

OLNEY MUNICIPAL AIRPORT

INFIELD BID FORM

January 15, 2023 – January 15, 2027

Bids Due by: 5:00 PM, Thursday, December 22, 2022 at City Hall, 201 E Main St, Olney, Texas.

Opening of Bids: Bids will be opened at 10:00 AM on Tuesday, December 27, 2022 by City Staff for analysis and inclusion in the City Council agenda packet.

Consideration of Bids: Bids will be considered and presented to the City Council at the Regular Meeting on January 9, 2023. The City Council reserves the right to reject all bids.

Notification: All bidders will be notified of the decision of the City Council.

Bidder Information:

NAME: _____

ADDRESS: _____

TELEPHONE: _____

Bid Amount: \$ _____ due per year by each January 1 until lease term expires

Insurance Required: Certificate of Liability Insurance must accompany first payment and remain current through the term of the lease. Insurance must be Commercial General Liability \$1,000,000 each occurrence, Fire Damage (any one fire) \$50,000, Medical Exp (any one person) \$5,000, Personal & Adv Injury \$1,000,000, General Aggregate \$2,000,000, Products – Comp/OP Agg \$1,000,000.

Sample Lease: A copy of a sample lease is attached for your review.

Acknowledgement: By signing below you acknowledge you have reviewed and agree with the terms set out in the sample lease. Further, your signature acknowledged you have read and agreed to the terms as set out in this bid form.

Bidder Signature: _____

Date: _____

Hay Cutting Agreement

This Hay Cutting Agreement (hereinafter, the “Agreement”) is entered into by the City of Olney, Texas, a municipal corporation (hereinafter “Landlord” or the “City”) and _____ (hereinafter “Tenant”). Landlord and Tenant shall at times collectively be referred to as the “Parties” or individually as a “Party”.

Landlord hereby leases to Tenant the land located within the runways at the Olney Municipal Airport (located approximately four miles West of the City limits of the City of Olney) (hereinafter “Airport”) for agricultural purposes. Such leased area shall hereinafter be referred to as the “Leased Area” and consists of approximately 111+/- acres within the Airport runways as generally depicted on the aerial picture attached hereon as “Exhibit A.” This Agreement for lease of the Leased Area by Landlord to Tenant is made on, and is strictly subject to, the following terms, conditions, and limitations.

1. **Term.** The term of this Agreement (the “Term”) will commence on January 1, 2023, and will expire on December 31, 2027, or on any earlier date as this Agreement may be terminated as provided below. Despite the foregoing, this Agreement will automatically renew on an annual basis from January 1 to December 31 of each year, unless Landlord or Tenant provides notice of nonrenewal to the other before December 1 of the year prior to such renewal or the Agreement is terminated as provided below.
 - a. Although the term does not begin until January 1, 2023, the Parties agree that Tenant may enter the Leased Area immediately for the purpose of cutting and removing mesquite trees and other nuisance vegetation from the Leased Area.
2. **Amendment to Agreement.** All amendments to this Agreement must be made in writing.
3. **Agreement Purpose.** The purpose of this Agreement is (1) to provide for the cutting of grass and other vegetation, including any mesquite trees, on the Leased Area for the benefit and safety of the Airport; and (2) to permit Tenant to cut the grass on the Leased Area for the purpose of producing hay.
4. **Consideration for Agreement.** Under this Agreement, Tenant shall pay no rent to the City and the City shall pay no financial compensation to Tenant. Rather, the City and Tenant (collectively, the “Parties”) each enter this Agreement for their mutual benefit and purposes as outlined in Paragraph 3 above. For clarity, the consideration Tenant provides to Landlord is the cutting of grass and mesquite trees on the Leased Area as reasonably needed; and the consideration Landlord provides to Tenant is the exclusive use of the Leased Area to grow and cut the grass and bail such grass into hay bales. All grass/hay cut from the Leased Area shall belong to Tenant.
5. **Leased Area.** Landlord reserves the right to further develop or improve the Leased Area for further improvement or development of the Airport as Landlord sees fit, and as such, the Landlord may from time-to-time reduce or otherwise alter or revise the designated area leased to Tenant upon 30 days’ notice provided to Tenant.
6. **Tenant’s Limited Permitted Use of Leased Area.** Tenant’s use of the Leased Area shall be limited to only such actions and use which is reasonably needed for the efficient fertilizing, seeking, growing, cutting, and baling of grass hay on the Leased Area and for the removal of

such hay in a commercially reasonable fashion. No part of the Leased Area shall be used for purpose of feeding or harboring livestock of any type. No fences shall be constructed.

- a. Tenant shall cut and remove, and to continue to cut and remove all mesquite trees and other tall nuisance vegetation from the Leased Area as reasonably needed throughout the Agreement term.
- b. Tenant is not responsible for mowing of the Leased Area other than as needed for the cutting and baling of grass/hay on the Leased Area.

7. Coordination with Airport Manager. Tenant agrees to reasonably coordinate all activities conducted on the Leased Area with Air Tractor, Inc. (hereinafter the "Airport Manager" or "Air Tractor") as reasonably necessary.

- a. Tenant agrees to obey all instructions given by the Airport Manager with respect to Tenant's activities on the Leased Area.
- b. Tenant shall keep Airport Manager reasonably informed of Tenant's planned, scheduled activities and shall obey the Airport Manager's direction regarding same.

8. Storage of Farm Equipment & Hay.

- a. Tenant may store farm equipment temporarily on the Leased Area with prior approval from the Landlord or the Airport Manager. Such permission by the City and the Manager shall not be unreasonably withheld. If Tenant fails to store equipment in the Landlord/Airport Manager-approved area(s), or if such equipment is inoperable while located at the Airport, such that it interferes with the Airport's safe operation, the equipment shall be towed away at the Tenant's expense.
- b. Tenant may temporarily store hay bales cut and baled from the Leased Area on the Leased Area with prior approval and coordination with the City or the Airport Manager. Hay bales shall only be kept in approved areas.

9. Restricted Activities. Tenant further agrees, unless the written consent of the Landlord and Airport Manager has been obtained:

- a. Not to erect or permit to be erected any structure or building or to incur any expense to the Landlord for such purposes.
- b. Not to permit, encourage, or invite other persons to use any part or all of this Leased Area for any purpose or activity not directly related to its use for agricultural production.
- c. Not to plow permanent pasture or meadowland.
- d. To refrain from any and all activities that would adversely affect the Airport's operations or safety.

10. Tenant's Compliance with Governing Laws. Tenant shall comply with all local, state, and federal laws and regulations governing all activities related to the application of pesticides and commercial fertilizers, the cultivation of crops, and the compliance thereof. Tenant shall follow label directions in the handling and application of all chemicals used on the Leased Area and follow all applicator's licensing requirements. Tenant shall comply with local, state, and federal laws and regulations pertaining to groundwater contamination, manure disposal, and hazardous waste storage or disposal.

11. Default and Termination.

- a. Tenant shall have the right to terminate this Agreement at any time upon 30-days' written notice sent to Landlord.
- b. Upon Tenant's substantive breach of this Agreement, Landlord shall provide Tenant written-notice of such alleged breach and a reasonable opportunity to cure such breach—such reasonable opportunity shall be for a period of at least 30 days. If Tenant continues to be in substantive breach of this Agreement after a reasonable opportunity to cure, Landlord may terminate this Agreement by providing Tenant written notice of same.
- c. Notwithstanding any other provision of this Contract, Landlord may immediately terminate this Agreement if reasonably necessary for safety reasons, without notice to Tenant.

12. FAA Provisions. Parties acknowledge that this Leased Area lies within an active Public Airport Facility and is subject to the rules and regulations of the Federal Aviation Administration (FAA). Therefore, Tenant agrees that Tenant will not allow any condition in the said Leased Area, nor permit the conduct of any activity in such area, that shall materially or adversely affect the development, improvement, operation, or maintenance of the Airport or its facilities; nor will the Tenant use or permit the leased area to be used in any manner which might interfere with the landing and take-off of aircraft from the Airport or otherwise constitute a hazard. Tenant shall be bound to conform to all laws, rules, and regulations applicable to the Leased Area, whether issued by the Federal government, the State of Texas, the County of Young, the Landlord, or the Airport Manager. Tenant shall maintain any height limitations and restrictions imposed by the FAA, the Airport Manager, or any other competent authority. If any proscribed or prohibited condition or activity, as described in this paragraph, shall be permitted to exist on the Leased Area, or any part thereof, this Agreement shall be subject to immediate termination at the sole discretion of the Landlord, without notice. Under such circumstance, Tenant shall have no recourse under the laws of the State of Texas or pursuant to this Agreement.

13. Place of Performance. All covenants set forth in this Agreement shall be kept and performed in Young County, Texas.

WITNESS OUR HANDS, this _____ day of _____, 2022.

LANDLORD:

THE CITY OF OLNEY

By: Rue Rogers, Mayor

ATTEST:

Tammy Hourigan, City Secretary

TENANT:

By: _____

Owner of _____

Exhibit A

