

AIR SERVICE AVAILABILITY AGREEMENT

This agreement is entered into on this _____ day of _____, 20____, between the City of Stillwater, a municipal corporation (“Stillwater”) and Oklahoma State University, a public land grant university (“OSU”).

WITNESSETH:

WHEREAS, Stillwater owns and operates Stillwater Regional Airport; and

WHEREAS, maintaining of daily commercial air service at Stillwater Regional Airport will directly benefit both Stillwater and OSU as a transportation utility and as a tool for economic development; and

WHEREAS, American Airlines (“American”) has been providing daily commercial air service between Stillwater Regional Airport and Dallas-Fort Worth International Airport; and

WHEREAS, American is willing to continue such air service only if it is able to limit its economic risk by receiving a revenue guarantee; and

WHEREAS, Stillwater, OSU, and American have negotiated an Air Service Agreement that provides for revenue guarantees (“Air Service Agreement”); and

WHEREAS, Stillwater is unable by itself to provide a sufficient revenue guarantee; and

WHEREAS, collectively, Stillwater and OSU can provide such an incentive to American; and

WHEREAS, it is the intention of Stillwater and OSU to jointly enter into the “Air Service Guarantee Participation Agreement Fund.”

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS HEREINAFTER CONTAINED TO BE KEPT AND PERFORMED BY THE PARTIES HERETO AND UPON THE PROVISIONS AND CONDITIONS HEREINAFTER SET FORTH, STILLWATER AND OSU DO HEREBY AGREE AS FOLLOWS:

1. Revenue Guarantee: The parties agree to share the liability for the \$4,000,000.00 revenue guarantee contained in the “Air Service Agreement” substantially in the form of Exhibit “A”, which is attached hereto and made a part of this agreement.

2. Limitations on Liability: The maximum liability for the revenue guarantees for Stillwater and OSU under the Air Service Agreement are as follows:

01/01/2022-06/30/2022	Stillwater	\$500,000.00
01/01/2022-06/30/2022	OSU	\$500,000.00

07/01/2022-06/30/2023	Stillwater	\$1,000,000.00
07/01/2022-06/30/2023	OSU	\$1,000,000.00
07/01/2023-12/31/2023	Stillwater	\$500,000.00
07/01/2023-12/31/2023	OSU	\$500,000.00

Should additional parties enter into revenue guarantee agreements with Stillwater and OSU for this purpose, the maximum liability for Stillwater and OSU under this agreement shall be reduced proportionately to reflect the expanded participation.

3. Payment of Funds: Stillwater shall remit to American Airlines the revenue guarantee payment upon receipt of a quarterly invoice from American Airlines. Stillwater will submit an invoice to OSU for one-half of the amount paid to American Airlines, with such amount not to exceed the maximum liability amount for the given agreement period. OSU will remit payment to Stillwater upon receipt of the invoice. Stillwater shall use these funds and solely for paying American for any revenue shortfall(s) required by the Air Service Agreement.

4. Records: All records available to Stillwater under the Air Service Agreement shall be made available to OSU upon request.

5. Audits: Stillwater, at the request of OSU, shall exercise its right under the Air Service Agreement to conduct an audit of American's records. OSU shall bear the cost of conducting any such audit.

6. Benefit of Parties: This agreement is for the sole benefit of Stillwater, OSU, and American. Nothing in this agreement is intended to confer any rights or remedies of any other person or entity.

7. Authority of Signatories: The signatories to this agreement, by signing this agreement, represent that they have obtained authority to enter into this agreement on behalf of the respective parties to this agreement and bind such parties to all terms and conditions contained in this agreement.

8. Counterparts: This agreement may be executed by the parties in more than one counterpart, each of which may be deemed as an original instrument.

IN WITNESS WHEREOF, the parties have executed this agreement on the day and year first written above.

CITY OF STILLWATER
a municipal corporation

by: _____
William H. Joyce, Mayor

ATTEST

Teresa Kadavy, City Clerk

APPROVED AS TO FORM AND CONTENT:

Kimberly Carnley, City Attorney

OKLAHOMA STATE UNIVERSITY

by: _____
Kayse Shrum, President