

OTTAWA CITY COMMISSION

Wednesday, March 26, 2025 - 4:00 pm



REGULAR MEETING AGENDA

REVISED - Ottawa City Hall - 101 S. Hickory

In accordance with Kansas Open Meetings Act (KOMA), the meeting can be viewed live on Channel 23 and via Facebook Live or listened to by dialing: 1-312-626-6799 and entering meeting ID 860 5916 7188#. To view on YouTube: <https://www.youtube.com/@ottawaksgov>

If you need this information in another format or require a reasonable accommodation to attend this meeting, contact the City's ADA Coordinator at 785-229-3621. Please provide advance notice of at least two (2) working days. TTY users please call 711.

Citizens may in person, via Zoom or submit comments (300 words or less) for the City Commission to be read during public comment or during discussion on an agenda item.

To submit your comment or request the meeting Zoom link to give a public comment, email publiccomments@ottawaks.gov no later than **2:00 pm on March 26, 2025**; all emails must include your name and address. Participants who generate unwanted or distracting noises may be muted by the meeting host. If this happens, unmute yourself when you wish to speak.

I. CALL TO ORDER

II. ROLL CALL ___ Allen ___ Clayton ___ Caylor ___ Crowley ___ Skidmore

III. WELCOME

IV. PLEDGE OF ALLEGIANCE

V. INVOCATION - Father Kenneth Clem, Sacred Heart Church

VI. PUBLIC COMMENTS

Subject to the above restrictions, persons who wish to address the City Commission regarding items on the agenda may do so as that agenda item is called. Persons who wish to address the City Commission regarding items not on the agenda and that are under the jurisdiction of the City Commission may do so at this time when called upon by the Mayor. Comments on personnel matters and matters pending in court or with other outside tribunals are not permitted. Speakers are limited to three minutes. Any presentation is for information purposes only. The Governing Body will take comments under advisement.

VII. APPOINTMENTS, PROCLAMATIONS, RECOGNITIONS, NOMINATIONS, AND PUBLIC HEARINGS

VIII. CONSENT AGENDA

A. Minutes from March 19, 2025 Meeting (P. 3 - 7)

B. Agenda Approval

Motion: _____ Second: _____ Vote: _____

IX. DECLARATION

At this time, I'd like to give the Commissioners a chance to declare any conflict or communication they've had that might influence their ability to consider today's issues impartially.

X. UNFINISHED BUSINESS

XI. NEW BUSINESS

A. Update on Golf Course Activities—Rob Mlynar (Pp. 8 - 9)

Comments: General Manager Mlynar will provide an update on golf course activities.

B. Consideration of Consent to Sublease Agreement between Dodson International Parts, Inc (DIPI) and Dodson Investment Inc. (DII) for Hangar Facilities at Ottawa Municipal Airport (OWI)—City Manager Silcott (Pp. 10 - 64)

Comments: Consider granting consent to a sublease agreement between Dodson International Parts, Inc. and Dodson Investment Inc. in accordance with the requirements of the existing lease agreement approved on October 16, 2024. The recommended action is to authorize the City Attorney and City Manager to execute written documentation of the City’s consent, as the sublease aligns with the primary lease terms and supports the financing structure for ongoing hangar improvements at the Ottawa Municipal Airport.

Motion: _____ Second: _____ Vote: _____

C. Request for Authorization to Proceed with 2025 Tornado Siren Upgrades—City Manager Silcott (Pp. 65 - 68)

Comments: Consider a request to address the essential need for modernizing the city's tornado siren system, ensuring enhanced reliability and integration with Franklin County's emergency management system. The recommended action is to approve the funding for the 2025 Tornado Siren Upgrades and authorize Staff to proceed with the purchase and implementation of the upgrades.

Motion: _____ Second: _____ Vote: _____

XII. COMMENTS BY CITY MANAGER

XIII. COMMENTS BY GOVERNING BODY

XIV. ANNOUNCEMENTS

- A. April 2, 2025 City Commission Meeting - 7:00 pm, City Hall
- B. April 9, 2025 City Commission Meeting - 4:00 pm, City Hall
- C. April 16, 2025 City Commission Meeting - 10:00 am, City Hall
- D. April 23, 2025 City Commission Meeting - 4:00 pm, City Hall
- E. April 30, 2025 City Commission Meeting - 4:00 pm, City Hall

XV. ADJOURN

**Regular Meeting Minutes
City Hall
Minutes of March 19, 2025**

The Governing Body met at 10:00 a.m. on this date for the Regular City Commission Meeting, with the following members present and participating: Mayor Allen, Mayor Pro Tem Clayton, Commissioner Caylor, Commissioner Crowley and Commissioner Skidmore. Mayor Allen called the meeting to order.

Mayor Allen welcomed the audience and led the Pledge of Allegiance to the American flag. Commissioner Skidmore gave the invocation.

Public Comments

No public comments were received.

Appointments, Proclamations, Recognitions, Nominations and Public Hearings

None.

Consent Agenda

Commissioner Crowley moved to approve the consent agenda, seconded by Mayor Pro Tem Clayton. The agenda included the minutes from the March 5, 2025 Regular Meeting, the minutes from the February 12, 2025 Planning Commission Meeting, February 2025 Finance Report, Outside Agency Reports for February and the Regular Meeting agenda. The motion was put to a vote, and all present voted in favor. The Mayor declared the consent agenda duly approved.

Declaration

None.

Unfinished Business

None.

New Business

Review of KOWI Taxiway Bid Proposals

The Governing Body heard from City Manager Silcott, who presented a request for the City Commission to approve the bid award for the KOWI Taxiway Reconstruction Project at the Ottawa Municipal Airport. The following key points were discussed:

- Bids for the project were opened on March 6, 2025, with four bids received.
- Amino Brothers Co., Inc. submitted the lowest bid, with a total base bid of \$1,160,881.00 and an add alternate bid of \$2,219,602.25, for a total project bid of \$3,380,483.25.
- The project is funded through a combination of grants, including:
 - FAA AIP Grant (95%): \$397,334.00 with a local match (5%) of \$20,913.00.
 - IJJA Allotment Grant (95%): \$585,000.00 with a local match (5%) of \$30,790.00.
 - THUD Grant (95%): \$2,500,000.00 with a local match (5%) of \$131,579.00.
- The remaining portion of the project is anticipated to be covered under the 2026 FAA Lookback Grant.
- Benesch, the project engineer, reviewed and verified all bid documents and has recommended the bid award to Amino Brothers contingent upon FAA concurrence and grant funding confirmation.

- The project was identified as a critical infrastructure need after structural evaluations determined that the existing taxiway pavement did not meet acceptable strength standards. A full reconstruction was deemed necessary to prevent operational and safety risks.
- The City intends to apply for an FAA Airport Improvement Program (AIP) grant, which would fund 95% of the eligible costs, requiring a 5% local match.
- The grant application must be submitted to the FAA no later than April 1, 2025, with funding approval anticipated between June and August 2025.
- The reconstruction project aligns with the 2017 Ottawa Municipal Airport Master Plan, which outlines long-term development strategies for the airport.
- If awarded, the FAA grant would significantly reduce the City's financial burden, covering a portion of the total estimated project cost of \$3.2 million.
- Upon receiving a successful grant award, the City Manager's authorization will ensure timely execution of necessary documents to meet FAA requirements and initiate the project without delays.
- The City Manager and designated municipal agents will work with FAA representatives to ensure compliance with all regulatory requirements before execution.

Commissioner Crowley made a motion, seconded by Commissioner Caylor, to accepting the base bid in the amount of \$1,160,881.00 and, contingent upon FAA concurrence and receipt of the authorized FAA grant, award Add Alternate #1 bid submission in the amount of \$2,219,602.25 to Amino Brothers Co., Inc.; and authorize the City Manager and other municipal agents to submit and take such other actions or execute such other documents as deemed necessary to comply with FAA regulations and processes related to the Ottawa Municipal Airport (OWI) Taxiway Reconstruction Capital Project. The motion was considered and upon being put, all present voted aye. The Mayor declared these items duly approved.

Request for Authorization to submit Grant Application

This item was covered in the above item.

Authorization for City Manager to Execute Grant Documents Upon Award

This item was covered in the above item.

Resolution Establishing Cemetery Rates

The Governing Body heard from Public Works Director Welsh, who presented a request for the City Commission to approve a resolution updating cemetery service fees to better align with operational costs associated with labor, maintenance, and services. The following key points were discussed:

- The current resolution regulating cemetery fees has been in place since 2007, and operational costs have steadily increased over the years, resulting in budgetary shortfalls.
- The proposed fee adjustments are designed to close this financial gap while maintaining high-quality service and minimizing the burden on the community.
- Comparative analysis with nearby municipalities showed that Ottawa's current fees are lower than most surveyed areas, particularly for traditional burials.
- The proposed fee adjustments include:
 - Burial Plots: Increase from \$300 to \$400
 - Traditional Burial (Weekday): Increase from \$300 to \$400
 - Traditional Burial (Overtime): Increase from \$400 to \$500
 - Traditional Burial (Weekend): Increase from \$400 to \$600

- Cremation (Weekday): Increase from \$175 to \$200
- Cremation (Overtime): Increase from \$275 to \$300
- Cremation (Weekend): Increase from \$275 to \$400
- Cremation (Two in One Opening): Reduce from \$350 to \$300
- Babyland Burial: Eliminate Fee

Mayor Pro Tem Clayton made a motion, seconded by Commissioner Caylor, to approve the resolution to adjust cemetery service fees. The motion was considered and upon being put, all present voted aye. The Mayor declared this resolution duly adopted, and this resolution was duly numbered Resolution No. 1976-25.

Award of Nuisance Mowing Bid

The Governing Body heard from Director Neece, Neighborhood and Community Services, who presented a request for the City Commission to approve the 2025 nuisance mowing contract to K-B's Lawn Care LLC in Olathe. The following key points were discussed:

- Under the municipal code, properties with weeds or grass exceeding twelve inches are subject to abatement. Property owners are given a courtesy notice with one week to comply, followed by a certified letter if no action is taken. If the violation persists, the City proceeds with mowing.
- In 2024, the mowing contract was awarded to a contractor who ultimately failed to perform the required services, resulting in the City's Property Improvement Partner completing the mowing.
- Historical mowing data showed:
 - 2024: 3 parcels, 3 times mowed
 - 2023: 10 parcels, 14 times mowed
 - 2022: 19 parcels, 29 times mowed
 - 2021: 16 parcels, 25 times mowed
- The 2025 RFP process included four responses, with K-B's Lawn Care LLC emerging as the most qualified bidder. The company holds the required insurance, has strong references, maintains current commercial contracts in Ottawa, and is the longest-registered business among respondents.
- The cost of mowing is initially paid by the City but is later charged to property owners. If unpaid within 30 days, the cost is added as a lien on the property.

Commissioner Skidmore made a motion, seconded by Mayor Pro Tem Clayton, to approve the bid award for nuisance mowing services to K-B's Lawn Care LLC and authorize Director Neece to sign the service agreement. The motion was considered and upon being put, all present voted aye. The Mayor declared this item duly approved.

Amendment to Electric Rate Resolution

The Governing Body heard from the Finance Director Landis, who presented a request for the City Commission to approve a resolution updating the electric utility rate schedule and revising the annual review provisions. The following key points were discussed:

- The most recent electric rate increases were established in January 2023 through Resolution 1928-23, setting scheduled step increases for 2023-2027. These increases were designed to support planned and future projects, including:
 - River crossing circuit 8-10 structure rebuild (design in 2025)

- System conversion from 2400 to 7200 (study in 2025)
- K-68 bridge lighting replacement
- Downtown street lighting upgrades
- Backup power generation at the NE and SE substations
- Ongoing equipment replacements
- The scheduled rate increase for 2024 was not implemented, necessitating a shift of all existing increases forward by one year.
- The revised resolution also removes the prior requirement for the Governing Body to review rates at least 60 days prior to any scheduled step increase.
- All scheduled increases will now take effect on or after March 1 of each year.

Commissioner Crowley made a motion, seconded by Commissioner Caylor, to approve the resolution adopting electric utility rates reflecting the updated rate schedule and revised annual review provisions for 2023–2028. The motion was considered and upon being put, passed with the following vote: Commissioner Crowley aye, Mayor Pro Tem Clayton aye, Mayor Allen aye, Commissioner Caylor aye, and Commissioner Skidmore nay. Mayor declared this resolution duly adopted, and this resolution was duly numbered Resolution No. 1977-25.

During Governing Body Comments, Commissioner Skidmore requested to amend his vote to aye, there being no objection from any member, Commissioner Skidmore was allowed to change his vote to aye.

Project Updates

The Governing Body heard from City Manager Silcott, who presented the March 2025 status report on active City capital projects. The report provided updates on key infrastructure projects, including water treatment, pump stations, electric meter replacements, and other critical initiatives. The following key points were discussed:

- The Proximity Park Water Tower and Water Plant Pump Upgrades project has completed its fencing punchlist items and continues work towards the delivery of HSPS motors and pumps.
- The Water Treatment Plant Study final draft has been received, and staff are preparing for a presentation to the City Commission.
- The Water Plant Generator project is currently delayed, awaiting an electrical schematic to plan for the installation of the transfer switch.
- The Pin Oak Pump Station has acknowledged a hood color change order and is scheduled for completion by April 15, 2025.
- The Residential AMI Electric Meter Replacement project has received the meters as of February 13, 2025, with installation beginning in the current reporting period.
- Commission Room Upgrades are scheduled to begin construction on May 5, 2025.
- City Hall HVAC project planning continues, with RFP documents being finalized.
- All projects are currently within their allocated budgets, though continued monitoring is necessary.

City Manager Comments

City Manager Brian Silcott provided updates on recent public works operations. Between March 10 and March 16, the Streets Division patched approximately 680 potholes, with an additional 200 potholes filled on March 17 and 18. Crews also completed pavement rehabilitation on Cedar Street

between 10th and 12th Streets in the southbound lane, utilizing 25 tons of asphalt. In the Parks Division, staff installed mulch in playgrounds to enhance safety and appearance. Additionally, upcoming OMA activities were noted for April 5th and May 9th, with further details to be provided at the March 26th City Commission Meeting.

Governing Body Comments

Mayor Pro Tem Clayton wished USD 290 students a happy Spring Break, noting that numerous activities are taking place in the community this week.

Announcements

- A. March 26, 2025 City Commission Meeting - 4:00 pm, City Hall
- B. April 2, 2025 City Commission Meeting – 7:00 pm, City Hall
- C. April 9, 2025 City Commission Meeting – 4:00 pm, City Hall

Adjournment

There was no further business before the Governing Body, the Mayor declared the meeting duly adjourned at 11:22 am.

Melissa Reed, City Clerk

Agenda Item: XI.A

City of Ottawa
City Commission Meeting
March 26, 2025

TO: Mayor and City Commission
SUBJECT: Golf Course update (Receive and File)
INITIATED BY: General Manager/Head Golf Professional
AGENDA: New Business

Recommendation: Receive and file an update from the Ottawa Golf Course.

Background: Management of the golf course transitioned to the City on December 30, 2024. The golf course was scheduled to reopen to the public on January 15, 2025 but opening was delayed due to inclement weather and the course opened on January 28, 2025. City staff have been working to provide excellent service to our patrons and get all golf operations in order.

Analysis: Reportable activities of the golf course include:

Accomplishments:

- Programming – Summer junior golf camp, Senior league, Ladies league, Men’s league, and Highschool and College team practices
- Temporary Building – Building permit issued and delivery expected early April
- Survey results
- Conducted a controlled burn in coordination with the Fire Department
- Tree maintenance in coordination with the Parks Division
- Course operations – New flags, changing cups, and mowing greens
- Installed new fuel tank
- Equipment delivery expected over next few weeks

Challenges:

- Water storage for irrigation
 - Pond drainage delayed due to weather
 - Consulted with City Engineer for pond storage options and reduction of silt flow to the pond
- Cart availability for fully booked days and tournament play
- Irrigation repairs

Quarter 1 statistics (through March 20th):

- 800 visits
 - 500 Great Life membership uses
 - 300 Daily Fee golfers
- 420 golf cart rentals
 - 88 – 18 hole
 - 332 – 9 hole
- Offering limited merchandise

Annual passes are available now for April 1 play and can be purchased at the golf course. Private cart storage is available in the cart barn for annual storage beginning April 1.

Financial Considerations: There are no financial considerations specific to this report.

Legal Considerations: There are no legal considerations for this report.

Recommendation/Action: Receive and file an update from the Ottawa Golf Course.

Agenda Item: XI.B

**City of Ottawa
City Commission Meeting
March 26, 2025**

TO: City Commission
SUBJECT: Consideration of Consent to Sublease Agreement between Dodson International Parts, Inc. (DIPI) and Dodson Investment Inc. (DII) for Hangar Facilities at Ottawa Municipal Airport (OWI)
INITIATED BY: City Attorney
PREPARED BY: City Manager
AGENDA: New Business

Recommendation: It is recommended the City Commission authorize the City Attorney and City Manager to provide written documentation of the City Commission’s consent to the sublease agreement between Dodson International Parts, Inc. and Dodson Investment Inc., in accordance with the material terms presented.

Background: The City of Ottawa has a longstanding relationship with Dodson International Parts, Inc. (Dodson), which operates two hangar facilities at the Ottawa Municipal Airport (KOWI). On October 16, 2024, the City Commission approved a long-term lease agreement with Dodson International Parts, Inc. (DIPI) for existing and expanded hangar facilities at Ottawa Municipal Airport. This lease facilitates DIPI’s ongoing aviation operations and includes mandatory improvements to airport facilities.

Dodson International Parts, Inc. is a wholly-owned subsidiary of Dodson Investment Inc. (DII), which serves as the parent company. In conjunction with construction financing for the planned Hangar 3 development, Dodson has requested the City’s consent to a sublease agreement transferring leasehold interest from DIPI to DII. This request is a common practice from financing institution’s as a requirement to formalize the lease relationship with DII, the primary borrower.

Analysis: The sublease agreement between Dodson International Parts, Inc. and Dodson Investment Inc. is consistent with the terms of the City’s primary lease agreement approved on October 16, 2024. Article 19 of the lease agreement requires City consent for any sublease arrangement. The sublease:

- Maintains all provisions subordinate to the primary lease.
- Does not alter the obligations or responsibilities of the Sublessor under the primary lease.
- Is structured specifically to meet lending requirements, as confirmed by the lender’s letter dated March 19, 2025, detailing the necessity for the sublease to satisfy title insurance conditions.
- Has been reviewed and approved by the City Attorney to ensure legal compliance and protection of the City’s interests.

No material deviations from the primary lease or airport policies are present. Both the City Attorney and City Manager recommend approval as the sublease does not adversely impact City operations or obligations.

Financial Considerations: There are no direct financial impacts to the City from approving the sublease. All financial obligations, including rent payments and improvement commitments under the primary lease agreement, remain the responsibility of Dodson International Parts, Inc., as Sublessor. The sublease enables Dodson to secure financing for the construction of Hangar 3, which indirectly supports continued economic development at the Ottawa Municipal Airport.

Legal Considerations: All terms and conditions set forth in the lease have been reviewed and approved as to form by City Attorney Blaine Finch. ensuring compliance with local and state laws. The sublease agreement has been reviewed and approved as to form by City Attorney Blaine Finch. The sublease complies with Article 19 (Assignment and Subleases) of the primary lease agreement and meets all required legal standards. The lender's requirement for the sublease is addressed in correspondence from the lending institution to the City Attorney, confirming the necessity for compliance with title insurance underwriting.

Recommendation/Action: It is recommended the City Commission authorize the City Attorney and City Manager to provide written documentation of the City Commission's consent to the sublease agreement between Dodson International Parts, Inc. and Dodson Investment Inc., in accordance with the material terms presented.

- Take Final Action at the March 26, 2025, Regular Meeting:
 - “Authorize the City Attorney and City Manager to provide written documentation of the City Commission's consent to the sublease agreement between Dodson International Parts, Inc. and Dodson Investment Inc., in accordance with the material terms presented.”
- Refer Item XI.B to the Wednesday, April 2, 2025, Regular Meeting for continued deliberation and consideration.

Attachments:

XI.B.1 DIPI & DII Sublease Document (7 pp)

XI.B.2 City of Ottawa & DIPI Lease (46 pp)

SUBLEASE
BETWEEN
DODSON INTERNATIONAL PARTS, INC.
AND
DODSON INVESTMENT INC.

SUBLEASE

THIS SUBLEASE ("Sublease") is made this 21st Day of March 2025, by and between Dodson International Parts Inc., a Kansas corporation ("Sublessor"), and Dodson Investment Inc., a Kansas corporation ("Sublessee").

A. City of Ottawa, Kansas ("City") is the owner of certain real property generally located at Ottawa Municipal Airport, and legally described as follows:

TRACT 1:

Beginning at a point 25 feet North and 30 feet West of the Southeast corner of Section 25, Township 17S, Range 19 E, therein North on a line parallel to the East line of said Section 25, a distance of 641.28 feet, therein West on a line parallel to the South line of said Section 25, a distance of 470 feet, therein South 26 1.28 feet, therein in a Southeasterly direction to a point 30 feet west of the point of beginning, therein East 30 feet to the point of beginning; containing 5 acres, more or less, Franklin County, Kansas.

TRACT 2:

A tract of land lying entirely within the Southeast Quarter of Section 25, Township 17 South, Range 19 East, Franklin County, Kansas; said tract being more particularly described by Joseph B. Strick Kansas PS 13 73 on this 26th Day of June, 2024 as follows:

BEGINNING at a point 25 feet North and 30 feet West of the Southeast corner the Southeast Quarter of said Section 25; thence North 02°9'33" West, parallel with the East line of the Southeast Quarter of said Section 25, a distance of 641.28 feet; thence South 87°52'09" West, parallel with the South line of the Southeast Quarter of said Section 25, a distance of 470.00 feet; thence South 02°9'33" East, parallel with said East line, a distance of 641.28 feet to a point being 25.00 feet north of the South line of the Southeast Quarter of said Section 25; thence North 87°52'09" East, parallel with said South line, a distance of 470.00 feet to the POINT OF BEGINNING; containing 301,401.56 square feet, or 6.92 acres, more or less (the "Property").

B. City has entered into a certain Lease with Dodson International Parts, Inc. dated November 1, 2024, for the Property (the "Lease");

C. This Sublease is for the purpose of Sublessor subletting the Property to Sublessee for the use and operation of the building and improvements Sublessor's agents will construct on the Property.

1. Term, Rent.

Sublessor hereby sublets to Sublessee the Property for an original term of fifty (50) years commencing on November 1, 2024, (the "Commencement Date"), and ending on November 1, 2074 (the "Expiration Date"). So long as Sublessee is not in default under this Sublease, Sublessee may extend the original lease term Sublessee and Lessee may, by mutual written agreement, further extend the term of this Sublease for two (2) successive renewal terms of ten (10) years each. The terms, covenants, conditions and provisions set forth in this Sublease shall be in full force and effect and binding upon Sublessee and Sublessor during each and all said renewal terms. Base rent ("Rent") is due and payable without reduction or offset on the first day of each month during the term of this Lease and all renewals thereto in the amount of 1\$ per year. Upon the expiration or earlier termination of this Sublease, Sublessee will peaceably and quietly deliver possession of the Land to Sublessor. Sublessee or Sublessor may terminate this Sublease at any time with 2 weeks' written notice.

2. Improvements.

Sublessee hereby allows Sublessor's agents unfettered access to the Property for the purposes of constructing Improvements on the Property. The title to all Improvements upon the Property shall be in the name of Sublessor until either the termination or expiration of this Sublease, at which time all title to and ownership of the Improvements shall automatically and immediately vest (without the necessity of any further action being taken by any party or any instrument being executed and delivered by any party) with City. Sublessee shall at all times during the Term of this Sublease and at its sole cost and expense, put, keep, replace and maintain the Property and all improvements thereto.

3. Notices.

Any notice, statement, request, consent, approval or demand required under this Sublease by either Party to the other Party shall be made in writing and shall be delivered by personal service, overnight courier, United States mail (certified mail/postage prepaid only), or facsimile transmittal. All notices given by personal delivery or mail will be effective on the date of actual receipt at the appropriate address or on the date receipt is rejected at such address. Notices given by facsimile will be effective upon acknowledgement or transmission report generated by the machine from which the facsimile was sent indicating the facsimile was sent in its entirety to the addressee's facsimile number.

If to Sublessor:

Dodson International Parts Inc.
2155 Vermont Rd.
Rantoul, KS 66079

If to Sublessee:

Dodson Investment Inc.
2155 Vermont Rd.
Rantoul, KS 66079

4. Default.

Sublessor's Default. In the event Sublessor fails to perform any obligation specified in this Sublease within thirty (30) days written notice from Sublessee specifying such failure (subject to reasonable extension in the event the cure of such failure is not reasonably practicable within thirty (30) days and Sublessor diligently pursues such cure), such failure shall constitute a default by Sublessor and a breach of this Sublease.

Sublessee's Remedies. If Sublessor fails to timely cure its default in accordance with the foregoing, Sublessee's exclusive remedy shall be a termination of this Sublease.

5. Independent Contractor.

The relationship between the Parties shall be that of independent contractors for all purposes and in no event shall persons employed or retained by either Party, irrespective of the type of uniform worn, be held or construed to be employees or agents of the other. All persons' performance hereunder and the manner and details of performance thereof shall be under the exclusive control of the respective employing or subcontracting Party, with such employing or subcontracting Party possessing the sole right to direct such person's performance.

6. Subordination to Lease.

It is expressly agreed and understood by Tenant that this Rental Agreement shall be subordinate and subject to at all times to that certain Lease between City and Dodson International Parts, Inc. dated November 1, 2024, and all amendments, assignments, and associated agreements thereto. In the event that any provisions of the Lease conflicts with the provisions of this Sublease, the provisions of the Lease supersede those herein. Nothing herein shall excuse, release, or waive any obligation of the Sublessor to the City under the Lease, and Sublessee shall take no action, nor fail to take any action, that would impair the Lease or the rights of the City under the Lease.

7. Sublessor's Right of Entry

Sublessor and Sublessor's agents shall have the right to enter the Property, as follows: (i) at any time, in the case of an emergency; (ii) at reasonable times for the purpose of inspecting the Leased Property following at least forty-eight (48) hours prior written notice to Sublessee; and (iii) as reasonably necessary for Sublessor to provide any service described in this Sublease or in the normal course of business. Sublessee shall not be entitled to any abatement of rent or damages by reason of the exercise of any such right of entry. In no event shall such entry unreasonably interfere with the business operations of Sublessee or Sublessee's Related Parties.

8. Surrender of the Property.

Sublessee shall, on or before the last day of the Term of this Sublease or upon any sooner termination, peaceably and quietly surrender and deliver to Sublessor the Property, in good order, condition and repair, reasonable wear and tear excepted, and free and clear of all liens and encumbrances. Sublessee's interests, if any, and rights of possession to the Property shall terminate upon the termination of this Sublease.

9. Insurance.

Notwithstanding anything to the contrary contained in this Sublease, Sublessor shall be responsible for ensuring compliance with all insurance requirements set forth in the Lease. Sublessee acknowledges and agrees that this Sublease is subordinate to the Lease and that all insurance obligations, including but not limited to coverage types, limits, and additional insured requirements, shall be met by Sublessor in accordance with the provisions of the Lease.

Sublessee shall not be required to obtain or maintain any insurance beyond what is required under the Lease, and Sublessor shall ensure that all necessary insurance coverages remain in full force and effect for the duration of this Sublease. In the event of any conflict between the insurance provisions of this Sublease and the Lease, the insurance provisions of the Lease shall control

10. Sublessor's Interest Not Subject to Liens.

(a) Liens, Generally. Except as expressly permitted herein, Sublessee shall not create or cause to be imposed, claimed or filed upon the Property, any lien, charge or encumbrance.

11. Misc. Provisions

(a) Waiver of Breach. No waiver of any breach of any covenant or agreement herein contained shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by either party of any covenant, agreement or undertaking, the nondefaulting party may nevertheless accept from the other

any payment or payments or performance hereunder without in any way waiving its right to exercise any of its rights and remedies provided for herein or otherwise with respect to any such default or defaults which were in existence at the time such payment or payments or performance were accepted by it.

(b) Quiet Enjoyment and Possession. Sublessor covenants that so long as Sublessee shall not be in default under this Sublease, Sublessee shall and may peaceably and quietly have, hold, and enjoy the Property leased hereunder and that Sublessor will defend Sublessee's enjoyment and possession thereof against all parties.

(c) Amendments. This Sublease may only be amended, changed or modified by written agreement between Sublessor and Sublessee.

(d) Execution of Counterparts. This Sublease may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

(e) No Broker. The parties represent to each other that no broker is involved in this transaction. If any real estate broker has been contacted by either party, any commission which may be found to be due and owing shall be the responsibility of the party making the initial contact.

(f) Entire Agreement. This instrument contains the entire agreement between the parties as of this date. The execution hereof has not been induced by either party by representations, promises or understandings not expressed herein, and there are no collateral agreements, stipulations, promises or undertakings whatsoever upon the respective parties in any way touching the subject matter of this instrument which are not expressly contained in this instrument.

(g) Severability. If a court of competent jurisdiction or other governing authority determines that any provision hereof is illegal, unenforceable, or invalid in whole or in part for any reason, all other valid and enforceable provisions hereof shall nonetheless remain unaffected and in full force and effect.

(h) Governing Law; Venue. Except as federal law may apply, the Parties agree that this Sublease shall be construed, interpreted and enforced in accordance with the laws of the State of Kansas without regard to conflict of law principles. Any legal suit, action or proceeding arising out of or relating to this Sublease shall be instituted in the federal courts of the United States of America having jurisdiction over Franklin County, Kansas or the courts of the State of Kansas in each case located in the venue local to Franklin County, Kansas, and each party irrevocably submits to the non-exclusive jurisdiction of such courts in any such suit, action or proceeding.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first written above.

Sublessee: **DODSON INVESTMENT, INC.**

By: _____
Name: _____
Title: _____

Sublessor: **DODSON INTERNATIONAL PARTS INC.**

By: _____
Name: _____
Title: _____

STATE OF KANSAS)
) SS.
COUNTY OF FRANKLIN)

BE IT REMEMBERED THAT on this _____ day of _____, 2025, before me, the undersigned Notary Public in and for the County and State aforesaid, came _____, who is the _____ of Dodson Investment Inc. who is personally known to me to be the same person who executed the above Sublease, and duly acknowledged the execution of the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal on the day and year last above written.

Notary Public

My commission expires: _____

STATE OF KANSAS)
) SS.
COUNTY OF FRANKLIN)

BE IT REMEMBERED THAT on this _____ day of _____, 2025, before me, the undersigned Notary Public in and for the County and State aforesaid, came _____, who is the _____ of Dodson International Parts Inc. who is personally known to me to be the same person who executed the above Sublease, and duly acknowledged the execution of the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal on the day and year last above written.

Notary Public

My commission expires: _____

Summary of Lease Document

The document is a detailed lease agreement executed on an unspecified day of 2024, between the City of Ottawa, Kansas ("City") and Dodson International Parts, Inc. ("Lessee"), concerning real property at the Ottawa Municipal Airport. The lease grants Dodson International Parts, Inc. usage of designated tracts of land at the airport for a term of fifty years beginning November 1, 2024, with two optional ten-year renewal periods.

Key Points from the Lease Agreement:

- **Premises Description:** Tracts of land designated in the lease, further described in Exhibit A, are being rented to the Lessee.
- **Lease Term:** Starts on November 1, 2024, and extends for fifty years, with options for renewal.
- **Rental Payments:** The Lessee is to pay a specified rent, calculated based on the square footage of built and unbuilt improvements on the leased premises.
- **Mandatory Improvements:** The Lessee is obligated to commence and complete certain improvements by specified deadlines as detailed in Exhibit B, subject to termination rights by the City if these are not met.
 - **Commencement of Mandatory Improvements:** The Lessee must start the mandatory improvements by the end of the first lease year, which begins on the commencement date of November 1, 2024. Therefore, improvements must start by October 31, 2025.
 - **Completion of Mandatory Improvements:** All mandatory improvements must be completed by the end of the third lease year. This means the improvements must be fully completed by October 31, 2027.
 - If these conditions are not met, the City reserves the right to cancel the lease, provided they give 60 days' written notice to the Lessee.
- **Use of Premises:** The premises are to be used only for aviation maintenance and related activities, with strict adherence to applicable laws and City regulations.
- **Maintenance and Repairs:** Lessee is responsible for maintaining the premises in good condition and repair.
- **Insurance:** Lessee must maintain adequate insurance coverage as specified in the lease.
- **Subleases and Assignments:** Any sublease or assignment of the lease requires prior written consent from the City.

Items to be Completed Following Commission Approval:

- **Survey and Boundary Amendment:** The exact boundaries of the leased tracts are to be determined by a survey and the lease amended accordingly.
- **Commencement of Mandatory Improvements:** The Lessee must start and complete the mandatory improvements within the timeframes stipulated.
- **Submission of Written Notices:** Lessee is required to notify the City upon commencement and completion of mandatory improvements.
- **Insurance Policy Adjustments:** Lessee is required to maintain and possibly adjust insurance coverage as required by the lease and provide proof of insurance to the City.
- **Rent Adjustments Based on CPI-U:** The basic rent amount is subject to annual adjustments based on changes in the Consumer Price Index for All Urban Consumers (CPI-U).

The following action items and milestone dates are established for both the City and Dodson.

For the Lessee, Dodson International Parts, Inc.:

- **Commencement of Mandatory Improvements:**
 - **Start Date:** No later than October 31, 2025.
 - **Action:** Lessee must commence the construction of mandatory improvements as detailed in Exhibit B of the lease.
- **Completion of Mandatory Improvements:**
 - **Completion Date:** No later than October 31, 2027.
 - **Action:** Lessee must complete all mandatory improvements by this date. Failure to do so allows the City to cancel the lease with 60 days' notice.
- **Annual Basic Rent Adjustments:**
 - **Date:** Annually, based on the CPI-U changes.
 - **Action:** Adjust the annual rent in accordance with the Consumer Price Index for All Urban Consumers (CPI-U).
- **Insurance Policy Submission and Adjustments:**
 - **Date:** Initially by the lease commencement date and annually thereafter.
 - **Action:** Lessee must maintain adequate insurance coverage and provide proof to the City.
- **Notification of Completion of Improvements:**
 - **Date:** Upon completion of mandatory improvements, no specific deadline mentioned.
 - **Action:** Lessee must notify the City in writing upon the completion of mandatory improvements.

For the City of Ottawa:

- **Provision of Written Confirmation of Improvement Completion:**
 - **Date:** Upon receiving notification from Lessee of completion.
 - **Action:** The City must provide written confirmation of the completion of mandatory improvements to the Lessee.
- **Adjustment of Rent Based on CPI-U:**
 - **Date:** Annually.
 - **Action:** The City is responsible for adjusting the lease's basic rent amount based on changes in the CPI-U.
- **Processing and Approval of Amendments:**
 - **Date:** Post-survey of leased premises boundaries.
 - **Action:** The City must process and approve amendments to the lease reflecting the accurate boundaries of the leased tracts following their survey.
- **Respond to Requests for Lease Renewal:**
 - **Date:** At least 60 days prior to the expiration of the current term.
 - **Action:** The City must respond to the Lessee's written notice of intent to renew the lease for two additional ten-year periods, provided the lease is in full effect and there are no defaults.

END

LEASE

This Lease is executed and becomes binding this 1st day of November 2024 (the “Effective Date”), by and between the City of Ottawa, Kansas, hereafter denoted “City” and Dodson International Parts, Inc., hereafter denoted “Lessee.”

ARTICLE 1 PREMISES

1.1 CITY, in consideration of the rent, agreements and conditions in this Lease to be paid and performed by Lessee, hereby rents unto Lessee the following real property:

Real estate commonly known as the Dodson Facility at the Ottawa Municipal Airport and consisting of the following tracts all of which are further described in Exhibit A, which is attached hereto and incorporated into this Lease by this reference:

Tract 1 consisting of approximately 5 acres.

Tract 2 consisting of approximately, 6.92 acres.

All located at the Ottawa Municipal Airport, Franklin County, Kansas, together with appurtenances belonging thereto, hereafter denoted “Leased Premises.”

1.2 The precise boundaries and area of the Leased Premises will be incorporated into this lease by amendment following a survey of the respective tract.

1.3 This Lease terminates and supersedes that Lease between the parties dated June 20, 1990, for the property labeled as Tract 1 in this Lease.

ARTICLE 2 TERM

2.1 The Initial Term of this Lease shall commence at 12 midnight on November 1, 2024 (the “Commencement Date”) and shall extend for a period of Fifty (50) years.

2.2 The one (1) year period beginning on the Commencement Date is referred to herein as the “First Lease Year.” Each subsequent one (1) year period transpiring during the Initial Term or any renewal or extension thereof is referred to herein as a lease year.

2.3 Notwithstanding the foregoing, if Lessee has not (i) commenced Mandatory Improvements as set forth in Exhibit B by the end of the first lease year or (ii) completed all the Mandatory Improvements by the end of the third lease year, the CITY will have the right, in its sole discretion, to cancel this lease upon 60 days’ written notice. Lessee will provide written notice to the CITY upon

commencement and again upon completion of the Mandatory Improvements. Upon satisfaction of either (i) or (ii) above, pursuant to a written request by Lessee, CITY shall provide written confirmation of such to Lessee for purposes of fulfilling the conditions of this Section 2.3.

ARTICLE 3 RENTAL RATE

3.1 Lessee shall pay the CITY annual basic rent for the First Lease Year an amount equal to Twenty-Three cents (\$.23) multiplied by the number of square feet encompassed within built improvements on the Leased Premises, and Six cents (\$.06) multiplied by the number of square feet without built improvements on the Leased Premises. The parties agree that there are two built improvements at the execution of this lease: Hangar One is 9,300 square feet, and Hanger Two is 10,000 square feet. The Lessee will build Hangar Three within one year of the execution of this Lease and it will be 12,000 square feet for a total of 31,300 square feet of built improvements. In addition, there are two parcels: Parcel One is 217,800 square feet and Parcel Two is 301,401.56 square feet for a total of 519,201.56 square feet. Less the built improvements the total number of square feet without built improvements is 487,901.56. Annual Total Basic Rent at execution is \$4,439.00 plus \$29,274.09 for a total of \$33,713.09. Upon completion of Hangar 3, the Base Rent shall increase by the sum of 12,000 multiplied by the then built improvement rental rate per square foot.

3.2 For every lease year following the First Lease Year, the annual basic rent amount shall be modified in proportion to any increase in the CPI-U (Consumer Price Index for All Urban Consumers, Midwest Region, All Items, 1982-84=100) over the previous year.

3.3 Basic rent shall be payable each month in installments equal to one-twelfth (1/12) of the annual rent payable for the lease year of which such month is a part. Lessee may pay rent for the year in one lump sum before January 15 of each year. If rent is not so paid, it shall be paid monthly in equal installments. Lessee shall pay 1/12 of the Total Basic Rent on or before November 1, 2024, and a second 1/12 on or before December 1, 2024.

3.4 The first basic rent payment shall be payable upon the Commencement Date. If the Commencement Date is a day other than the first day of the month, the first monthly basic rent payment shall be prorated for the number of days remaining in that month.

3.5 Each succeeding monthly installment shall be due on or before the first day of each month thereafter during the Initial Term and any renewal or extension thereof.

3.6 All rent shall be paid without prior demand therefore at CITY's business office, 101 S. Hickory Street, Ottawa, Kansas 66067 by hand delivery or by depositing in the United States mail or such other address or method as the CITY may designate in writing. In addition to payment by check, cash, or money order, payment will also be accepted by an Electronic Funds Transfer (EFT)/Automated Clearing House (ACH) transaction originated by the Lessee's action with their financial institution. If EFT/ACH is used by Lessee, or required by CITY to be used by Lessee, for any reason, all costs associated with EFT/ACH shall be the sole responsibility of Lessee and shall be considered on on-going obligation of Lessee.

ARTICLE 4 SECURITY DEPOSIT

4.1 INTENTIONALLY DELETED.

ARTICLE 5 OPTION TO RENEW

5.1 This Lease may be renewed for two (2) separate renewal periods of ten (10) years each upon the mutual agreement of CITY and Lessee, provided the Lease is in full force and effect and Lessee is not in default under any of the terms and conditions of the Lease at the time of the notification or end of the existing original or renewal term then in effect, the City's consent to renewal shall not unreasonably be withheld.

5.2 This Lease shall only be renewed for one (1) renewal period at a time. In order to exercise their respective half of the option to renew, the CITY and Lessee must each deliver to the other party written notice of its intent to renew at least sixty (60) days prior to the expiration of the original or renewal term then in effect. If Lessee should fail or decline to deliver such notice to the CITY, then, provided the CITY has delivered a written notice of such failure to Lessee and Lessee has not within ten (10) business days following such notice delivered to the CITY written notice of its intent to renew, renewal of this Lease shall not occur and this Lease shall automatically terminate on the expiration date of the original or renewal term then in effect unless otherwise terminated earlier under another provision of this Lease.

5.3 The basic rent amount shall be modified each year during any renewal term of this Lease in proportion to any increase in the CPI-U (Consumer Price Index for All Urban Consumers, Midwest Region,

All Items, 1982-84=100) over the previous year. No later than ninety (90) days prior to the expiration of the Initial Term, CITY and Lessee agree to meet and confer in an effort to agree upon the basic rent amount for any and all Renewal term(s) of this Lease in accordance with this Section 5.3.

5.4 Except for the basic rental rate, all agreements and conditions in this Lease shall have the same force and effect for each renewal term as for the original term unless the parties otherwise agree in writing.

ARTICLE 6 LATE CHARGES

6.1 In the event Lessee has failed to pay the basic rent and all other charges or sums due to the CITY, whether pursuant to this Lease or otherwise, on or before the tenth (10th) day of the month (for money due the first of that month, or in the previous month), the Lessee shall owe, as additional rent, a late charge equal to one and one-half percent (1.5%) of all money due and owing.

ARTICLE 7 ACCEPTANCE OF PREMISES; MANDATORY IMPROVEMENTS

7.1 Lessee acknowledges it has inspected and noted the current condition of the Premises and accepts the Premises without representation or warranty by the CITY and without the CITY's obligation either to make alterations, repairs, or additions thereto. LESSEE EXPRESSLY WAIVES ANY WARRANTY OF CONDITION OR OF HABITABILITY OR SUITABILITY FOR OCCUPANCY, USE, HABITATION, FITNESS FOR A PARTICULAR PURPOSE, OR MERCHANTABILITY, EXPRESS OR IMPLIED, RELATING TO THE PREMISES.

7.2 Lessee agrees to commence the improvements set forth in the attached Exhibit B (the "Mandatory Improvements") as soon as reasonably feasible following the Commencement Date and to diligently pursue them to completion. The Mandatory Improvements shall be subject to the requirements of Exhibit C hereto.

7.3 Plans for all such improvements must be approved in advance by the CITY in accordance with Exhibit C.

ARTICLE 8 USE OF PREMISES

8.1 Lessee shall use the Leased Premises only for aviation maintenance and storage of aircraft undergoing maintenance and activities ancillary thereto and strictly in compliance with applicable law and CITY regulations in effect as of the execution of this Lease unless CITY in its sole discretion expressly agrees in writing in

advance to some other use. Lessee's provision of aeronautical services, if any, from the Leased Premises shall be in compliance with the standards set forth in Exhibit F. Lessee shall not use the Premises for any purpose that is not compatible, in the reasonable judgment of CITY, with the businesses operating at Ottawa Municipal Airport. The Lessee shall comply with all Federal, State, and Local laws, ordinances, and administrative regulations applicable to the Leased Premises and Lessee's use and occupation thereof. Lessee shall also comply with all policies and use restrictions of the CITY, including subsequent modifications or changes thereto, which are applicable to the Leased Premises, Lessee's use thereof, and all CITY property. A copy of CITY Rules and Regulations for Ottawa Municipal Airport are attached as Exhibit E and made a part of the Lease.

8.2 The parties agree that Lessee's use of the Leased Premises as set forth in Section 8.1 herein does not in and of itself constitute a nuisance or a noxious use. Lessee agrees that it will not conduct such use in a way that, by reasonable comparison to surrounding users of the airport, creates strong or unusual or offensive odors, fumes, dust or vapors; emits noise or sounds which are objectionable due to intermittence, beat, frequency, shrillness or loudness; creates excessive light; creates unusual fire, explosive or other hazards; or materially increases the rate of insurance of the land adjacent to the Premises. For purposes of this Lease, "noxious use" shall also be defined by any applicable FAA regulations or requirements, federal regulations, CITY Rules and Regulations in effect upon the Effective Date, any applicable ordinances, standards or resolutions of the City of Ottawa Kansas and/or Franklin County, Kansas and/or the State of Kansas, as adopted by and in effect from time to time during the Initial Term of this Lease or any extension or renewal thereof, and if there are no such applicable ordinances, standards, rules or regulations, then in the reasonable discretion of CITY as applied consistently to all tenants of the Ottawa Municipal Airport. Lessee shall not use the Premises in any manner that conflicts with CITY's operation of the airport facility in the general vicinity of the Premises or conflicts with any federal law or regulation applicable to the CITY's airport facility. Lessee represents and warrants that it shall initially use the Premises limited to any other lawful commercial use permitted under applicable law and CITY regulations in effect as of the execution of this Lease at Ottawa Municipal Airport and ancillary uses related thereto, (including ancillary social and community events held on Leased Premises) and CITY represents and warrants that Lessee's initial use of the Premises does not violate any use restrictions applicable to the Premises or Ottawa Municipal Airport.

8.3 Lessee shall provide adequate devices to control excessive noises, vibrations or electromagnetic emissions. Lessee shall prevent escape of fumes, odors, smoke, gas, or other substances from the Premises and shall neither use nor occupy the Premises for any unlawful purpose or for any purpose which either constitutes a nuisance, is harmful to, or interferes unreasonably with the rights of any other persons including the CITY and its tenants. The parties agree that Lessee's use of the Leased Premises as set forth in Section 8.1 in the ordinary course does not in and of itself violate this Section.

8.4 To the extent Lessee generates, uses, transports, stores, disposes of or otherwise handles any Hazardous Substance at the Premises it shall do so in compliance with all applicable federal, state and local laws and regulations. This obligation applies to Lessee's sublessees, assignees, employees, agents, independent contractors and invitees. For purposes of this provision, "Hazardous Substance" shall mean any substance which is toxic, reactive, corrosive, radioactive, flammable, explosive, asbestos, petroleum products, polychlorinated biphenyls (PCBs), radon and any substances defined as "hazardous materials", "toxic substances", "hazardous materials", toxic substances", or "hazardous waste" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq.; the Clean Water Act, 33 U.S.C. Section 1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq.; and any other applicable statutes, laws, ordinances, rules and regulations of any governmental or quasi-governmental authority or body, including the State of Kansas, having jurisdiction over the Leased Premises (the "Environmental Laws"). This Section may be altered or amended only in writing signed by the CITY.

8.5 Lessee shall comply with all environmental laws, statutes, regulations and standards (including health and safety laws). Lessee shall not install any underground storage tanks on the Premises. Lessee shall dispose of its waste in accordance with all applicable federal, state and local statutes, ordinances and regulations.

8.6 Lessee shall be responsible for any removal or remediation necessary because of any Hazardous Substance coming onto the Premises after the Commencement Date of this Lease.

ARTICLE 9 REPAIRS AND MAINTENANCE

9.1 Throughout the Lease Term, Lessee will maintain the entire Leased Premises, including structures and adjacent apron space and

land, in a state of good repair, cleanliness and upkeep, normal wear and tear excepted, and will ensure all external portions of the Leased Premises present an appearance free of deterioration, decay or undue wear and tear, all to the end that the Leased Premises can reasonably be expected to serve their intended purpose through the end of the Initial Term. Lessee agrees to adhere to such written standards of maintenance as CITY may prescribe for all tenants of the Ottawa Municipal Airport from time to time, including those standards set forth in Exhibit D.

9.2 The quality of repair work shall be equal to that of original construction. Repair work shall include, without limitation, required repair, maintenance and replacements of plumbing pipe and fixtures, electrical wiring and fixtures, heating and air conditioning equipment, and exterior and interior paint, and shall comply with all current and applicable codes and CITY's design standards.

9.3 Lessee shall at all times comply with established standards of care of the Leased Premises as set forth in Exhibit D, and further shall bear the cost of compliance thereof.

9.4 Lessee shall be responsible for ice and snow removal as it deems necessary, at Lessee's sole expense. Lessee shall ensure that accumulation of ice and snow does not present undue hazards to persons lawfully on the Premises.

9.5 Notwithstanding any other provision of this Lease, in the event:

(a) Lessee's maintenance or use of the Leased Premises is such that it constitutes a fire hazard or otherwise endangers the Leased Premises, or

(b) Lessee's conduct endangers property owned by the CITY, or persons on the Leased Premises or in adjacent CITY property; or

(c) Lessee's use of the Leased Premises violates and of the provisions or restrictions contained in Article 8 of this lease,

Then the CITY or its authorized representatives may, but is not required to, come upon the Leased Premises and take all reasonable and necessary steps to correct such danger, violation or condition. The expenses in making such corrections shall be billed to Lessee and shall be due and payable by Lessee to the CITY the first of the month subsequent to such billing.

9.6 The requirements for repairs and maintenance required by this ARTICLE 9 shall not make Lessee the agent or trustee of the CITY for any purpose, and the provisions of ARTICLE 13 of this Lease

shall be controlling. Nothing in ARTICLE 9 of this Lease concerning the use of the Leased Premises or in any other provision of this Lease shall be construed to create any such agency or trustee relationship.

ARTICLE 10 PERMANENT IMPROVEMENTS TO PREMISES

10.1 CITY has no obligation to rebuild, replace, maintain, repair, improve, enlarge, or remodel the Leased Premises. Lessee, at its sole expense and with the prior written consent of the CITY, which shall not be unreasonably withheld, may make additions, changes, and alterations in and to any part of the Leased Premises as Lessee from time to time may deem necessary or advisable; provided, however, Lessee shall not make any addition, change or alteration which will adversely affect the structural strength or integrity of any part of the Leased Premises. All additions, changes, and alterations made by Lessee shall: (i) be made in a professional and workmanlike manner and in compliance with all laws and ordinances applicable thereto, (ii) be completed in accordance with plans and specifications which have been submitted to and approved by the CITY in advance, (iii) when commenced, be completed with due diligence, (iv) be subject to the requirements of Exhibit C hereto, and (v) (except for self-fueling equipment) when completed, be deemed a part of the Permanent Improvements. CITY's approval of the Mandatory Improvements as required by Section 7.3 shall be deemed to satisfy the consent requirement of this Section 10.1. All Permanent Improvements shall become part of the Leased Premises and property of the CITY and shall conform to the following minimum requirements unless specifically waived by the CITY in writing:

- (a) Any new buildings or additions to buildings now on the Leased Premises shall be restricted to the use as specified in Article 8 of this Lease or as otherwise approved in advance in writing by the CITY.
- (b) Outside walls of all new buildings or additions must be of masonry construction, decorative metal, or their equivalent.
- (c) All roofs shall be constructed from fire resistant material.
- (d) Lessee shall provide adequate, hard surfaced, off-street parking areas for its employees and customers if, in the opinion of the CITY, current parking areas will be inadequate to accommodate such employees and customers after repairs and improvements are completed.
- (e) No signs, billboards or displays not associated with Lessee's business shall be permitted on the Leased Premises. Advertising signs

shall be located only on the leased building or fence and shall not be larger than one hundred twenty (120) square feet in area, except as otherwise approved by the CITY. Lighted or illuminated signs shall be of constant intensity and color; flashing and blinking signs are prohibited. All signage must be approved by the CITY before placing on property.

(f) Lessee shall obtain and pay for all requisite government permits and authorizations related to new construction on the Premises prior to commencement thereof. Lessee shall comply with applicable building and zoning laws and ordinances and other government regulations and requirements.

(g) All construction shall be prosecuted to completion with diligence in a workmanlike manner without undue interference with the operations of the CITY or any of its tenants.

10.2 "Permanent Improvements" shall be defined as all improvements which attach either to the Leased Premises or any improvements thereon including, without limitation, all structural and non- structural improvements, plumbing and electrical equipment and fixtures and all property including fixtures, equipment and personal property which cannot be removed without undue damage to the Leased Premises or which would be of insignificant value after removal from the Leased Premises. Other examples, again without limitation, shall include attached carpet and other floor covering, draperies, light fixtures, wall panel and permanently installed equipment. All such permanent improvements shall become property of the CITY when installed, unless the CITY otherwise agrees in writing. Unless expressly consented to in advance in writing by the CITY, which consent will not be unreasonably withheld, Lessee shall not convey a security interest in any Permanent Improvements to any creditor. The Mandatory Improvements are considered Permanent improvements.

10.3 Notwithstanding the requirement of Section 10.1 to obtain prior written consent for improvements to the Leased Premises, Lessee shall only be required to provide CITY advanced notice of any nonmaterial addition, change or alteration in and to any part of the Leased Premises. Upon receipt of such notice, the CITY shall have fifteen (15) business days to advise Lessee that it considers any such addition, change or alteration to be material. In the event the CITY does not provide such notification to Lessee, then the addition, change or alteration shall be considered nonmaterial by stipulation of the parties. For the purposes of this Section 10.3, a nonmaterial addition, change or alteration shall not include any of the following (which shall not be construed as an exhaustive list): any addition,

change or alteration to the roof, outside walls, structural components, mechanical systems, and electrical systems to buildings now on or later constructed on the Leased Premises; any addition, change or alteration which changes the footprint of any buildings now on or later constructed on the Leased Premises; any addition, change or alteration which is subject to the applicable building code(s) adopted by the City of Ottawa; and any addition, change or alteration which is subject to CITY approval pursuant to any provision of this Lease and any Exhibits hereto.

10.4 CITY's approval of Permanent Improvements to be made by Lessee shall not make Lessee the agent or trustee of the CITY for any purpose, and the provisions of ARTICLE 13 and ARTICLE 9 shall be controlling. Nothing in ARTICLE 8 of this Lease concerning the use of the Leased Premises or in any other provisions of this Lease either shall be construed to create any such agency or trustee relationship or shall be construed as written approval by the CITY for Permanent Improvements.

10.5 Upon the expiration of any term, or termination by the CITY pursuant Lessee's failure to cure a default in accordance with Articles 26 and 27 of the Lease, for any reason, Lessee will, at the sole discretion of the CITY, completely remove the then-existing improvements at Lessee's sole cost and expense and return the site to the CITY in a condition suitable for construction of a new structure.

ARTICLE 11 OWNERSHIP OF PERSONAL PROPERTY AND TRADE FIXTURES

11.1 INTENTIONALLY DELETED.

11.2 Lessee may replace or install on the Leased Premises, at its sole expense, such personal property, furniture, trade fixtures and equipment as it shall deem necessary for the conduct of its business. Lessee shall have the privilege, at any time during the term of this Lease, of removing any and all of its personal property, furniture, trade fixtures and equipment except as provided hereafter and only so long as no Permanent Improvements as defined in ARTICLE 10 of this Lease shall be removed from the Leased Premises without the CITY's written consent. Lessee shall be liable to the CITY for all damages to the Leased Premises resulting from Lessee's removal of any property.

11.3 Forthwith upon termination of this Lease for any reason, the Lessee shall remove all of its personal property from the Leased Premises. In the event Lessee fails to remove its personal property, then the CITY may, at CITY's option, take possession of the property, store it at Lessee's expense and sell or otherwise dispose of

the same. CITY shall, however, provide written notification to Lessee by depositing a copy of a notice thereof in the United States mail, postage prepaid, addressed to Lessee at Lessee's address as specified in this Lease. Such notice shall state the name of the Lessee, a brief description of the property and the date that CITY intends to sell or otherwise dispose of such property. So long as CITY complies with the notice provisions as herein set forth, CITY shall not be liable either to Lessee or to any other person who claims any interest in any property sold or otherwise disposed of except as to any secured creditor who gives written notice to CITY of his or her interest in the property prior to the time of sale or disposition. In the event the CITY has taken custody and possession of personal property pursuant to this provision, the Lessee shall have no right to the return thereof unless and until Lessee has paid all rent and other charges and sums due and owing to the CITY and the reasonable expenses incurred by the CITY in holding and preparing the property for sale. In the event the CITY sells the property of Lessee, it shall be applied first to pay the CITY's expenses, then to reimburse the CITY for any rents or other charges and sums due, and if any money remains, it shall be returned by the CITY to Lessee. Lessee shall protect, indemnify and save CITY, its agents and employees harmless from any and all claims for damages to said property while in the CITY's possession whether such property is owned by Lessee, its officers, employees, agents or anyone else.

ARTICLE 12 TOTAL AND PARTIAL DESTRUCTION OF PREMISES; EMINENT DOMAIN; CONDEMNATION

12.1 If the Tract, (for the purposes of this Article 12 any reference to "Tract" shall include all Permanent Improvements and Mandatory Improvements thereon), are damaged or destroyed by fire or other casualty, Lessee shall, unless it elects to terminate the Lease pursuant to Section 12.3 hereof, proceed with due diligence to restore the affected Tract(s), as the case may be, to as good a condition as it was in immediately prior to such damage or destruction, subject to such alterations as Lessee may elect to make as permitted in Section 10.1 hereof, and neither the term nor any of the obligations (including the payment of Rent and Additional Rent) of either party under this Lease shall be reduced or affected in any way. If Lessee elects to restore any affected Tract(s), as provided in this Section 12.1, all insurance proceeds shall be the sole property of Lessee, subject to any loss payable to any lender with a secured interest in the leasehold interest of the affected Tract(s), and subject to any payment required to be paid to the City as provided by City of Ottawa Code. In the event Lessee elects not to restore any affected Tract(s), and to terminate the Lease as provided for in Section 12.3 hereof, then the insurance proceeds shall be paid to and become the sole and separate property

of the Lessee; provided, however, that if Lessee exercises such termination, the insurance proceeds shall first be utilized to return the site of the affected Tract(s) to a green space condition which may be suitable for construction of a new structure.

12.2 INTENTIONALLY LEFT BLANK.

12.3 Lessee shall have the right and option to terminate this Lease in the event that the Tract shall have been damaged or destroyed to such extent that, in the written opinion of Lessee and Lessee's insurer, and, if requested by the CITY, the written opinion of an independent certified structural engineer, the affected Tract(s) cannot be reasonably restored within a period of twelve (12) months to substantially the condition they were in immediately preceding such damage or destruction.

12.4 To exercise such option, Lessee shall, within thirty (30) days following the occurrence of the event authorizing the exercise of such option, give written notice to CITY and shall specify therein the date of termination, which date shall not be less than forty-five (45) nor more than ninety (90) days from the date such notice is given.

12.5 If during the term of this Lease any portion of the Leased Premises is condemned or subject to condemnation or taking proceedings by any authority having the power of such condemnation or eminent domain, Lessee shall have the right to terminate this Lease by written notice to CITY at least ten (10) days prior to the later of (i) effective date of possession by the condemning authority or (ii) the date possession of the Leased Premises is required to be surrendered to the condemning authority. If Lessee elects not to terminate this Lease, Lessee's obligation to pay rent shall not be abated, but shall be reduced in pro rata share by the amount of square footage of the Leased Premises subject to taking as to the amount of rent then payable hereunder. Further, if Lessee elects not to terminate this Lease, all awards received for such condemnation or taking attributable to improvements made by Lessee and the leasehold interest of Lessee shall, when received, become the absolute property of Lessee. The remainder of the award shall remain the absolute property of the CITY. Nothing in this Section 12.5 of this Lease shall limit or impair the CITY's or Lessee's remedies against the condemning authority.

12.6 If during the term of this Lease Lessee's use of the Leased Premises is impaired or interrupted by any authority exercising the power of condemnation, eminent domain, or other taking proceedings, and such impairment or interruption of Lessee's use exceeds a period of three (3) months, Lessee shall have the right to terminate this Lease by written notice to CITY at least ten (10) days prior to the date the condemning authority intends to impair or interrupt

Lessee's use of the Leased Premises. So long as Lessee does not elect to terminate the Lease, then all awards received for such condemnation of the use, for a limited period, or all or part of the Leased Premises, whether by way of damages or otherwise, shall, when received, become the absolute property of Lessee. Upon being restored to possession and full use as herein stated, Lessee shall promptly restore the Leased Premises and any appurtenant improvements to the condition existing immediately prior to such condemnation, insofar as reasonably possible, subject to receipt of condemnation proceeds and such alterations as Lessee may elect to make as permitted in Section 10.1 hereof. Nothing in this Section 12.6 of this Lease shall limit or impair Lessee's remedies against the condemning authority; provided, however, that in the event the CITY is the condemning authority, the parties shall negotiate in good faith rent abatement to compensate Lessee for the interruption in business and such rent abatement shall be the sole remedy available to Lessee.

ARTICLE 13 NO MECHANICS LIENS, NO AGENCY CREATED

13.1 Lessee is not the agent, partner or trustee of the CITY, and by this Lease, Lessee acquires no rights to act for or on behalf of the CITY in regard to the repairs or building of any structure upon the leased Premises. CITY is not and shall not be liable for any labor, services or material furnished to Lessee its officers, employees, agents or anybody claiming under this Lease. No materialmen or persons furnishing labor or other services to Lessee shall have the right to file any lien upon the leased Premises, and no mechanics lien filed by any such materialmen, workers or other persons shall attach to said Premises or affect CITY's interest as owner of the leased Premises. Lessee shall not, at any time, hold himself or itself out as having any authority to act for, and on behalf of, the CITY or create a lien on the leased Premises. Should any lien be filed against the leased Premises by reason of any services, materials or work furnished for and on behalf of Lessee, the same shall constitute a breach of this Lease by Lessee, and Lessee shall immediately cause the discharge of any such lien. If the Lessee does not cause the discharge of the lien within 30 days of receiving a demand to do so from the CITY or comply with the requirements of Article 14, the CITY may, but shall not be required to, take action and pay to obtain discharge of the lien. The expenses, including attorney fees, incurred by the CITY in discharging the lien shall be billed to Lessee and shall be due and payable by Lessee to the CITY the first of the month subsequent to such billing. Neither this Article nor Article 14 shall be construed so as to impair Lessee's ability to pledge as collateral its leasehold interest arising from this Lease.

ARTICLE 14 CONTEST OF LIENS

14.1 Notwithstanding provisions of ARTICLE 13 of this Lease, Lessee shall have the right to contest any mechanics lien or other

similar lien if Lessee notifies the CITY in writing of its intention to do so.

14.2 On demand of the CITY, Lessee shall provide a bond in CITY's favor the face amount of which shall be at least twice the amount of the lien claim contested to indemnify and protect the CITY against liability, loss, damage and expense of any nature resulting from said asserted lien and the contest thereof. If Lessee diligently prosecutes such contest, prevents any judicial sale of any part of the Premises and pays or otherwise satisfies a final judgment enforcing such contested lien claim and thereafter promptly procures record releases or satisfaction thereof, Lessee shall be discharged and the bond released. Alternatively, the CITY may require the Lessee to provide a bond pursuant to and in compliance with K.S.A. 60-1110.

ARTICLE 15 INDEMNITY:

15.1 Lessee shall indemnify, protect, defend and save CITY harmless from and against all claims, demands, liabilities, damages and costs including attorneys' fees arising from damage or injury, actual or claimed, of whatever kind or character to property or persons caused by the negligence or willful conduct of Lessee, its employees, agents, representatives, or invitees allegedly occurring on or about the Leased Premises during the Initial Term and any extension or renewal thereof or Lessee's period of actual possession of the Leased Premises. Upon notice from the CITY, Lessee shall defend CITY in any action or proceeding brought in connection with such claims and demands.

15.2 CITY shall indemnify, protect, defend and save Lessee harmless from and against all claims, demands, liabilities, damages and costs including attorneys' fees arising from damage or injury, actual or claimed, of whatever kind or character to property or persons caused by the negligence or willful conduct of CITY, its employees, agents, representatives, or invitees allegedly occurring on or about the Leased Premises during the Initial Term and any extension or renewal thereof or Lessee's period of actual possession of the Leased Premises; provided, however, that the CITY shall have no duty to indemnify and/or defend Lessee in regard to any claim, demand, liability, damages, or costs for which the CITY is exempt from liability or otherwise not subject to pursuant to the Kansas Tort Claims Act, K.S.A. 75-6101 et seq. and amendments thereto ("KTCA"), including without limitation punitive damages and prejudgment interest, and nothing within this Lease shall be construed to constitute a waiver of any exemption, right and protection the CITY may have under the KTCA. Upon notice from the Lessee,

CITY shall defend Lessee in any action or proceeding brought in connection with such claims and demands.

15.3 Lessee shall indemnify and save CITY harmless from and against all claims, demands, liabilities and costs, including attorneys' fees, arising directly or indirectly from, out of, or by reason of Lessee's breach of the provisions of ARTICLE 8, the Environmental Laws, as that term is defined in Article 8, and the Lessee's conduct, omissions or operations or the conduct, omissions or operations of those allowed on the Leased Premise by Lessee during the Initial Term or any extension or renewal thereof. Such obligation to indemnify the CITY shall extend to claims, demands, liabilities and costs, including attorneys' fees, arising after the expiration or termination of the lease, but only to the extent that such claims, demands, liabilities and costs, including attorneys' fees, result from the actions or omissions of the Lessee or someone Lessee allowed to be on the Leased Premises during the term of the lease or during any hold over.

ARTICLE 16 INSURANCE REQUIREMENTS

16.1 Property Insurance:

(a) During the Lease Term, Lessee shall maintain policies of insurance covering loss of or damage to the Leased Premises in the full amount of its actual cash value. Such policy shall contain an Inflation Guard Endorsement and shall provide protection against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, special extended perils (all risk), sprinkler leakage and any other perils which CITY deems reasonably necessary. CITY shall be named as additional insured as its interest may appear in an amount not less than the actual cash value of the Leased Premises. The deductible amount cannot exceed Fifty Thousand dollars (\$50,000). Lessee will be solely responsible to pay the entire deductible regardless of the balance of the Lease term. Lessee shall not do or permit anything to be done which invalidates any such insurance policies.

16.2 Personal Property Insurance:

Lessee, at Lessee's sole expense, may insure Lessee's own property on or about the Leased Premises, and the CITY shall have no obligation in regard to providing such insurance.

16.3 Liability Insurance.

(a) During the Lease Term, Lessee shall maintain a policy of commercial general liability insurance (sometimes known as broad form comprehensive general liability insurance) insuring Lessee against liability for bodily injury, property damage (including loss of use of property) and personal injury arising out of the operation, use or occupancy of the Leased Premises. Lessee shall name CITY as an additional insured under such policy. The initial amount of such insurance shall be ONE MILLION DOLLARS (\$1,000,000) per occurrence and shall be subject to periodic increase based upon inflation, increased liability awards, recommendation of CITY's professional insurance advisers and other relevant factors. The liability insurance obtained by Lessee under this Section shall (i) be primary and non-contributing; (ii) contain cross-liability endorsements; and (iii) insure CITY against Lessee's performance under this Lease. The amount and coverage of such insurance shall not limit Lessee's liability nor relieve Lessee of any other obligation under this Lease. CITY may also obtain comprehensive public liability insurance in an amount and with coverage determined by CITY insuring CITY against liability arising out of ownership, operation, use or occupancy of the Property.

(b) Lessee shall procure insurance coverage required by this Lease through insurance companies authorized to do business in the state of Kansas as may be selected by Lessee and approved in writing by CITY except that Lessee may include the insurance coverage required by this Lease under Lessee's existing blanket coverage provided each insurance requirement of this Lease be fulfilled by such existing blanket coverage.

(c) In the event Lessee fails or neglects to procure and maintain required insurance coverage and pay premiums thereon, CITY at its option either may treat such failure as a default and breach of this Lease or procure such insurance and pay the premiums thereon. Any such premiums paid by CITY shall be deemed additional rent as defined in ARTICLE 3 of this Lease.

(d) All insurance policies described in this ARTICLE 16 and renewals thereof shall name CITY and Lessee as insured parties and shall contain a provision prohibiting cancellation by the insurer without at least thirty (30) days prior written notice to the CITY and Lessee.

(e) It is further agreed by and between the parties hereto that each of said parties hereby waives any and all rights of recovery against one another, based upon negligence of either party, their agents, servants or employees, for real and personal property loss and damage occurring to the building and contents where the leased

Premises are located and to the leasehold Premises and the contents thereof, from any and all physical damage perils insured against, by any and all parties having an insurable interest in real and personal property located on the Premises pertaining to this Lease.

16.4 Certificates of Insurance

Lessee shall deliver to CITY certificates of such insurance, within ten (10) calendar days after this Lease is executed and annually thereafter upon renewal of such insurance or upon reasonable notice from the CITY.

ARTICLE 17 UTILITIES

17.1 Except as otherwise provided herein, the cost of all utilities and utility services (including any repairs thereto) used by Lessee on the Leased Premises including, but not limited to, electricity, natural gas, water, sewer, heat, telephone, solid waste removal, and the cost of installing utility meters shall be paid by Lessee. Such services shall be contracted in Lessee's name, and Lessee shall procure, at its sole expense, all permits, licenses and authorizations necessary for such service. CITY shall, upon request of Lessee, provide any and all documentation necessary for or related to Lessee's obligations as stated in this ARTICLE 17. If for any reason any such utilities or repairs thereof are paid by the CITY, the CITY shall have the right to immediate reimbursement by Lessee. Nothing in this Section 17.1 shall obligate Lessee to make or pay for maintenance, repair, or replacement of any utility services upon the Leased Premises which do not directly service the Leased Premises. In the event any utility service to the Leased Premises is not provided by the City and the City later provides such service, Lessee agrees to pay to connect to the City's system at Lessee's expense in accordance with the standard practices and policies of the City utility for new customers.

ARTICLE 18 INSPECTION OF AND ACCESS TO PREMISES

18.1 Lessee shall permit representatives and agents of the CITY and the FAA free access to the Premises at all reasonable times to examine and inspect the condition thereof and exercise any right reserved to the CITY in this Lease. Further, Lessee shall permit representatives and agents of the CITY free access to the premises for the purposes of exercising or enforcing any right of the CITY under this Lease.

ARTICLE 19 ASSIGNMENT AND SUBLEASES

19.1 Lessee shall not assign this Lease to any third party without the prior written consent of the CITY Board of Directors, which shall

not be unreasonably withheld. The CITY, in its reasonable evaluation of an assignee, may consider (i) the net worth of such assignee and may withhold such consent if the proposed assignee's net worth is, in the reasonable discretion of CITY, insufficient to demonstrate such assignee's ability to perform all the obligations of Lessee under this Lease, (ii) the condition of the Leased Premises at such time and whether the proposed assignee or sublessor has agreed to uphold the same standards of maintenance originally agreed to by Lessee and, if the Leased Premises have fallen into a state of disrepair, to promptly return the same to the required state of repair and cleanliness at its cost and expense and (iii) such other factors which reasonably bear upon the proposed assignee's or sublessee's ability to carry-out the obligations of Lessee hereunder. In the event of a permitted assignment of this Lease by Lessee, and provided such assignee has a net worth, as of the effective date of such assignment, that, in the reasonable discretion of CITY, is sufficient to demonstrate such assignee's ability to perform the obligations of Lessee for the remainder of the Initial Term of this Lease or the then current Renewal Period, the CITY may, in its sole discretion, release Lessee from any further liability. Any such release must be in writing signed by the CITY. Otherwise, Lessee shall not be relieved of any future liabilities and obligations under this Lease from and after the effective date of such assignment but shall be jointly and severally liable with the assignee.

19.2 Within Fifteen (15) days following an Event of Insolvency, Lessee shall notify the CITY in writing and thereafter shall provide such information as the CITY may reasonably request for the purposes of determining whether Lessee will be able to continue as Lessee under this Lease or the identity and suitability of any entity seeking to assume Lessee's rights and obligations under this Lease (the "Assuming Party"). Should the CITY in its sole discretion determine that the Assuming Party possesses adequate resources, experience and wherewithal to perform Lessee's obligations under this Lease, such Event will be regarded as a request for assignment pursuant to this Article. Should the CITY in its sole discretion determine that neither the Assuming Party or Lessee possesses adequate resources, experience and wherewithal to perform Lessee's obligations under this Lease, the CITY may declare Lessee to be in Default of this Lease. The passage of time or inaction of the CITY shall in no event be construed as a waiver of any rights the CITY may have under this Section. For purposes of this Section, an "Event of Insolvency" means any of the following:

- (a) Lessee files a voluntary petition under Chapter 11 of the bankruptcy act; or

(b) An involuntary petition under such act is filed against Lessee, and Lessee after full hearing is adjudged to be bankrupt, insolvent or unable to pay its debts as they mature; or

(c) Lessee proposed to make an assignment for the benefit of its creditors; or

(d) A trustee or receiver, after full hearing, is appointed or retained to take charge of and manage any substantial part of the assets of Lessee; or

(e) Any execution or attachment shall issue against Lessee whereupon any part either of the Leased Premises or of Lessee's interest therein shall be taken or an attempt is made to take the same in contemplation of a judicial sale there under (except that Lessee shall have the right to contest any such attachment or execution in the same manner and to the same extent as Lessee's right to contest liens as set forth in ARTICLE 14 hereof).

19.3 Lessee shall not sublet all or any portion of the Premises to any third party, or amend any sublease agreement previously approved pursuant to this Section 19.2, without the prior written consent of the CITY, and provided that any sublease agreement and amendment thereto must adhere to the following requirements:

(a) Any sublease agreement and amendment thereto shall expressly recognize that the sublease agreement is subordinate to the terms of the Lease.

(b) Any sublease agreement and amendment thereto shall not contradict any term of the Lease.

(c) Any sublease agreement, including any amendment thereto, shall expressly recognize that no contractual relationship exists between the CITY and the sublessee by virtue of the Lease or sublease agreement, and that sublessee cannot enforce any of the terms of the Lease against the CITY.

(d) The CITY shall be furnished with full information regarding and a copy of any prospective sublease arrangement, sublease agreement and amendment thereto.

(e) In the event consent is given by CITY to a sublease agreement or amendment to a sublease agreement, Lessee agrees to provide CITY with a true, correct and complete copy of the executed sublease agreement between Lessee and sublessee, and any amendment thereto.

(f) Such other covenants and conditions which CITY may in its sole discretion determine are reasonably necessary for any sublease agreement or any amendment thereto.

19.4 In addition to and supplemental to Article 15 of this Lease, as a condition of any consent given by CITY to any sublease agreement and amendment thereto, Lessee shall indemnify and save CITY harmless from and against all claims, demands, liabilities and costs, including attorneys' fees, arising directly or indirectly from, out of, or by reason of the sublease agreement and sublessee's possession of the Premises. Upon notice from the CITY, Lessee shall defend CITY in any action or proceeding brought in connection with such claims and demands.

19.5 Any assignment or sublease in contravention of this Article 19 shall be automatically null and void without any further action of the CITY.

19.6 Notwithstanding anything to the contrary contained herein, Lessee and the CITY acknowledge and agree that arrangements into which Lessee may enter for the storage of customer aircraft or equipment within the Leased Premises, though they may take the legal form of a sublease, are not considered subleases for purposes of this Article 19 and do not require the CITY's prior approval; provided such arrangements are a customary feature of Lessee's business operation and are otherwise in compliance with this Lease.

ARTICLE 20 TAXES:

20.1 Lessee shall pay to the proper governmental agencies as they become due all taxes, assessments and similar charges, which, at any time during the term of this Lease, may be taxed, assessed or imposed upon Lessee whether such taxes arise from this Lease, the leased Premises and any permanent improvements thereto or from any other levy or assessment. CITY shall not be liable to pay any such taxes.

ARTICLE 21 RULES AND REGULATIONS:

21.1 Lessee, its officers, agents and employees shall comply with all rules and regulations issued from time to time by the CITY in connection with the management and operation of Ottawa Municipal Airport properties, including land use restrictions.

ARTICLE 22 NONDISCRIMINATION ASSURANCES:

22.1 The Lessee (for himself, his heirs, personal representatives,) (its self, its agents, employees, representatives,) successors in interest, and assignees, 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 Premises described in this Lease for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as amended from time to time, as well as all federal and state laws prohibiting discrimination, including without limitation the Americans with Disabilities Act.

22.2 The Lessee for (himself, his personal representatives,) (itself, its agents, employees, representatives,) successors in interest, and assignees, as a part of the consideration hereof, does hereby covenant and agree that at all times regarding the Lessee's possession and use of the Premises:

(a) no person shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities on the grounds of gender, race, religion, color, national origin, disability, handicap, age, military or veteran status, or based on any other category protected by all federal, state and local laws prohibiting discrimination, as amended from time to time.

(b) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination on the ground of gender, race, religion, color, national origin, disability, handicap, age, military or veteran status, or based on any other category protected by all federal, state and local laws prohibiting discrimination, as amended from time to time, and

(c) that the Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as may be amended from time to time.

22.3 CITY may take action directed by the United States to enforce this ARTICLE 22.

ARTICLE 23 AIRPORT PROTECTION

23.1 CITY reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the airport landing area and all publicly

owned airport facilities together with the right to direct and control all of Lessee's activities in this regard.

23.2 CITY reserves the right further to develop and improve the landing area and all publicly owned air navigation facilities of the airport however it sees fit regardless of the desires or views of Lessee, and without Lessee's interference or hindrance.

23.3 CITY reserves the right to take whatever action necessary to protect aerial approaches of the airport against obstruction and reserves the right to prevent Lessee from erecting or permitting to be erected any buildings or other structures on or near the airport which, in the opinion of the CITY, either would limit the usefulness of the airport or constitute a hazard to aircraft.

23.4 Lessee's right granted by this Lease shall not be exercised in such a way as to interfere with or adversely affect the use, operation, maintenance or development of the airport.

23.5 CITY hereby reserves to itself, its successors and assignees for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft through the airspace above the surface of the Premises together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft now known or hereafter used for air navigation and use of said airspace for landing, taking off and operating on or about the airport.

ARTICLE 24 SUBORDINATION CLAUSE

24.1 This Lease shall be subordinate to provisions of any existing or future agreement between the CITY and the United States of America or any agency thereof 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 receipt and expenditure of Federal funds for the development of the airport, including without limitation, the CITY's grant assurances ("federal obligations"). To the extent that any provision of this Lease is contrary to or in conflict with the CITY's federal obligations, then the parties agree that such provision shall be reformed or modified to the extent necessary to comply with the CITY's federal obligations. The reformed provision shall reflect the parties' true intent in entering into this Lease as closely as possible and shall be consistent with the purpose and objectives of this Lease. Reformation shall be made in a manner that preserves the economic and legal positions of the parties to the maximum extent possible.

24.2 During time of war or national emergency, the CITY shall have the right to enter into an agreement with the United States Government for military or naval use of part or all of the landing area, the publicly owned air navigation facilities and/or other areas or facilities of the airport. If any such agreement is executed, the provisions of this instrument, insofar as they are inconsistent with the provisions of the agreement with the Government, shall be suspended.

ARTICLE 25 NO EXCLUSIVE USE

25.1 It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.

ARTICLE 26 DEFAULT AND BREACH:

26.1 Lessee shall be in default of this Lease whenever:

(a) Lessee fails to perform any duty, agreement or condition required by this Lease;

(b) Lessee fails to make payment when due of rent or any other charges or sums due CITY;

(c) Lessee files a voluntary petition under Chapter 7 of the bankruptcy act;

(d) The CITY determines that an Event of Insolvency is to be regarded as a default pursuant to Section 19.2; or

(e) Lessee abandons the Premises; abandonment shall occur whenever Lessee, its officers, employees and agents all shall be and remain absent from the Premises for sixty (60) consecutive days without notice to the CITY of such absence, so long as the absence was not caused by the CITY or normal airport operations. At the expiration of such sixty (60) day period, the CITY shall have the option to issue a termination notice, which shall take effect immediately on issuance thereof without providing a ten (10) day period within which to cure this default.

26.2 Lessee's default in performance of required duties, agreements and conditions shall constitute a breach of this Lease; CITY may, at its option, terminate this Lease in the manner provided in ARTICLE 27 on Lessee's default or at any time thereafter while Lessee continues in default.

26.3 Any waiver by CITY of any default or breach of this Lease shall neither be construed as a continuing waiver nor as a waiver of a subsequent default or breach and in no event shall imply further indulgence by the CITY.

ARTICLE 27 TERMINATION

27.1 This Lease shall terminate:

- (a) Automatically at the expiration of the Initial Term or the expirations of any renewal or extensions thereof;
- (b) Immediately after either party exercises the option to terminate provided in ARTICLE 12 of this Lease; and
- (c) Immediately upon the CITY exercising its option to terminate because of abandonment subject to paragraph 26.1(g) of this agreement.

27.2 Upon the occurrence of any event of default described in Section 26.1, the CITY shall deliver to the Lessee a written notification specifying the nature of the default and providing Lessee not fewer than thirty (30) days to cure such default. If the Lessee fails to cure such default prior to the expiration of the thirty (30) days, or if such default cannot reasonably be cured within thirty (30) days, to have undertaken and aggressively pursued such cure in good faith, the CITY shall have the right to declare this Lease terminated effective on the date specified in the written notice to Lessee setting forth such declaration.

27.3 In the event of termination by the CITY pursuant to the terms hereof, Lessee shall remain liable for all rent, charges and sums due and owing pursuant to the terms of this Lease, but shall, upon such termination, be obligated to forthwith return the Premises to the CITY. Upon such termination, the CITY shall have the immediate and unconditional right to reenter the Premises free of any right, title and interest of Lessee to the use and possession thereof, but such reentry shall not relieve Lessee's duty to comply with all requirements of this Lease as specified herein. The remedies conferred upon the CITY herein shall not be considered exclusive of any other remedy, but shall be in addition to every other remedy available to the CITY as landlord under this Lease and as a matter of law. The failure of the CITY to insist upon a strict performance of any term or condition of this Lease shall not be deemed a waiver of any right or remedy that the CITY may have and shall not be deemed a waiver of any subsequent breach of such term or condition.

27.4 In the event of an actual or proposed Material Change in Airport Operations, Lessee may notify the CITY in writing that, in Lessee's reasonable opinion, the impact of such change frustrates the purpose for which Lessee uses the Leased Premises in the manner described in Article 8. If, following good faith efforts, the parties are unable to identify a work-around to minimize such impact, Lessee's sole remedy shall be the right to terminate this Lease upon Ninety (90) days written notice to the CITY. Lessee shall not be entitled to any other relief in equity or at law. In such case, Lessee shall remain liable for all rent, changes and sum due and owing pursuant to the terms of this Lease up to the date of termination. For purposes of this Section, a "Material Change in Airport Operations" means the CITY no longer maintains on-site fire and rescue operations at, or a security fence around, the Ottawa Municipal Airport or a similar reduction in safety standards applicable to the CITY which, if left unaddressed, would result in loss of Lessee's IS-BAO or comparable industry certification.

ARTICLE 28 SURRENDER OF POSSESSION

28.1 Upon termination, Lessee shall forthwith peacefully surrender the Premises to the CITY in good condition and repair, ordinary wear and tear excepted. Lessee shall be obligated to broom clean the Premises and immediately clear the Premises of all personal property whether such property is owned by Lessee or otherwise. Lessee shall remain liable to the CITY for all rents, charges and sums due and owing through the entire balance of the Initial Term or the entire balance of the term of any exercised renewal or extension period.

28.2 In the event that Lessee's Lease term has expired and Lessee remains on the Premises, even with the concurrence of the CITY, such acts shall not constitute a renewal of this Lease nor require the CITY to forfeit any of its rights under this Lease. In such event, Lessee shall be considered a Lessee at will. During any such period of tenancy at will, the Lessee and shall pay to the CITY the rents, charges and other sums to be paid by the Lessee under the terms of the last lease between the parties. No payment of money by Lessee to CITY subsequent to the termination of this Lease shall reinstate, continue or extend the terms of this Lease.

ARTICLE 29 ATTORNEY FEES

29.1 If any rent or other fee, charge or sum owing under this Lease is collected by or through an attorney at law, Lessee agrees to pay the CITY's reasonable costs of collecting such rent, fees, charge or sum including the CITY's reasonable attorney's fees, in addition to any and all other monies due and owing the CITY under this Lease.

29.2 Subject to the provisions of Section 29.1, unless otherwise authorized by law, each party agrees to bear its own legal costs in the enforcement or defense of any claim of enforcement of the terms of this Lease.

ARTICLE 30 SERVICE OF NOTICE:

30.1 All notices and other written documents required or described to be issued under this Lease shall be served and delivered for all purposes:

(a) upon CITY by delivery to the office of its President or by mailing certified or registered mail, postage prepaid, addressed to

City of Ottawa, Attn.: City Manager
101 S. Hickory St.
Ottawa, Kansas 66067

And a copy to:

Blaine Finch, City Attorney
Harris Kelsey, Chartered
101 West 2nd Street
Ottawa, Kansas 66067
Blaine@HarrisKelsey.com

and/or at such other place as CITY may designate in writing.

(b) upon Lessee by delivery in person to Lessee or any of its executive officers or by mailing by certified or registered mail, postage pre-paid, addressed to Lessee at:

Dodson International Parts, Inc.
2155 Vermont Road
Rantoul, Kansas 66079

And electronically to:
JR@DodsonParts.com & Nick@DodsonParts.com

or such other place as Lessee may designate in writing to CITY.

30.2 All notices sent by certified or registered mail shall be presumed delivered as of the day following the date they are mailed.

ARTICLE 31 MISCELLANEOUS

31.1 Venue/Litigation. Any controversy, dispute or claim arising out of or relating to this Lease, to enforce the terms of this Lease, or

any breach of this Lease shall be litigated, if at all, only in and before the state District Court of Franklin County, Kansas to the exclusion of all other state courts. Alternatively, if federal jurisdiction exists, any controversy, dispute or claim arising out of or relating to this Lease, to enforce the terms of this Lease, or any breach of this Lease may be litigated in the United State District Court for the District of Kansas sitting in Topeka, Kansas, but in no other federal district court.

31.2 Captions. The captions in this Lease shall have no effect on its interpretation.

31.3 Amendments. Changes to this Lease will not be effective or binding unless in writing and signed by both parties to the Lease.

31.4 Prior Negotiations / Material Inducement. This Lease supersedes all prior negotiations and agreements whether written or oral between the parties relating to the matters addresses by this Lease. Notwithstanding this prior negotiations provision (ARTICLE 31.4.), any Lessee's representations or advertising material, Lessee's operational policies, procedures, guidelines, rule or regulations (collectively known as "representations") that govern Lessee's operations provided to or made known to CITY shall be considered a material inducement for CITY to enter into the Lease and shall be considered as duties and obligations of Lessee under this Lease.

31.5 Addendum. The parties are executing the Addendum to Lease contemporaneous to the execution of the Lease, which modifies the Lease in certain respects and is attached hereto and incorporated herein by reference. In the event of a conflict between the Lease and the Addendum to Lease, the terms of the Addendum to Lease shall control.

31.6 Fully Integrated Agreement. This Lease, including any attached Exhibits and Addendums hereto, contains the entire agreement between the CITY and the Lessee, and supersedes all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written relating to this Lease; provided, however, that this provision does not exclude consideration of the CITY's federal obligations in parol.

31.7 Incorporation of Exhibits. All exhibits attached and referred to in this Lease are hereby incorporated into and shall be deemed to be a part of this Lease.

31.8 Further Cooperation. The parties agree to execute any and all other documents necessary and/or reasonably requested by the other

party to carry out the intent and purpose of this Lease and to comply with any law or regulation.

31.9 Severability/Invalid Provision. The enforceability, invalidity, or illegality of any provision of this Lease shall not render the other provisions unenforceable, invalid, or illegal, and this Lease shall be construed in all respects as if such invalid, unenforceable or illegal provision(s) were omitted.

31.10 Time of Essence. Time is of the essence in the performance of this Lease.

31.11 Relationship of parties: Notwithstanding any provisions of this Lease to the contrary, the parties to this Lease are not partners or joint venturers with, or agents for, one another, neither party has the authorization to act for, obligate or legally bind the other party to a third party in any manner whatsoever.

31.12 Joint Drafting. This Lease shall be deemed to have been drafted by both parties hereto and shall not be construed in favor of either party over the other. Both parties shall sign two (2) copies of this Lease.

31.13 Conflict of Interest. Each party hereby represents and warrants that no officer, director, employee or agent of the other party has been or will be employed, retained, paid a fee or otherwise has received or will receive, directly or indirectly, any personal compensation, "kickback" or any other consideration outside the specific terms of this Lease in connection with or in contemplation of this Lease or any subsequent amendment or addendum.

31.14 Authorization and Authority. The parties to this Lease covenant that the person who signs for the party is fully authorized to do so and that person's signature will cause the Lease to be a fully binding obligation on the party and that all authorizations necessary to make it a fully binding obligation exist.

31.15 Force Majeure. In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of acts of God, floods, fire, earthquakes or other natural disasters, strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war or other reason of a like nature not the fault of and beyond the reasonable control of the party delayed in performing work or doing acts required under the terms of this Lease ("force majeure event"), then the time allowed for performance of such act shall be extended by a period equivalent to the period of such

delay. Any party asserting the occurrence of a force majeure event shall provide the other party with notice of the force majeure event within ten (10) days of obtaining actual knowledge of the force majeure event, identifying with specificity the cause of delay and stating the period of time the delay is anticipated to continue. The noticing party shall use reasonable efforts to end the failure or delay to ensure that the effects of the force majeure event are minimized. Notwithstanding anything to the contrary in this Lease, the occurrence of a force majeure event shall not excuse either party from paying in a timely fashion any amounts due under this Lease or extend the term of the Lease.

31.16 This Lease shall be binding on the heirs, executors, administrators, successors and assignees of the respective parties hereto. This Lease constitutes the entire agreement between the parties with regard to the subjects addressed in this Lease. If multiple copies of this Lease are executed each one shall be deemed an original.

IN WITNESS WHEREOF the respective parties hereto have caused this instrument to be executed on their behalf by their duly authorized officers on the dates indicated below. The Lease shall become binding when properly executed by both parties hereto, and the effective date of this Lease shall be the date specified in the first paragraph of this Lease.

CITY OF OTTAWA

ATTEST:

Melissa Reed
City Clerk or Designee

CITY
By: Brian W. Johnson
City Manager

Date: 10/23/24



LESSEE: DODSON INTERNATIONAL
PARTS, INC.

ATTEST:



LESSEE Secretary or Designee

By: 

Its: VP & General Counsel

Printed Name: Nicholas Dodson

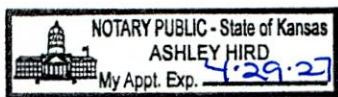
Date: 10/22/24

CITY:

State of Kansas)
) SS.
County of Franklin)

BE IT REMEMBERED THAT on this 23rd day of October, 2024, before me, the undersigned Notary Public in and for the County and State aforesaid, came Brian Silcott, who is the City Manager of the City of Ottawa, Kansas who is personally known to me to be the same person who executed the above Lease, and duly acknowledged the execution of the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal on the day and year last above written.



Ashley Hird
Notary Public

{SEAL}

My Commission Expires: 4.29.27

LESSEE:

State of Kansas)
) SS.
County of Franklin)

BE IT REMEMBERED THAT on this 22nd day of October, 2024, before me, the undersigned Notary Public in and for the County and State aforesaid, came Nicholas Dodson who is the VP of Dodson International Parts, Inc. who is personally known to me to be the same person who executed the above Lease, and duly acknowledged the execution of the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal on the day and year last above written.



Mary L Snyder
Notary Public

{SEAL}

My Commission Expires: 6.5.2026

EXHIBIT A

Survey of Leased Premises provided by Lessee

TRACT 1:

Beginning at a point 25 feet North and 30 feet West of the Southeast corner of Section 25, Township 17S, Range 19 E, therein North on a line parallel to the East line of said Section 25, a distance of 641.28 feet, therein West on a line parallel to the South line of said Section 25, a distance of 470 feet, therein South 261.28 feet, therein in a Southeasterly direction to a point 30 feet west of the point of beginning, therein East 30 feet to the point of beginning; containing 5 acres, more or less, Franklin County, Kansas.

TRACT 2:

A tract of land lying entirely within the Southeast Quarter of Section 25, Township 17 South, Range 19 East, Franklin County, Kansas; said tract being more particularly described by Joseph B. Strick Kansas PS 1373 on this 26th Day of June, 2024 as follows:

BEGINNING at a point 25 feet North and 30 feet West of the Southeast corner the Southeast Quarter of said Section 25; thence North $02^{\circ}9'33''$ West, parallel with the East line of the Southeast Quarter of said Section 25, a distance of 641.28 feet; thence South $87^{\circ}52'09''$ West, parallel with the South line of the Southeast Quarter of said Section 25, a distance of 470.00 feet; thence South $02^{\circ}9'33''$ East, parallel with said East line, a distance of 641.28 feet to a point being 25.00 feet north of the South line of the Southeast Quarter of said Section 25; thence North $87^{\circ}52'09''$ East, parallel with said South line, a distance of 470.00 feet to the POINT OF BEGINNING; containing 301,401.56 square feet, or 6.92 acres, more or less

EXHIBIT B

The improvements set forth below are the mandatory improvements constructed by Lessee on the site of the Tract in Exhibit A. The cost of the entire complex is anticipated to exceed \$1,500,000.00.

Mandatory Improvements

1. Construct a hangar of at least 12,000 square feet on the site.
 1. Lessee will cause construction of an aircraft hangar of at least 12,000 square feet with similar quality or higher exterior finish as the City's Municipal Hangar, with bottom rolling hangar doors of not less than 100 feet in width and 28 feet in height.
2. Ramp Expansion
 1. Lessee will cause there to be a ramp expansion of approximately 10,000 square feet that extends from the southwest corner of Lessee's existing building directly south to the new hangar. Ramp expansion will be engineered to support aircraft up to 15,000 pounds and will generally meet or exceed FAA ramp construction guidelines.

Allowed Temporary Improvements

1. Temporary Construction Driveway.
 1. Lessee may construct a temporary construction driveway to alleviate use of and damage to the ramp, during the construction of the Mandatory Improvements above. The driveway will proceed west from Montana Road in a direct path to the site of construction and will comply with all Franklin County regulations concerning connection to Montana Road. Upon completion of the Mandatory Improvements, the driveway will be repaired and reseeded with grass seed.

EXHIBIT C

1. This Exhibit C provides terms relating to the construction of the Mandatory Improvements upon the Leased Premises, and also applies to any other Permanent Improvements made by Lessee to the Leased Premises. In the event of a direct conflict between a provision within the body of the Lease (Articles 1 through 31 of the Lease) and a provision of this Exhibit C, the applicable provision of the body of the Lease shall control.
2. The terms as defined in the body of the Lease shall have the same meaning for the purposes of this Exhibit C.
3. Lessee shall not erect, alter, remodel, or renovate any building or other improvements on the Leased Premises without the prior written approval of the CITY, which approval may be given or withheld in the CITY's reasonable discretion.
4. Prior to constructing the Mandatory Improvements or other Permanent Improvements on the Leased Premises, Lessee shall first submit to the CITY plans and specifications prepared by licensed architects, engineers, or other appropriately credentialed professionals selected by Lessee in its sole discretion setting forth the renovations, construction, alterations, or improvements that Lessee desires to implement, and such other detail as may be reasonably required by the CITY. Upon written request from the CITY, Lessee shall provide any and all construction contracts relating to construction of the Mandatory Improvements or other Permanent Improvements with contractors selected by Lessee in its sole discretion; provided that Lessee may, if it chooses, redact information Lessee deems proprietary in its sole discretion.
5. Lessee shall not initiate any physical renovations, construction, alterations, or improvements in furtherance of the Mandatory Improvements or other Permanent Improvements until the CITY has given written approval of Lessee's plans, specifications and construction contracts. The CITY agrees to examine and approve or disapprove plans, specifications and construction contracts submitted in accordance with the provisions above within thirty (30) days after receipt thereof and to give Lessee written notification of same. No review or approval by the CITY shall constitute any representation or warranty by the CITY that the plans and specifications are complete, correct or accurate, and the CITY shall not be liable for any inaccuracies, errors, defects or deficiencies of any nature. The CITY, by giving its approval, assumes no liability or responsibility therefor or for any inaccuracies, errors, defects or deficiencies in such plans and specifications or for any defects in any work performed according to such plans and specifications, pursuant to the applicable construction contracts. Lessee shall indemnify and hold the CITY, its directors, officers, employees and agents, harmless from and against any and all claims, causes of action and liabilities, whether actual or potential, relating to (i) the construction, alteration, repair and improvements undertaken by Lessee in conjunction with the Mandatory Improvements and other Permanent Improvements, and (ii) the CITY's approval of any plans and specifications relating to the Mandatory Improvements and other Permanent Improvements.

6. Prior to the initiation of construction, Lessee shall procure any and all approvals of the plans and specifications for the Mandatory Improvements or other Permanent Improvements required by the FAA, including without limitation any environmental reviews and FAA's Form 7460 approval. Lessee shall also comply with the notification and review requirements of Part 77 of the Federal Aviation Regulations (14 C.F.R. Part 77) prior to construction or material modification or alteration of the Mandatory Improvements or other Permanent Improvements. Lessee shall also procure any and all required additional approvals of the plans and specifications of the plans and specifications by any other federal agency, the State of Kansas, Franklin County, or any other agency having jurisdiction thereof, and shall obtain any and all requisite building and construction licenses, permits, or approvals. Lessee shall be solely responsible for paying the costs of obtaining all approvals for the Mandatory Improvements or other Permanent Improvements.
7. As of the Effective Date, CITY and Lessee acknowledge the site selected and the preliminary layout submitted for the Mandatory Improvements have been approved by the CITY. Any changes to the layout for Mandatory Improvements or other Permanent Improvements shall comply with the CITY's Master Plan, Airport Layout Plan ("ALP") and any design standards which may be implemented by the CITY from time-to-time. In the event that any of the Mandatory Improvements or other Permanent Improvements requires a change to the CITY's Master Plan or ALP which is acceptable to the CITY, in its sole discretion, the CITY will proceed in good faith to obtain the requisite approvals from the FAA; provided, however, the CITY shall not be liable to Lessee for any denial of a proposed Master Plan or ALP change, or any required alteration of a proposed Master Plan or ALP change required by the FAA.
8. Prior to the initiation of construction of the Mandatory Improvements, Lessee shall provide the CITY with a copy of a performance bond and payment bond with good and sufficient sureties. The payment bond shall be in an amount equal to the amount of the construction contract(s) and adjusted for any and all change orders thereto.
9. Prior to the initiation of construction of any portion of the Mandatory Improvements, Lessee shall obtain or cause its contractor to obtain and keep in full force and effect and a builder's risk insurance policy for all portions of the Leased Premises then under active construction with coverage equal to the total amount of the construction contract(s) for each portion of the Mandatory Improvements. The CITY shall be named an additional insured on the policy and in the event of a loss, the proceeds shall be used to promptly reconstruct the damaged or lost improvements.
10. The Mandatory Improvements or other Permanent Improvements shall be performed by appropriately licensed contractors and shall comply with applicable building code requirements and with applicable laws and regulations promulgated by any federal, State of Kansas, Franklin County, or any other agency having jurisdiction thereof. Construction of the Mandatory Improvements or other Permanent Improvements shall be performed and constructed in a good and workmanlike manner in accordance with the plans and

specifications approved by the CITY, with the contractor guaranteeing workmanship and materials for at least one (1) year following completion of such improvements.

11. The cost of the Mandatory Improvements or other Permanent Improvements shall be borne and paid for solely by Lessee. Except as may be otherwise set forth herein, the CITY shall have no financial or other obligation of any kind under this Lease, other than the leasing to Lessee of the Leased Premises that are the subject hereof for the term and consideration set forth in the body of the Lease.
12. Upon completion of the Mandatory Improvements or other Permanent Improvements, a conformed set of "as built" plans and specifications, certified by the appropriate design professional(s) and a Certificate of Occupancy, if required, shall be provided by Lessee to the CITY.
13. Upon completion of any Mandatory Improvement and receipt of written request from Lessee, the CITY will provide written confirmation that such Mandatory Improvement has been completed in accordance with the Lease.
14. Unless otherwise agreed to in a written instrument signed by the Parties at the time that plans for the Mandatory Improvements or other Permanent Improvements are approved by the CITY, such renovations, construction, alterations, or improvements constructed by Lessee at the Leased Premises (except the installation of removable trade fixtures by Lessee) shall, immediately upon such construction thereof, become and remain the property of the CITY and part of the Leased Premises and shall remain at the Leased Premises upon the expiration of the Lease Term or early termination of this Lease.
15. Once construction of any of the Mandatory Improvements is commenced, Lessee shall pursue completion of the Mandatory Improvement diligently. In the event Lessee fails to complete the Mandatory Improvement within the timeframe established by Lessee's plan and construction contract and any necessary delays accounted for under the terms of the construction contract, or construction of the Mandatory Improvement at issue ceases due to Lessee's default under the construction contract, the CITY may request a written plan from Lessee to complete the Mandatory Improvement at issue. In the event Lessee does not provide an acceptable written plan of completion to the CITY within thirty (30) days of the CITY's request or informs the CITY of its inability to complete the Mandatory Improvement, the CITY shall have the right to (i) pursue any of the remedies available to the CITY in the Lease and (ii) complete the Mandatory Improvement at Lessee's expense. The CITY shall be specifically subrogated to all of the rights of Lessee in the event of a default under this provision.

EXHIBIT D

Standards of Maintenance and Upkeep

These standards are being incorporated into all CITY leases. They are subject to modification following notification of the Lessees. CITY Lessees, especially those engaged in aeronautical activities, may be subject to additional rules, regulations and standards.

Lessee shall maintain all buildings and land for which it is responsible on CITY property to the following standards, except as otherwise reasonably directed by the CITY Manager or his or her designee:

1. Exterior buildings, signs and other structures shall be painted regularly so as to prevent undue rust and deterioration. Prior to the construction or display of any exterior signing, written approval must be obtained from the CITY.
2. All doors, windows and exterior covering on all structures shall be kept in a state of good repair, free of holes, breakage, deterioration, decay or undue wear and tear.
3. Storage areas outside of buildings on the leased premises shall be screened from public view.
4. Lessee shall not allow storage of trailers, CONEX, or similar containers on their leased premises without first obtaining written approval of the CITY Manager or his or her designee. Any such approved trailers or containers shall be kept in working condition, with doors closed. The CITY Manager or his or her designee may withdraw their consent to such containers if, in his or her sole discretion, Lessee has allowed them to become a nuisance or to detract from the overall appearance of the premises.
5. Non-paved areas shall be landscaped with lawns, mulch, shrubs, etc., as approved by the CITY Manager or his or her designee. Lawns shall be cut to present a neat appearance. Lessee landscaping shall be trimmed and refreshed as necessary to present a neat appearance.
6. Uncontained trash is not allowed on CITY property. Trash and cigarette cans are to be placed in a safe, reasonably inconspicuous location on Lessee's leased premises.
7. All used or unused oil, solvents, and other hazardous/non-hazardous materials and waste shall be handled and disposed of, away from CITY property, in accordance with Federal, State and Local requirements. The piling or other inappropriate storage of crates, boxes, barrels, and containers will not be permitted on CITY property.
8. All paved surfaces for which Lessee is responsible shall be joint-sealed and painted regularly.
9. Lessee will promptly remove snow and ice from the parking lots and sidewalks on its leased premises.
10. Any paint materials, lacquers or finishing materials applied to any portion of the Leased Premises must first be approved by CITY as to composition, quality and color. Such approval shall not be unreasonably withheld or delayed.

EXHIBIT E

Rules and Regulations for Ottawa Municipal Airport

EXHIBIT F
MINIMUM REQUIREMENTS PERTAINING TO AERONAUTICAL ACTIVITIES

As of the Commencement Date, the CITY is in the process of developing, but has not yet adopted formal written minimum standards for aeronautical services at Ottawa Municipal Airport (“Minimum Standards”). In the interim, this Exhibit sets forth the minimum requirements with which Lessee Dodson International Parts, Inc., and its approved sublessees or assignees (collectively referred to as “Lessee”), must comply to the extent, and for so long as, it delivers, or permits the delivery of, aeronautical services from the Leased Premises. This Exhibit is incorporated in the Lease between the CITY and Dodson International Parts, Inc. dated on or about November 1, 2024 (herein the “Lease”) and controls in the case of any conflict with the Lease.

Once the CITY adopts Minimum Standards applicable to all users of Ottawa Municipal Airport who are conducting aeronautical activities, Lessee agrees that it will be bound to adhere thereto as a condition of its continued delivery of aeronautical services. In such event, the Minimum Standards will be deemed incorporated into this Exhibit and the Lease, and control in the case of any conflict with this Exhibit or the Lease.

1. Authorized Aeronautical Services. (a) Lessee is authorized to provide the following aeronautical services at the Ottawa Municipal Airport:

- A. Aircraft management
 - 1) Aircraft hangar storage
 - 2) Aircraft tie down
 - 3) Aircraft towing
 - 4) Aircraft disassembly

- B. Aircraft maintenance
 - 1) Aircraft parts sales
 - 2) Avionics repair and sales

(the “authorized aeronautical services”).

(b) Lessee acknowledges that the City has an agreement with a fixed base operator (FBO) and that it will not provide FBO services unless under a contract with the City to do so. Lessee is authorized to provide the authorized aeronautical services to its own clients with whom it has entered a written agreement for the provision of such services, and guests thereof. Lessee, as a SASO, shall not provide any such services to the public or any person other than Lessee’s clients and guests, and Lessee agrees not to advertise fuel pricing to the flying public. Lessee shall furnish said services on a reasonable, and not unjustly discriminatory, basis to all recipients of the authorized aeronautical services and charge reasonable, and not unjustly discriminatory,

prices for each unit or service, provided that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

(c) Lessee may request the CITY's approval to provide additional aeronautical services through a written request to the CITY at least thirty (30) days in advance of its intent to provide such additional services. Upon being satisfied Lessee's request, if granted will not adversely affect the flying public or the operations of Ottawa Municipal Airport and is otherwise in compliance with this Exhibit, the Lease and CITY Minimum Standards, if in place, the CITY may issue its written approval, which will not be unreasonably withheld, to Lessee to provide the additional service(s).

(d) **Use of Airfield.** In addition to the Leased Premises, Lessee shall have the privilege of using the public portions of Ottawa Municipal Airport, including runways, taxiways and public ramps, and the public facilities thereon subject to such airport rules and regulations as may from time to time be revised and adopted by the CITY.

(e) **Fuel.** Lessee agrees to purchase all fuel for its aviation related activities at the site from the City of Ottawa or its Fixed Base Operator. Lessee may set its own tanks and fuel its own planes, but agrees it will not fuel any other planes, nor attempt to sell fuel to third parties.

(f) **Storage.** There shall be no outside storage of aircraft parts.

2. Fees and Charges. In consideration of its commercial use of the landing area and other public facilities on the Ottawa Municipal Airport in the course of its delivery of authorized aeronautical services, Lessee agrees to pay to the CITY the following fees and charges:

A. Other Fees and Charges. The CITY reserves the right to implement from time to time, and Lessee agrees to pay, other reasonable fees and charges; provided, however, all such fees and charges shall be consistent with any then-applicable Federal Aviation Administration regulations or guidelines and shall be levied equitably upon all tenants making the same or similar use of the public facilities at the Ottawa Municipal Airport who have entered into leases with the CITY.

3. Minimum Requirements. The following Minimum Requirements shall govern Lessee's delivery of the authorized aeronautical services at Ottawa Municipal Airport:

A. Lease space: Lessee currently leases the use of 11.29 acres of land, more or less, and 31,300 square feet of building space, more or less, with sufficient adjacent paved walkways, driveways and taxiways to allow ready access to the Leased Premises. This is

acknowledged by the parties to be adequate to the competent delivery of the authorized aeronautical services.

- B. **Auto parking:** Lessee has and agrees to maintain no fewer than the required number of customer auto parking at the Leased Premises pursuant to the City Zoning Regulations.
- C. **Repair and Maintenance.** Lessee, at its sole expense, shall maintain and repair all Fuel Storage Tanks in such a condition as to permit the safe use and operation of the tanks and to prevent leakage. The CITY shall have absolutely no obligation whatsoever to undertake any repair, maintenance, replacement, or improvement of any type or nature to any Fuel Storage Tank owned and operated by Lessee. Any repairs undertaken by Lessee on its own tanks shall be done in a professional workmanlike manner and in accordance with all applicable state and federal laws.
- D. **Insurance.** The insurance policy Lessee is required to carry pursuant to the Lease may satisfy this insurance requirement provided it contains such additional coverage as it set forth below. Lessee agrees that it shall carry Commercial General Liability insurance in an amount of not less than \$1,000,000 per occurrence bodily injury and property damage liability with an aggregate limit of \$2,000,000. In addition, Lessee shall obtain an insurance policy or an endorsement to its Commercial General Liability policy with a separate limit of \$1,000,000, insuring against third party bodily injury, property damage, and loss arising out of cleanup and related costs for leaks from the Fuel Storage Tanks and such policy or endorsement shall provide that coverage shall extend for one year after the termination or earlier expiration of this Agreement. The CITY shall be named as an additional insured on all insurance policies required to be obtained by Lessee. Copies of insurance policies evidencing compliance by Lessee shall be submitted to the CITY and Lessee shall not use the Fuel Storage Tank until such copies have been furnished. Lessee shall have an endorsement attached to the policies providing that at least thirty (30) days prior to the termination of the policies the insurance carrier shall notify the CITY of such termination. All insurance carriers issuing policies required by this Agreement shall be licensed to do business in the state of Kansas and shall be satisfactory to the CITY.
- E. **Conduct of Business.** Lessee agrees to conduct its delivery of the authorized aeronautical services in a professional and first-class manner.
- F. **No Exclusive Right.** It is understood and agreed by Lessee and the CITY that nothing contained within the Lease or this Exhibit is intended or shall be construed to grant or authorize an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958, as amended.

- G. **Aircraft Owner/Operator Self-Service.** Lessee acknowledges and agrees that no right or privilege has been granted which would operate to prevent any person or persons, firm or corporation operating aircraft at Ottawa Municipal Airport from performing any services on its own aircraft with its own employees (including, but not limited to, maintenance and repair) that it may choose to perform.
- H. **Development of the Ottawa Municipal Airport.** The CITY reserves the right to further develop and improve the Ottawa Municipal Airport as it deems appropriate, regardless of the desires or views of Lessee and without interference or hindrance by Lessee; provided that the CITY shall have no right to relocate Lessee without its consent other than in strict adherence with the Lease.
- I. **Subordination to the United States Government.** Lessee's rights under the Lease and this Exhibit shall be subordinate to the provisions of any existing or future agreement between the CITY and the United States with regard to the use, operation and maintenance of the airports, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the airport.
- J. **Revision of Minimum Requirements.** Lessee acknowledges the CITY may from time to time amend the Minimum Standards and Lessee agrees to comply with such amended standards which are applicable to all users of Ottawa Municipal Airport providing similar aeronautical services.

4. Other Obligations of Lessee. No provision of this Exhibit relieves Lessee of the obligation to abide by the general Rules and Regulations of Ottawa Municipal Airport and applicable federal, state and local laws and regulations, including those established by the CITY from time to time, concerning fuel storage, handling, spill clean-up, and remediation of petroleum products.

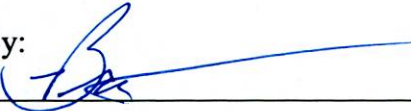
5. Expiration/Termination. Unless otherwise terminated, Lessee's authority to deliver aeronautical services from the Leased Premises pursuant to this Exhibit will automatically expire upon the expiration or earlier termination of the Lease. Upon the termination of the Lease or Lessee's authority under this Exhibit, Lessee shall immediately cease providing all aeronautical services at the Ottawa Municipal Airport.


[signatures to follow on next page]

THE PARTIES HEREBY CONFIRM THEIR ASSENT TO THE FOREGOING.

CITY OF OTTAWA, KANSAS

**DODSON INTERNATIONAL PARTS,
INC.**

By: 

By: 

Printed Name:
Brian W. Silcott

Printed Name:
Nicholas Dodson

Its: City Manager

Its: VAF General Counsel

Date: 10/23/2024

Date: 10/22/24

EXHIBIT G
Required Notices and Deadlines

<u>Commencement Date (Section 2.1)</u>	<u>1 Nov. 2024</u>
<u>Termination of Initial Term (Section 2.1)</u>	<u>31 Oct. 2074</u>
<u>Renewal Term Meet and Confer (Section 5.3)</u>	<u>1 Aug. 2074</u>
<u>Renewal Term Notice (Section 5.2)</u>	<u>1 Sept. 2074</u>
<u>Completion of Mandatory Improvements (Section 2.3)</u>	<u>1 Nov. 2027</u>

Agenda Item: XI.C

**City of Ottawa
City Commission Meeting
March 24, 2025**

TO: City Commissioners
SUBJECT: Emergency Tornado Siren Upgrade Expense Request
INITIATED BY: Director of Utilities
AGENDA: New Business

Recommendation: Approve funding for the tornado siren upgrades in 2025, utilizing available funds from the electric fund's stability outlay to cover the budget shortfall.

Background: The City of Ottawa allocated \$80,000 for tornado siren upgrades in both 2024 and 2025. Due to the deferral of the 2024 upgrades, it is essential to proceed with the project in 2025 to maintain the reliability of the city's emergency notification system. The proposed upgrades will enhance the system with dual activation capabilities using both RF (radio frequency) and cellular backup, mitigating the risk of activation failure. Once Franklin County completes its upgrades, Ottawa's system will allow real-time remote monitoring of siren functionality.

Analysis: The City of Ottawa currently maintains ten (10) tornado sirens. The proposed upgrades will include the full modernization of five (5) sirens and partial upgrades to three (3) others. These upgrades are necessary due to changes in technology and new requirements for cellular backup implementation.

Key benefits:

- Enhances reliability with dual activation options (RF and cellular backup)
- Allows for integration with Franklin County's emergency management system
- Provides real-time monitoring for system health and activation status
- Reduces the risk of siren failures during severe weather emergencies

Financial Considerations: The updated cost for the project is \$122,926.35, exceeding the originally budgeted \$80,000 for 2025. The cost increase is attributed to:

- Required cellular account setup and annual subscription fees
- Equipment pricing adjustments due to new cellular board technology
- Installation and system optimization services

Emergency Management Director Tom Winter is actively pursuing grant funding to help offset costs for other Franklin County jurisdictions. While the additional amount is not budgeted, the undesignated stability outlay in the electric fund could cover the difference.

Legal Considerations: None identified at this time.

Recommendation/Action: It is recommended that the City Commission deliberate approval of the recommended expense request for Emergency Siren Upgrades in 2025.

- Take action at the March 26, 2025, Regular Meeting:

“Recommend approving the funding for the 2025 Tornado Siren upgrades and authorizing City Manager Silcott to proceed with the purchase and implementation of the upgrades.”

- Recommend the item be moved to a future City Commission meeting for further discussion and consideration.

Attachments: XI.C.1 Tornado Siren System Map (2 pp)

