

AGRICULTURAL LEASE AGREEMENT
Airport Hay and Pasture Tract(s)

THIS LEASE made this ___ day of _____, 2010 by and between the Stillwater Regional Airport Authority, the City of Stillwater, LESSOR, a municipal corporation in the County of Payne, State of Oklahoma, and Don Frank, LESSEE TENANT, who resides at 1016 Blue Ridge, Stillwater, Oklahoma 74074.

WITNESSETH: That for and in consideration of the rent, covenants and agreements hereinafter specified LESSOR does hereby lease unto LESSEE, those certain premises more specifically described as follows, to wit:

AIRPORT HAY AND PASTURE BASE BID # 2

Said parcel(s) described as that area of the Stillwater Regional Airport between the runway perimeter fence and the City land used for Airport purposes surrounded by the exterior fence. As shown in Exhibit B, LESSOR may add or reduce parcels available based on ownership and other needs for airport uses.

I. TERM

The term of this lease shall be three (3) years, beginning on the 1st day of July, 2010 and ending on the 30th day of June, 2013, except as hereinafter provided. The lease may be extended for two additional three (3) years upon terms agreed by both parties.

II. RENTAL AND LEASE ADJUSTMENT

LESSEE covenants and agrees to pay to LESSOR as rent for the said premises at a rate of \$20.17 (twenty dollars and seventeen cents) per acre per year for the parcel(s) which are or may become available for rent, See Attachment A for available parcels and annual rental cost. The rental rate shall be calculated each quarter based on the parcels available as outlined in the Exhibit A. The rental rate shall be adjusted for each lease year based on an increase in the previous twelve (12) months CPI, beginning July 1, 2011 and each successive year of the lease and lease extensions. A finance charge of ten percent (10%) per month will be assessed to payments received after the due date of each quarter payment. This lease agreement may be declared invalid if lease payments are not received within twenty-five (25) days of the due date. Such option to terminate rests solely with the LESSOR. The billing cycles involved in this agreement are as follows: July-September, October-December, January-March, and April-June, in each fiscal year of the lease agreement.

III. PURPOSE

Said premises shall be used for pasture and/or haying and no other purpose whatsoever without the written consent of LESSOR being first had and obtained.

IV. HUNTING AND FISHING

It is expressly understood and agreed by the LESSEE that this lease is subject to fishing, hunting, boating, camping and recreational rights and permits issued and held in accordance with the provisions of Stillwater City Code Sections 20-1 through 20-117, inclusive, and any amendments thereto or modification thereof.

V. REPAIRS AND MAINTENANCE

LESSEE represents that LESSEE has inspected and examined the demised premises and accepts them in their present condition, and agrees that LESSOR shall not be required to make any improvements or repairs whatsoever in or upon the premises hereby demised or any part thereof. LESSEE agrees to make any improvements or repairs at LESSEE'S sole cost and expenses, and agrees to keep said premises safe and in good order and condition during the term hereof, and upon expiration of this lease, or at any sooner termination thereof, the LESSEE will quit and surrender the possession of said premises quietly and peaceably and in as good order and condition as the same were at the commencement hereof, reasonable wear, tear and damage by the elements expected; LESSEE further agrees to leave said premises free from all nuisances and dangerous and defective condition. Further, LESSEE agrees not to make any structural alterations in any improvements on said premises without first obtaining the written consent of the LESSOR.

VI. ASSIGNMENT AND MORTGAGE

The demised premises nor any portion thereof shall not be sublet, nor shall this lease or any interest therein be assigned or mortgaged by LESSEE, and any attempted assignment, subletting, or mortgaging of this lease shall be of no force or effect, and shall confer no rights upon any assignee, sublease, or mortgage.

In the event that LESSEE shall become incompetent, bankrupt, or insolvent, or shall or should a guardian, trustee, or receiver be appointed to administer LESSEE'S business or affairs, neither this lease nor any interest herein becomes an asset of such guardian, trustee, or receiver, and in the event of any appointment of any such guardian, trustee, or receiver, this lease shall immediately terminate and end.

VII. LIABILITY

LESSEE shall hold LESSOR harmless from any loss, cost, or damage that may arise out of or in connection with this lease or the use of the demised premises by LESSEE or any other person using said premises, and LESSEE further agrees to maintain sufficient insurance for liability and property damage to hold LESSOR harmless against any and all claims which may arise, and shall keep the same in force during the terms of the lease.

VIII. TERMINATION BY LESSOR

LESSOR may terminate at any time it shall be determined by the Stillwater Regional Airport Authority or the City Council of the City of Stillwater, State of Oklahoma, that public convenience and necessity require it to do so, by serving upon LESSEE in the manner hereinafter provided a written notice of its election so to terminate, which said notice shall be served at least sixty (60) days prior to the date of said notice named for such termination.

**IX. NOT TO OVER-STOCK OR OVER-PASTURE/
FOLLOWING GRAZING MANAGEMENT PLAN**

The LESSEE agrees that he/she/they will diligently use his/her/their best efforts and endeavors to preserve said premises and will not over-stock or over-pasture, (see Exhibit B). The LESSEE will abide by the Stillwater Airport Authority Grazing Management Plan as developed by the Natural Resources Conservation Service dated March 31, 2003. (Copy on file in airport administrative office.) It is understood that the purpose of the Grazing Management Plan is to improve the overall quality of the pasture and thereby make better hay and pasture for the LESSEE and LESSOR. In the event that there is a disagreement between LESSOR and LESSEE as to whether or not the pasture is being overstocked, it is herein mutually agreed that both parties hereto will abide by the decision of the District Conservationist of the Natural Resources Conservation Service located in Payne County, State of Oklahoma, as to the number and quality of livestock which may be pastured on said premises without over-stocking same. It is expressly agreed and understood, however, that in no event shall more animal units of livestock, or the head count of their equivalent weight, be pastured on said tract of land. Additionally, all haying operations will be performed prior to July 1st each year to allow for sufficient root growth in the plants before winter. The July 1st date however can be extended if wet weather conditions, will not allow the harvest of the hay. If this condition exists, the hay will be harvested immediately when moisture conditions allow.

X. CONDITION

LESSEE agrees to the following conditions for operational safety on and around the airport. In addition, the LESSEE agrees that maintenance and upkeep on the fencing will be as follows:

- Fencing will be the responsibility of the LESSEE.
- At the sole discretion of the LESSOR, the LESSEE may be credited a prearranged rent credit for performing cedar tree removal or spraying for weed control or other conditions and improvements which are agreed upon in writing by the LESSOR and LESSEE. The airport staff and LESSEE will workout the details of rent credit for the above mentioned items.
- Additionally the LESSOR may contract with the LESSEE for fence construction for an agreed upon rent credited to the LESSEE account. The amount of rent credit shall be negotiated and agreed by lessor and lessee prior to any construction. Any rent credit offered will be at the discretion of the LESSOR.

XI. NOTICE

Any notices which are required hereunder, or which either LESSOR or LESSEE may desire to serve upon the other, shall be in writing and shall be deemed served when delivered personally, or when deposited in the United States Mail, postage prepaid, return receipt requested, addressed to LESSEE at the address herein recited, or addressed to LESSOR at: **Stillwater Regional Airport, 2020-1 West Airport Road, Stillwater, Oklahoma, 74075, Attention: Airport Director.**

XII. HOLDING OVER

LESSEE agrees that at the end of this lease, as herein before cited, he/she/they will surrender possessions of these premises to the LESSOR without notice unless said LESSEE first obtained the written consent of the LESSOR to remain in possession of these premises, such holding over shall be deemed to be from month to month only, and upon all of the same rents, terms, covenants, and conditions as contained herein.

XIII. WAIVER

Waiver by LESSOR of any default in performance by LESSEE of any of the terms covenants, or conditions contained herein, shall not be deemed a continuing waiver of the same or any subsequent default herein.

XIV. COMPLIANCE WITH LAWS

LESSEE agrees to comply with all laws, ordinances, rules and regulations which may pertain or apply to the demised premises and the use thereof, and that LESSEE will not use the demised premises or allow them to be used for any illegal, unsafe, extra-hazardous or immoral purposes.

XV. LESSOR MAY ENTER

LESSEE agrees that LESSOR, its agent or employees, may enter upon said premises at any time during the term or during any extension hereof for the purpose of examining and inspection said premises, and for purposes necessary, incidental to, or connected with the performance of its obligations hereunder or in the exercise of its governmental functions.

XVI. OTHER MATTERS

Any decision affecting any matter not herein expressly provided for shall rest solely within the discretion of the LESSOR through the Airport Director.

XVII. DEFAULT

In the event that LESSEE shall be in default of any payment of any rent or in the performance of any of the terms or conditions herein agreed to be kept and performed by LESSEE, then in that event, LESSOR may terminate and end this lease, forthwith, and LESSOR may bring a legal action to enforce any of the terms thereof, or to obtain possession of said premises by reason of any default of LESSEE, or otherwise, LESSEE agrees to pay LESSOR all costs of such legal action, plus a reasonable attorney's fee.

XVIII. SUCCESSORS IN INTEREST

All of the terms, covenants and conditions contained herein shall continue, and bind all successors in interest of LESSEE herein.

XVIX. ENTIRE AGREEMENT CONTAINED HEREIN

It is further understood and agreed by the parties hereto that this Lease Agreement contains the entire agreement between the LESSOR and LESSEE and any change, alteration, amendment, or addendum to this agreement shall have no force and effect unless in writing and executed in the same manner as this agreement.

STILLWATER REGIONAL AIRPORT AUTHORITY

Jerry Franklin, Chairman

(SEAL)

Chuck Fleischer, Secretary

CITY COUNCIL ENDORSEMENT

The Stillwater City Council hereby authorizes the Stillwater Regional Airport Authority to enter into the above lease agreement dated _____, 2010, between Stillwater Regional Airport, Lessor, and _____, Lessee.

CITY OF STILLWATER, OKLAHOMA
A Municipal Corporation

Nathan Bates, Mayor

(Seal)
ATTEST:

Marcy Alexander, City Clerk

Approved as to form and legality this ___ day of _____, 2010.

John E. Dorman
City Attorney

Exhibit B Grazing Rates

SHOWN BELOW ARE ALLOWABLE STOCKING RATES, WHICH ARE SET AT A LEVEL INTENDED TO IMPROVE THE GRASSLAND RESOURCE BASE.

LIVESTOCK NUMBERS WILL BE LIMITED IN ACCORDANCE WITH AIRPORT CONSERVATION PLAN.

LIVESTOCK NUMBERS FOR TWO TYPICAL GRAZING PROGRAMS ARE SUMMARIZED BELOW:

FIELD NUMBER	MAXIMUM NUMBER OF COW/CALF PAIRS (ASSUMES YEAR ROUND (12 MONTH) GRAZING)	MAXIMUM NUMBERS OF 600# STOCKERS (ASSUMES 6 MONTH GRAZING USE)
1 (96 ACRES)	7	22
2 (89 ACRES)	8	27
3 (258 ACRES)	19	64
4 (234 ACRES)	15	51
* 5 (70 ACRES)	8	16
6 (186 ACRES)	12	39
7 (83 ACRES)	6	12
TOTAL: 1016 ACRES	75	231

IF THE LESSEE PLANS OTHER GRAZING PATTERNS AND DURATIONS, REVISED STOCKING RATES WILL BE CALCULATED BASED UPON THE CONSERVATION PLAN, AND MUST BE APPROVED IN ADVANCE BY THE AIRPORT DIRECTOR. APPROVAL IS TO BE IN WRITING. *Added in 2010.

[X] Base Bid #2 Totals 185 acres more/less including tracts:

Hay and Pasture purposes #8 and #9