

**CITY OF GRAHAM, TEXAS
REQUEST FOR PROPOSALS (RFP)
FOR
AIRCRAFT MAINTENANCE PROVIDER
AT
GRAHAM MUNICIPAL AIRPORT (KRPB)**

The City of Graham, or the “Owner,” is soliciting Proposal(s) for an Aircraft Maintenance Provider to provide aircraft maintenance services at the Graham Municipal Airport, which is located at 1810 Fourth Street, Graham, Texas. Proposals must be received on or before **4:00 P.M. on Thursday March 15, 2024**, by the City of Graham. The envelope containing your proposal shall be clearly marked as follows:

**Request for Proposal
Airport Maintenance Provider
DO NOT OPEN
City of Graham, Texas
Closes 4:00 P.M. on March 15, 2023**

Proposals must be submitted to:

City of Graham-Airport Request for Proposals
Attn: City Secretary Marci Bueno
612 Elm Street
Graham, TX 76450

The full Request for Proposals including facility, concept, contractual requirements, and related matters, may be viewed on the City website: www.cityofgrahamtexas.com.

Questions and inquiries about this RFP should be directed to Airport Manager John Delamarter at jdelamarter@grahamtexas.net or Airport Board Chairman Steve Pierce at pierceaero@gmail.com.

Owner reserves the right to reject any or all proposals, to waive irregularities in the procedure, to accept only part of a proposal (in the event of multiple-item proposals) and to accept the proposal that the Owner considers to be the best value proposal. Bid proposals must be in accordance with the laws of the State of Texas. The Owner reserves the right to reject any and/or all proposals, to award contracts for individual products or services as may appear advantageous, and to negotiate separately in any manner necessary to serve the best interest of the Owner. No proposals may be withdrawn for a period of fifteen (15) days subsequent to the deadline for receipt of proposals without the prior written consent of the City of Graham, Texas.

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This Notice to be published in the *Graham Leader* on the following dates:

February 7, 2024 and February 21, 2024

This notice is to be published continuously on the City's website (www.cityofgrahamtexas.com) until the submission deadline.

City of Graham, Texas



REQUEST FOR PROPOSALS

**AIRCRAFT MAINTENANCE PROVIDER
AT
GRAHAM MUNICIPAL AIRPORT (KRPH)**

**PROPOSALS DUE:
MARCH 15, 2024, 4:00 PM**

SECTION I – DESCRIPTION

The City of Graham (“City”) is soliciting Proposals, on behalf of the Graham Municipal Airport (KRPH), from qualified firms or individuals to provide aircraft maintenance and repair services for KRPH. KRPH is a general aviation, city-owned, airport located in North Central Texas approximately 60 miles south of Wichita Falls, Texas. There are 51 aircraft currently based at KRPH and the Fixed Based Operation (FBO) is owned and operated by the City of Graham. KRPH has a full-time Airport Manager who will serve as the City Manager's Representative for oversight of the selected Aircraft Maintenance Provider. KRPH is currently considering expansion of leased spaces for hangars and is actively pursuing State of Texas Grant funding for this expansion

SECTION II - ASSUMPTIONS AND AGREEMENTS

The purpose of this request for proposals is to obtain expert professional aircraft maintenance and repair services for aircraft maintenance customers. The initial agreement will be for one year and renewable for up to four additional years. The provider will operate independently with periodic oversight by the Airport Manager, City Manager, and the Airport Board of Directors.

A maintenance hangar will be made available to the selected provider via a leasehold at a rate of \$1,500 per month (please see Exhibit 'A' to this RFP for a draft lease agreement). The hangar is 6,000 square feet in size. The hangar is attached to the FBO, and the selected provider will have access to restroom and designated administrative facilities within the FBO. The leasehold agreement provides for time-restricted parking of aircraft on the airport ramp for aircraft that are awaiting maintenance.

SECTION III - REQUIREMENTS AND CRITERIA

Requirements

The selected provider must be qualified and capable of the following:

1. Have at least one staff member with Inspection Authorization and Airframe and Powerplant Certifications.
2. Have substantial experience in general aviation piston aircraft maintenance including airframe work, engine repairs, component repairs, annual and 100-hour inspections.
3. Must carry general liability and workers compensation insurance in amounts satisfactory to the City of Graham.
4. Must comply with Graham Municipal Airport Rules and Regulations and Airport Minimum Standards, which are available at www.cityofgrahamtexas.com

5. Provider shall operate, at a minimum, during normal business hours, five days per week, eight hours per day, and be available on weekends and holidays in the event of an airplane-on-the-ground emergency.

Criteria and Evaluation

Providers who meet the following criteria shall considered competitive for consideration:

1. Have a strong financial position and an excellent reputation for serving customers.
2. Have a positive history with regard to Federal Aviation Administration compliance.
3. Have substantial experience in General Aviation (GA) piston aircraft maintenance including airframe work, engine repairs, component repairs, annual and 100-hour inspections.
4. Have the ability to provide the necessary equipment, fluids and tools for popular GA aircraft and engines.
5. Have references which demonstrate a proven record of positive performance in the field of aircraft maintenance.
6. Evaluation:

- In selecting a provider, the City of Graham will weigh Qualifications, Experience, Capabilities, Resources, and References.

- The City of Graham will appoint a selection committee to review the Proposals in order to recommend the top ranked Provider to the City Council for award, based on the above criteria. The final award decision rests with the City Council.

- All proposals will be screened by the selection committee and those Providers selected for a short list may be invited to attend an interview, at the Provider's own expense. Any invitation for an oral presentation will be solely to clarify proposals received from each qualifying Provider and will not represent any decision on the part of the evaluation committee as to the selection of a successful Provider.

SECTION IV – DEFINITIONS, TERMS AND CONDITIONS

Definitions

CITY OF GRAHAM – Same as City.

CONTRACT – An agreement between the City and the Provider to furnish supplies and/or services over a designated period of time during which repeated purchases are made of the commodity and/or service specified.

PROVIDER - The offer of services under this RFP.

RFP – Request for Proposal.

Proposal Submission

There is no specific format required for the proposal. A successful submission to this Request should involve describing, in some level of detail, the Providers' business plan for the service at KRPH and the likely approach the company will take to fulfill the requirements of this Request.

A complete proposal should contain, at a minimum, the following:

1. A brief history of the Provider, the Provider's legal structure and ownership, and a brief description of the aeronautical services it provides, including the type and location of such services.
2. A description of legal actions taken or pending against the Provider during the past three (3) years. Also describe any disciplinary action taken or pending against the Provider during the past three (3) years by any regulatory bodies or professional organizations.
3. A description of the services envisioned to be provided at KRPH.
4. A brief description of how the maintenance services would be marketed and advertised.
5. A timeline for establishing the business.
6. A description of the firm's business processes and customer satisfaction methodology.
7. Letters of Reference from prior Customers (if applicable).
8. A completed Conflict-of-Interest questionnaire; the questionnaire is provided as part of this document.

Receipt of Proposals

The submitted Proposal(s) must be received in a sealed envelope by the City prior to the time and date specified. The mere fact the Proposal was dispatched will not be considered; the Provider must ensure the Proposal is delivered. Regardless of cause, late submissions will not be accepted or opened and will automatically be disqualified from further consideration. It shall be the Provider's sole risk to ensure delivery at the designated office by the designated time.

Signed and sealed responses must be received on or before **4:00 p.m. on March 15, 2024**, at which time proposals will be opened, announced, and recorded. Responses received after this date and time shall not be considered. Proposals will be accepted in person, by United States Mail, by United Parcel Service, or by private courier service. **No proposals will be accepted by oral communication, telephone, electronic mail, telegraphic transmission, or telefacsimile transmission.**

Proposals may be withdrawn prior to the above scheduled time set for closing of the proposals. Proposals CANNOT be withdrawn, altered, or amended after the closing date. Alterations made before the closing date must be initiated by the submitter, guaranteeing authenticity. All proposals should be addressed to:

City of Graham-Airport Request for Proposal
Attn: City Secretary Marci Bueno
612 Elm Street
Graham, TX 76450

Sealed responses shall be clearly marked on the outside of packaging as:

Request for Proposal
Airport Maintenance Provider
DO NOT OPEN
City of Graham, Texas
Closes 4:00 P.M. on March 15, 2023

Facsimile or electronic transmitted responses are not acceptable. Late responses will be returned to Provider unopened if return address is provided.

Provider shall acknowledge that the issuance of a solicitation shall in no way obligate the City to award a contract or to pay any costs associated with the preparation of a response to said solicitation. The costs in developing and submitting proposals, preparing for, and participating in oral presentations or any other similar expenses incurred by the Provider are the sole responsibility of Provider and shall not be reimbursed by the City.

Time Requirements

The following is a list of key dates up to and including award of contracts:

Request for Proposal issue	On or after January 18, 2024
Due date for Proposals	March 15, 2024
Council Selection and Award	On or after April 15, 2024

Questions and Inquiries

Questions and inquiries about this Request for Proposals should be directed to Jon Delamarter, Airport Manager at 940-549-6150. Questions may also be submitted in writing no later than three (3) days prior to the specified due date of the RFP and may be submitted to: jdelamarter@grahamtexas.net or Airport Board Chairman Steve Pierce at pierceaero@gmail.com

City Prerogative to Accept/Reject Proposals

The City reserves the right to accept or reject any or all Proposals as a result of this request or to cancel, in part or in its entirety, this Request for Proposal if found to be in the best interest of the City. All Proposals become the property of the City.

Agreements

Submittals should include any Provider proposed or required agreements and contracts regarding this RFP.

Communication

Prospective Providers shall communicate only with the persons identified herein during the entire RFP process (from this solicitation to award). The City shall not be responsible for any verbal or non-verbal communication between a potential Provider and any other employees of the City; and such may be cause for rejection of the subject proposal. Only written requirements and qualifications, and addenda as issued by the City Manager will be considered.

Provider Ownership/Management

Should there be a change in the awarded Provider ownership or management prior to or after award, the award may be rescinded, or the contract terminated unless a mutual agreement is reached with the new owner or manager to honor or continue the award or contract with its present provisions and prices. Any award or ensuing contract is nontransferable by either party.

Disclosure

All documents submitted in response to a solicitation shall be subject to the Texas Public Information Act. Following an award, responses are subject to release as public information unless the responsive or specific parts of the response can be shown to be exempt from the Texas Public Information Act. Pricing is not considered to be confidential under any circumstances.

Information in a submittal that is legally protected as a trade secret or otherwise confidential must be clearly indicated with stamped old red letters stating "CONFIDENTIAL" on that section of the document. The City will not be responsible for any public disclosure of confidential information if is not clearly marked.

If a request is made under the Texas Public Information Act to inspect information designated as confidential, the Provider shall, upon request from the City, furnish sufficient written reasons and information as to why the information should be protected from disclosure. The matter will then be presented to the Attorney General of Texas for final determination.

Award of the Contract(s)

Award of the contract(s) shall be made to the Provider who provides goods and services at the best value for the City, based on the evaluation criteria.

The contents of any proposal(s) of the successful Provider will become, at the City's option, a contractual obligation. Failure of any successful Provider to accept such obligation may result in cancellation of such award.

The City reserves the right to accept the Proposal(s) which, in its sole discretion, is the best and most favorable to the interests of the City and to the public; to accept any item of any Proposal; to reject any and all Proposals; and to waive irregularities and informalities in any Proposal submitted or in the Request for Proposal process, provided; however, the waiver of any prior defect or informality shall not be considered a waiver of any future or similar defect or informality. Proposing Providers should not rely upon, or anticipate, such waivers in submitting their Proposal.

Contract award will be made only after proposals are recorded and reviewed for compliance with specifications. All responsive Providers will be notified via email when the project is awarded.

Chapter 176, Texas Local Government Code requires that disclosure of certain relationships be made in relation to certain contracts with the City. Local government officers are the members of the City Council, the City Manager, the City Attorney, and other City employees or agents who exercise discretion in planning, recommending, selecting, and contracting of a Provider. Please see the attached Conflict of Interest Questionnaire Cover Sheet which lists the Local Government Officers that may be

involved in the selection and recommendation of this award.

Once a selection is made and the City has the intent to award, the successful Provider will be required to submit certain forms, as designated by the City, prior to executing the agreement and associated purchase order.

Addenda

Any addenda to the Proposal specifications issued during the period between issuance of the RFP and receipt of any proposals are to be considered covered in the Proposal and in awarding a contract they will become a part thereof. Receipt of addenda should be acknowledged by Providers in their proposal cover letter.

False or Misleading Statements

If, in the City's opinion, a proposal contains false or misleading statements or references that do not support a function, attribute, capability, or condition as contended by the Provider, the entire proposal may be rejected at the discretion of the City.

Clarification of Proposal

The City reserves the right to obtain clarification of any point in a Provider's proposal or to obtain additional information necessary to properly evaluate a particular proposal. Failure of a Provider to respond to such a request for additional information or clarification may result in rejection of the Provider's proposal.

Responsiveness

Proposals should meet all requirements of this RFP to the maximum extent possible. Providers are asked to clearly identify any limitations or exceptions to the requirements.

Rejection of Proposal

Proposals that are not prepared in accordance with these instructions may be rejected/disqualified. If not rejected, the City, at its option, may demand correction of any deficiency and accept the corrected Proposal upon compliance with these instructions.

Taxes

The City is a tax-exempt organization. A copy of the City's tax-exempt form will be furnished upon request.

Governing Law

All proposals and related documents submitted to the City by Providers are governed under the laws of the State of Texas and local ordinances, policies, and regulations.

SECTION V – PAYMENTS AND COMMENCEMENT OF SERVICES

Payments

It is the intent of the City to bill the selected Provider only for the hangar lease fee specified at Exhibit 'A' to this RFP.

In the event the selected Provider has cause to bill the City, it is the intention of the City to make payment on invoices received within thirty (30) days of receiving invoicing unless unusual circumstances arise. Invoices shall be fully documented as to labor, materials and equipment provided.

Commencement of Services

1. City staff shall enter into contract negotiations with the best-value Provider. These negotiations will address the scope such that the City's objectives are achieved, potentially expanding beyond the scope shown.
2. When services and fees are agreed upon, the selected Provider shall be offered a contract.
3. Services shall commence on a date that is mutually agreeable to the City and the selected Provider.
4. Should negotiations be unsuccessful, the City shall enter negotiations with the next, highest ranked Provider. The process shall continue until an agreement is reached with a qualified Provider.
5. This RFP does not commit the City to pay for any direct and/or indirect costs incurred in the preparation and presentation of a response. The RFP remains the property of the City. All finalist(s) shall pay their own costs incurred in preparing for, traveling to, and attending interviews. The City reserves the right to use all pertinent information (also learned from sources other than disclosed in the RFP process) that might affect the City's judgment as to the appropriateness of an award to the best-evaluated Provider.

**CONFLICT OF INTEREST QUESTIONNAIRE
COVERSHEET**

Any Provider who completes this questionnaire must separately file the form with the City Secretary's Office at:

City of Graham
Attn: City Secretary Marci Bueno
PO Box 207
Graham, TX 76667

PROVIDER

Name: _____

Address: _____

Local Government Officers of Graham, Texas
For purposes of completion of the required Conflict of Interest Questionnaire for the City of Graham, Texas, (required by all Providers who submit bids/proposals), Local Government Officers are:

Mayor: R. Alex Heartfield

Council Members: Mayor Pro Tem Shana Weatherbee-Wolfe
Councilmember Jeff Dickinson
Councilmember Jack Little
Councilmember Brant Lundgren

City Manager: Eric B. Garretty

City Secretary: Marci Bueno

City Attorney: Micheal Guevara of Guevara Law (Cedar Park, Texas)

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For Provider doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a Provider who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the Provider meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the Provider becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

A Provider commits an offense if the Provider knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of Provider who has a business relationship with local governmental entity.

2 **Check this box if you are filing an update to a previously filed questionnaire.** (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 Name of local government officer about whom the information is being disclosed.

Name of Officer

4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the Provider?

Yes No

B. Is the Provider receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

Yes No

5 Describe each employment or business relationship that the Provider named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director or holds an ownership interest of one percent or more.

6 Check this box if the Provider has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7

Signature of Provider doing business with the governmental entity

Date

CONFLICT OF INTEREST QUESTIONNAIRE

For Provider doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(a) A local government officer shall file a conflicts disclosure statement with respect to a Provider if:

(2) the Provider:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

- (i) a contract between the local governmental entity and Provider has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the Provider;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

- (i) a contract between the local governmental entity and Provider has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the Provider.

Local Government Code § 176.006(a) and (a-1)

(a) A Provider shall file a completed conflict of interest questionnaire if the Provider has a business relationship with a local governmental entity and:

- (1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);
- (2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or
- (3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the Provider:

- (A) begins discussions or negotiations to enter into a contract with the local governmental entity; or
- (B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the Provider becomes aware:

- (A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);
- (B) that the Provider has given one or more gifts described by Subsection (a); or
- (C) of a family relationship with a local government officer.

EXHIBIT
A
TO
RFP FOR
AIRCRAFT
MAINTENANCE
PROVIDER
LEASE
AGREEMENT



**CITY OF GRAHAM
GRAHAM MUNICIPAL AIRPORT
HANGER #100 LEASE AGREEMENT**

STATE OF TEXAS }
COUNTY OF YOUNG }

KNOWN ALL MEN BY THESE PRESENTS:

**THAT THIS AGREEMENT OF LEASE IS MADE THIS 1ST DAY OF _____
2024, BY AND BETWEEN THE CITY OF GRAHAM, A TEXAS HOME RULE
MUNICIPALITY, (HEREINAFTER “LESSOR” OR “CITY”), AND**

(COLLECTIVELY HEREINAFTER “LESSEE”):

I. LEASED PROPERTY DESCRIBED

That, said Lessor does by these presents lease and demise unto the said Lessee the following described property, to-wit:

Lying and being situated within the boundaries of the Graham Municipal Airport, located within the eastern boundary of the City of Graham, County of Young, State of Texas, and bordered on the North by State Highway 380 and on the East and South by the city limits boundary line, and being more particularly described as follows:

**HANGAR NO. 100, A CERTAIN AIRCRAFT
HANGAR DEFINED AND DESCRIBED AS AN
ENCLOSED FACILITY OF 6,000 SQUARE
FEET (MORE OR LESS) THAT IS ATTACHED
TO THE FIXED BASE OPERATOR AT THE
GRAHAM MUNICIPAL AIRPORT**

II. TERM AND RATE OF LEASE

2.1 Lessor leases the Leased Property to Lessee for a term of one (1) year beginning the 1st day of _____, 2024, and ending the 30th day of _____. The lease may be renewed by mutual agreement of both parties for up to four (4) additional one-year terms. Prior to the expiration of the Lease, Lessee may contact Lessor and request that the Parties renegotiate the Lease, which could include a renewal of the term of the Lease subject to the mutual consent of the Lessor and Lessee. Such request must be made at least ninety (90) days prior to the expiration of the Lease.

2.2 Lessee shall pay to the Lessor an annual sum of \$18,000.00, payable monthly in advance at the rate of **\$1,500.00 per month** during the term hereof. The initial Lease Payment shall be made on a pro-rata basis on the date of execution of the lease. Subsequent Lease Payments shall be made on or before the 5th business day of each month of the lease term.

2.3 Lessee acknowledges that the leased facility is adjacent, and connected to, the Airport Fixed Based Operator (FBO) and Lessee is granted no exclusive right of use of FBO facilities save for the use of restroom facilities, designated office facilities, and such other specific access/use as may be granted by the Airport Board of Directors.

2.4 Lessor shall be responsible for payment of utility costs associated with operation of the leased facility including electricity, natural gas, water, sewer disposal, and solid waste disposal. Lessor reserves the right to penalize Lessee for utility usage which would

be reasonably deemed as excessive.

2.5 The City herein reserves the right to review and adjust the amount of the Lease Payment at a frequency of no more than annually during the lease term. The increase of the lease payment may be no more than the lesser of five percent or the current Consumer Price Index (Urban) for the DFW metropolitan area. The City will provide written notice of each rate adjustment not later than one hundred and twenty (120) days prior to the rate adjustment.

III. CONDITIONS, DECLARATIONS, AND COVENANTS

3.1 Lessee will well and punctually pay the Lease Payment due under this Lease in a manner and form as herein specified, and herein agrees to deliver up the Leased Property, to the Lessor, on the day of the expiration of this Lease in as good condition as when received, reasonable wear and tear excepted.

3.2 Lessee shall not modify the leased hangar in any form except when such modification has been proposed, approved, and accepted by both the Airport Board of Directors and the Lessor.

3.3 Lessee and Lessor agree to abide in good faith by the Airport Minimum Standards in force for the duration of the lease period; specifically noting that such minimum standards shall be set by the Airport Board of Directors. Lessee may petition the Airport Board of Directors for a variance to minimum standards, if such circumstance arises, and the Lessee shall receive a fair and impartial hearing before the Airport Board of Directors for consideration of any such variance as may be requested by the Lessee.

3.4 Outside maintenance of the facility and grounds shall be the responsibility of the Lessor. Outside maintenance shall include such necessary systems as plumbing connections, outdoor HVAC units, and outside electrical service connections.

3.5 Lessee hereby agrees to effect continually, at the Lessee's own expense, such actions as may be deemed necessary to keep the interior of the Leased Property maintained during the term of this Lease. Interior maintenance shall include such items as light fixtures, electrical outlets, sinks, toilets, wash basins, and any similar appurtenances affixed to the interior of the leased property.

3.6 Lessee may not sub-let, or assign, the leased premises.

3.7 Lessee agrees to indemnify and forever hold harmless Lessor against any and all claims that may be made against it by reason, or in any way arising from, the use of the premises described herein or because of any act or commission of Lessee, as tenant, and occupancy of said premises in or about the same.

3.8 Lessee may operate an aircraft maintenance facility within the leased space for commercial purposes. Lessee may allow contracted personnel to perform maintenance on aircraft within the leased facility provided that the Lessee assumes full responsibility and liability for same. Lessor assumes no liability for Lessee operations under any circumstances. In the performance of maintenance activities, Lessee is authorized to situate aircraft awaiting maintenance within permissible areas of the Airport property provided: (a) Lessee has gained verbal authorization from the Airport Manager for same and (b) no individual aircraft awaiting maintenance shall remain in a permissible area for a period of greater than 30 days. In any instance, the number of aircraft situated outside of the confines of the interior of the leased property shall not exceed three aircraft.

3.9 Lessee shall be required to maintain liability insurance at levels and coverages as set by the Lessor. The 'City of Graham' shall be listed as a named insured on any and all insurance policies as may be required under this Section.

3.10 Lessor holds no right to sell, transfer, or modify ownership of the leased property

in any manner or form.

3.11 Lessor and Lessee duly acknowledge herein that this agreement is an operating lease for the leased facility and Lessee accrues no equity interest in the leased property pursuant to this agreement.

3.12 On failure of Lessee to make a monthly Lease Payment within 30 days of the scheduled date of payment, or on Lessee's failure to comply with any of the foregoing terms, conditions, declarations, or covenants of this Lease, Lessor may declare this Lease forfeited by providing Lessee with written notice and, upon such provision of notice, Lessee agrees to return the Leased Property to the possessions of Lessor, its agents, successors or assigns.

IV. MISCELLANEOUS

4.1 Assignment. A party to this Lease shall not have the right to assign this Lease and any rights hereunder in whole or in part at any time unless agreed to in writing by the other party. If Lessor desires to sell any portion of the Leased Property or rights associated with the Leased Property to a third party, Lessor will inform any potential purchaser of the existence of this Lease.

4.2 Force Majeure. The express and implied covenants and agreements in this Lease shall be subject to all valid laws, regulations, rules and orders, and this Lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith if compliance is prevented by, or if such failure is the result of any law, regulation, rule, order, pumping limit or proration schedule, whether or not based in whole or in part on any legal preferential use provision (whether or not now or hereafter created), or by act of God, war, civil unrest, strike, interference, weather or drought event, epidemic, pandemic or other casualty, or any other force majeure beyond the reasonable control of Lessee. The Lessor agrees that the performance under this Lease is excused, and this Lease shall be extended until a reasonable time after any such force majeure event ceases to exist. If Lessee is denied its use of the water rights conveyed hereunder by reason of any laws, regulations, rules or governmental action or other acts outside the control of Lessee, Lessee shall be excused from its obligations hereunder for so long as these circumstances exist.

4.3 Addresses and Notice. Service of all notices under this Lease shall be sufficient when hand delivered or sent by certified mail to the respective address set forth below, or at such address as may be provided in writing from time to time in accordance herewith. Any such notice mailed to such address shall be effective when hand delivered, deposited in the United States mail, certified, duly addressed, and with postage prepaid or national overnight courier.

If to Lessor: City of Graham
 Attention: City Manager
 612 Elm Street
 Graham, Texas 76450

If to Lessee: LESSEE
 Attention: Lessee's Agent
 123 Anywhere Street
 Anywhere, USA

4.4 Entire Lease. The provisions set forth in this Lease shall constitute the entire agreement and understanding between the Lessor and Lessee with respect to the subject matter contained herein. This Lease supersedes all prior agreements and understandings between the Lessor and Lessee with respect to such subject matter. Any Exhibits referred to herein and attached hereto are incorporated herein by reference.

4.5 Modification. The provisions of this Lease may be modified or altered only by written agreement by both Lessor and Lessee.

4.6 Invalidation. In case any provision of this Lease shall be held invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions hereof will not in any way be affected or impaired thereby.

4.7 Governing Law and Venue. The interpretation and construction of this Lease and all matters relating thereto shall be governed by the internal laws of the State of Texas without regard to conflict of laws principles. Young County, Texas shall be the venue for any and all disputes arising from or out of this Lease.

4.8 Captions; References. Section captions used herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Lease.

4.9 Third Party Beneficiaries. Lessor and Lessee intend that this Lease shall not benefit or create any right or cause of action in or on behalf of any person or entity other than the Lessor and Lessee.

4.10 Waiver. The rights and remedies of the Lessor and Lessee are cumulative and not alternative. Neither the failure nor any delay in exercising any right, power or privilege under this Lease or the documents referred to in this Lease will operate as a waiver of such right, power or privilege and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Lease or the documents referred to in this Lease can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other Lessor and Lessee; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one Party will be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Lease or the documents referred to in this Lease.

4.11 Default and Cure. Notwithstanding any other provision of this Lease to the contrary, if Lessee fails to comply with any provisions of this Lease, including payment of amounts due, then Lessor shall give written notice of such non-compliance to Lessee and Lessee shall have thirty (30) days to cure the non-compliance without consequence. Such written notice from Lessor shall be sent to Lessee at Lessee's current address by Certified Mail Return Receipt Requested. However, in the event that Lessee remains in default on lease payments after the 30-day period, then a 1% interest shall accrue on the lease payment for each day that Lessee remains in default after the 30-day period. Such accrual shall continue until one of three conditions prevail: (1) the Lessee cures the non-compliance issue to the satisfaction of the Lessor; or (2) the Lessor terminates the lease according to the terms and provisions of this Agreement; or (3) the Lessee terminates the lease according to the terms and provisions of this Agreement.

4.12 Attorneys' Fees. If any action at law or in equity is brought to enforce or interpret a provision of this Lease, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees, costs, and other necessary litigation disbursements in addition to any relief to which it may be entitled.

EXECUTED this the _____ day of _____ 20__.

FOR THE LESSOR:

FOR THE LESSEE:

Eric Garretty, City Manager

Lessee

City of Graham

ATTEST:

Marci Bueno, City Secretary

AFFIX SEAL OF THE CITY HERE

**THE STATE OF TEXAS }
COUNTY OF YOUNG }**

This instrument was acknowledged before me on the _____ day of _____
20____, by **LESSEE**.

Notary Public, State of Texas