South a distance of 100.0 feet, thence due West a distance of 50.0 feet to the point of beginning.

All this land lies in the Northwest  $\frac{1}{4}$  of Section 28, Township 27 North, Range 5 West, in Grant County, Oklahoma and contains 0.11 acre more or less.

2. LESSEE is granted the right to maintain the existing building on the property it being specifically understood and agreed that at the termination of the Lease the said structures and improvements, shall be the sole property of the LESSEE and LESSEE may remove same. However, the LESSOR shall have the option to purchase said structures and improvements at the termination of the Lease at the present market value then existing. In the event that the LESSOR does not exercise the option to purchase LESSEE's structures and improvements, LESSEE may then sell same to any Party interested; provided that the Party is acceptable to LESSOR. However, any improvements or structures placed on said property hereinabove described shall be made after written approval from the FAA (FEDERAL AVIATION ADMINISTRATION)
3. LESSEE agrees to furnish a certificate of Insurance to LESSOR whereunder liability against property damage is insured to the minimum of \$100,000; and whereas public liability is insured to the minimum of \$100,000/300,000, and LESSOR shall be named as additional insured in said Certificate of Insurance.

4. THE TERM of this Lease shall begin on the 1<sup>st</sup> day of August, 2009, and shall extend for 10 years from that date. LESSEE shall have the right to renew this Lease for five (5) successive periods of ten (10) years each. Thirty (30) days prior to the expiration of the initial term and any renewal term, LESSEE shall notify LESSOR in writing of its election to exercise the right to renew the term of the Lease for the first of subsequent term, as the case may be.
5. LESSEE agrees to pay as Lease Rental two hundred fifty dollars (\$250.00) per year during the term of the Lease. The initial payment of \$250.00 by LESSEE shall be made to LESSOR on January 15, 2010 and a like sum on or before the same date each year thereafter during the term of the Lease or Lease renewal or extension.
6. LESSOR shall have the right upon thirty (30) days notice to LESSEE except under sub-paragraphs (a) below in which such notice shall be twenty (20) days to terminate this agreement at any time after the occurrence of one or more of the following:
  - A. Non-payment of rental due to be paid under the terms of this Lease and such non-payment continuing for a ten (10) day period following the date upon which any payment is due; but the twenty (20) day notice to terminate provision provided for above shall not be applicable until ten (10) days following the receipt by LESSEE of a written notice of default in payment of rental due given by LESSOR by registered or certified mail plus the failure by LESSEE to cure said default within such ten (10) day period.
  - B. The institution of voluntary bankruptcy proceedings by LESSEE on the adjudication of LESSEE an involuntary bankrupt.
  - C. Assignment by LESSEE for benefit of creditors.
  - D. Abandonment by LESSEE or a discontinuance of operations hereunder for more than thirty (30) consecutive days.
  - E. In the event LESSEE becomes permanently deprived of the right, power, and privileges necessary to the proper conduct and operation of the facilities specified in this Agreement.
7. IN the event of total destruction of the property, this Agreement is terminated, however, LESSEE shall be first allowed the option of rebuilding the destroyed premises; and should LESSEE exercise such option, then this Lease shall continue in full force and effect. If LESSEE does not exercise the option to rebuild the destroyed premises, LESSEE shall remove all loose debris from the property
8. LESSEE shall have the right upon thirty (30) days notice to LESSOR to terminate this Agreement at any time after the occurrence of one or more of the following:

- A. Issuance by any Court of competent jurisdiction of any injunction substantially restricting the use of the airport for airport purposes and the remaining in force of said injunction, whether permanent or temporary, for a period of thirty (30) days, or the issuance of any injunctions restricting the LESSEE from conducting and operating the business and facilities specified in this Agreement.
  - B. A breach by LESSOR of any of the terms, covenants of conditions contained and the failure of LESSOR to remedy such breach for a period of thirty (30) days after receipt of written notice from LESSEE of the existence of such breach.
  - C. The assumption by the United States Government or any authority agency thereof, or any governmental agency, of the operation, control or use of the airport facilities, or any substantial part or parts thereof in such manner as substantially to restrict LESSEE'S operations for a period of thirty (30) days or more.
9. IN the event there is a taking by the United States Government or any other authorized agency thereof, or any governmental agency, of all or part of the premises leased hereunder and a condemnation award is made by the United States Government or any political sub-division, the proceeds of such award shall be apportioned between the Parties hereto; and the LESSEE shall be entitled to such proportionate part of the award as the value of the improvements made by LESSEE for the unexpired term of the Lease to the total award.

In the event if there is a taking by such governmental authority of a portion or all of any improvements, and in that event LESSEE shall have the option of either terminating this Lease, or, in lieu thereof, having a reduction in fixed rental based on the annual rental.

10. IF as a result of any change in obstruction criteria made as provided by the FAA (FEDERAL AVIATION ADMINISTRATION) for said airport, it shall be necessary to dismantle or move the structure or improvements, or any part thereof, or if because of any physical changes deemed advisable by the LESSOR in said Airport, including but not limited to change in the general plan of the Airport, it shall be necessary to dismantle or move said structures or improvements or any part thereof, LESSOR shall bear the total expense of changing or moving LESSEE'S facilities or operation.

In any event covered in the last paragraph, LESSEE shall have the right to refuse to lease similar property, however, if LESSEE shall lease similar property, the Lease payment shall be same as set out in this Agreement.

11. THE operation of these facilities or any part thereof, and the leased premises or any part thereof, may not be assigned, transferred or subleased by the LESSEE without

the written consent of the LESSOR, which consent will not be unreasonably withheld.

12. LESSEE shall indemnify and save harmless the LESSOR against any and all claims of any nature whatsoever, including damage to the property of LESSOR, or injury to employees or agents of the LESSOR, arising out of any operations of LESSEE unless such injury by due to the negligence of such employees or agents of the LESSOR. LESSEE agrees to maintain the premises herein demised in a safe condition. The LESSEE shall carry adequate insurance in a minimums as follows:

- (a) Public Liability Insurance - \$100,000/\$300,000
- (b) Property Damage Insurance - \$100,000
- (c) Employee insurance as legally required

Certificates of all insurance shall be provided to the LESSOR at the demand of LESSOR.

13. NO signs, posters, or advertising devises may be erected by LESSEE without prior approval of LESSOR.

14. THE terms of Lease as used in this Agreement shall mean the initial term of Lease or any additional renewal or extension of the Lease.

15. IT is further understood and agreed that any and all surplus supplies and materials will be kept inside the building or the fence.

16. INSTALLATION OF FUEL TANKS: LEESEE shall have the right to install fuel tanks on the premises for the purpose of storing jet fuel. In the event that LESSOR subsequently makes jet fuel available at the Airport, LESSEE will not be required to remove the fuel tanks and may continue to use them to store sufficient quantities of jet fuel to meet LESSEE's needs. All fuel tanks must be installed and operated in compliance with rules and regulations set out by the Oklahoma Corporation Commission.

MEDFORD PUBLIC WORKS AUTHORITY

(SEAL)  
ATTEST:

BY \_\_\_\_\_  
SECRETARY

BY \_\_\_\_\_  
CHAIRMAN OF THE BOARD

BY \_\_\_\_\_  
RANDY MILLER