

[file number]

PRIVATE HANGAR GROUND SUBLEASE AGREEMENT
(Lot _____, Block _____, _____ - RVS)

by and between

TULSA AIRPORTS IMPROVEMENT TRUST

AND

**SUBLEASE AGREEMENT
BY AND BETWEEN
TULSA AIRPORTS IMPROVEMENT TRUST
and**

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SUBLEASE AGREEMENT

This Agreement is entered into between the Tulsa Airports Improvement Trust, a public trust organized under the laws of the State of Oklahoma ("TAIT"), as Lessor, and _____, ("Lessee").

RECITALS:

1. TAIT leases Richard Lloyd Jones, Jr. Airport pursuant to the terms of an Amended Lease between the City of Tulsa, Oklahoma, and TAIT, effective as of July 1, 1987, and amended by Amendment No. 1 by which the Tulsa Airport Authority, a charter agency of the City of Tulsa, is authorized to manage the Airport on a daily basis for TAIT, and by Amendment No. 2 dated July 1, 2000 (additional land) as amended, corrected and restated on December 8, 2005; and Amendment No. 3, effective August 12, 2010.

2. TAIT desires to sublease certain lands for aviation purposes as hereinafter defined, being situated on said leased property, and Lessee desires to sublease from TAIT for a term of years the hereinafter defined premises specifically to hangar and service aircraft.

3. TAIT will operate, maintain, and develop the Airport as a public airport consistent with its Sponsor Assurances under the Federal Aviation Act and consistent with the FAA approved Airport Layout Plan (ALP).

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, TAIT and Lessee do hereby agree as follows:

ARTICLE I Definitions

Section 1.1 Definitions. Throughout this Agreement, the following words shall have the following meanings, respectively, unless the context clearly shall indicate some other meaning:

- a. Agreement means this Sublease Agreement between TAIT and Lessee;
- b. Airport means Richard Lloyd Jones, Jr. Airport;
- c. Airport Improvements means those improvements identified on an approved RVS Airport Layout Plan.
- d. Authority means the Tulsa Airport Authority, a charter agency of the City of Tulsa;
- e. City means the City of Tulsa, Oklahoma, a municipal corporation;
- f. EPA means the United States Environmental Protection Agency and any federal, state or local agency, or governmental entity, succeeding to, or being delegated with its jurisdiction, functions, or responsibilities;
- g. FAA means the Federal Aviation Administration of the United States, or any federal agency succeeding to its jurisdiction or function;
- h. FAR means Federal Aviation Regulations and shall include, but not be limited to, all regulations, policies, statements and directives promulgated or issued by the FAA;
- i. Governmental Requirements means all federal, state and local laws, ordinances, rules,

regulations, policies and procedures, security plans, standards, and rulings; including, but not limited to, all additions and amendments now in effect, or hereinafter enacted, as may be imposed by the FAA, TSA or any other governmental entity succeeding to the jurisdiction, functions, or responsibilities of either; TAIT; the Tulsa Airport Authority; the City of Tulsa, the State of Oklahoma, or other governmental entities authorized to enact rules, regulations, standards, or policies applicable to Lessee's use of the Airport and operation/utilization of the Leased Premises and improvements thereon.

- j. Leased Premises means the land area described and illustrated on Exhibit "A."
- k. Leasehold Improvements means all improvements made by the Lessee(s) to the Leased Premises.
- l. Term means the period of time that this Agreement shall be in effect, as set forth in Sections 2.1 and 2.2;
- m. TSA means the Transportation Security Administration of the United States, or any federal agency succeeding to its jurisdiction or function.

ARTICLE II

Term

Section 2.1 Term of Agreement. The Term of this Agreement shall be for fifteen (15) years commencing on _____, and expiring on _____, unless otherwise terminated or canceled; provided, as of the effective date of termination or cancellation, all obligations which have been incurred by Lessee, or with respect to which Lessee shall be in default, shall survive such termination or cancellation.

Section 2.2 Options to Extend. During the period commencing one year prior to the expiration date of this Agreement and ending one hundred twenty (120) days prior to the expiration date of this Agreement ("first option period"), Lessee shall have the option to extend the Term of this Agreement, for one extended period of five (5) years; and during the period commencing one year prior to the expiration date of the first extended period and ending one hundred twenty (120) days prior to the expiration date of the first extended period ("second option period") Lessee again shall have the option to extend the Term of this Agreement for one extended period of five (5) years, subject to the following terms and conditions:

- a. Lessee shall not be in default of this Agreement including compliance with Minimum Hangar Standards as set forth in Section 6.8 below; and
- b. Lessee shall deliver timely written notice of its exercise of the option to TAIT. (TAIT may send a courtesy notice to the Lessee but will not be obligated to do so); and
- c. All terms and conditions including rental rates, fees and charges then applicable to this Agreement shall remain in full force during the extended term(s) periods.

Section 2.3 Surrender of Possession. Except as otherwise expressly provided in this Agreement, at the expiration or sooner termination of the Agreement, or any extension hereof, Lessee agrees to surrender possession of Leased Premises peacefully and promptly to TAIT subject to the terms of Article VI, Section 6.3(b).

Section 2.4 Holding Over. If Lessee shall hold over after the termination of this Agreement, TAIT, at its sole discretion, may allow Lessee to remain on the Leased Premises on a month-to-month basis as a tenant at will. During such tenancy, Lessee shall pay to TAIT one and one half (1 ½) times the rentals, fees and charges set forth herein, and Lessee shall be bound by all of the provisions of this Agreement.

Section 2.5 Lessor's Options at Sublease Expiration. At the end of the Term, if (a) Lessee is not in default as set forth in Article X; and (b) if the Leasehold Improvements satisfy the requirements of Section 6.8(c) hereof, the Lessor shall at its sole option (a) offer Lessee a new Sublease Agreement according to the terms and conditions of the private hangar sublease document then approved by TAIT, or (b) if TAIT believes that the area within which the Leased Premises is located is, or may be, needed for future airport development, it may require the Lessee to remove all Leasehold Improvements and return the Leased Premises to unimproved condition. It is the intent hereof that Lessee shall have a "Right of First Refusal" for the leasing of the Leased Premises in the event that TAIT elects to continue subleasing said property for private hangar use. Provided, however, TAIT may, at its sole option, and notwithstanding the provisions of (a) immediately above, elect to sublease the property for less than the term then in effect for other private hangar subleases if TAIT determines, in its sole discretion, that a shorter term is necessary or appropriate considering the FAA-approved Airport Layout Plan.

ARTICLE III
Rentals, Fees and Charges

Section 3.1 Initial Rentals. From the commencement date of this Agreement, Lessee shall pay, in advance to TAIT, the annual base ground rental rate of \$_____ cents per square foot. The Leased Premises contain _____square feet for an initial annual rental of \$_____. Lessee shall pay a *pro rata* amount for any possession of the Leased Premises for less than a year. The first rental payment shall be made by Lessee on or before the commencement date hereof and all subsequent annual rentals shall be paid in advance on or before the 1st day of January of each year of the Term.

Section 3.2 Subsequent Rentals. Effective on each January 1st during the Term of this Agreement, the base ground rental rate shall be increased based upon the percentage increase in the Implicit Price Deflator Index for Gross Domestic Product ("Index") published by the United States Department of Commerce. The annual base ground rental rate shall be adjusted to the nearest \$0.01.

Section 3.3 Adjustment in Lease Rate. In any event, the rentals for any succeeding rental period shall not be less than the rentals established for the preceding rental period nor shall the increase be greater than 5% in any one year.

Section 3.4 License Contingent Upon Payment. The grant of the rights, licenses, facilities, services and privileges to Lessee under this Agreement, in each case, shall be subject to the full and timely payment of the rentals, fees and charges required to be paid by Lessee hereunder.

Section 3.5 Landlord's Lien. TAIT shall have the first lien, paramount to all others, on every right and interest of Lessee in this Agreement, on all improvements, equipment and fixtures to the Leased Premises. The lien is granted for the purpose of securing the payment of rentals, fees, charges, taxes, assessments, liens, penalties and damages herein covenanted to be paid by Lessee, and for the purpose of securing the performance, all and singular, of the covenants, conditions and obligations of this Agreement to be performed and observed by Lessee. This lien shall be in addition to all rights of a landlord given under the laws of the State of Oklahoma.

Section 3.6 Place of Payments. All sums payable by Lessee hereunder shall be delivered to:

Tulsa Airports Improvement Trust
Department No. 598
Tulsa, Oklahoma 74182

Section 3.7 Delinquencies. In addition to any remedy available to it hereunder, TAIT may impose as additional rent a delinquency charge on all overdue payments, at the rate of eighteen percent (18%) per annum or the then maximum rate allowed by law, if greater.

Section 3.8 Utility Service. At its own expense, Lessee shall be responsible for the installation, relocation, modification and maintenance of all utility services on the Leased Premises. This shall include janitorial services, power, gas, telephone, electricity, heating, water, sewer and all other utility services not specifically enumerated. Lessee shall pay as the same becomes due, all utilities and other charges incurred in the operations, maintenance, use, occupancy, repair and upkeep of the Leased Premises and the improvements located thereon.

ARTICLE IV
Lessor's Grants; Reservations

Section 4.1 Sublease. TAIT hereby offers and subleases to Lessee, and Lessee hereby accepts and subleases from TAIT, the Leased Premises for the aviation purposes set forth in Section 5.1 hereof for the Term of this Agreement, subject to the provisions herein set forth. Lessee accepts the Leased Premises in the condition existing at the commencement of this Agreement.

Section 4.2 Avigation Easement. TAIT also reserves for itself, the Authority, and City and their licensees, an avigation easement in, over and across the air space above the Leased Premises and the unrestricted right to subject the Leased Premises to such Airport noise and vibration as may result from the flight of aircraft, warm up of engines, testing of engines or motors and other aviation related activities. TAIT reserves the right to take such action as may be necessary to protect the aerial approaches of the Airport against obstruction in accordance with 14 C.F.R. Part 77 and other applicable standards or Governmental Requirements, together with the right to prevent Lessee or any other person from erecting or permitting to be erected any antenna, equipment, building or other facility or structure on the Airport (other than any buildings to be constructed in compliance with the plans and specifications approved pursuant to Article VI hereof), which would conflict with such standards and Governmental Requirements.

Section 4.3 Reservation of Mineral Rights. TAIT reserves all right, title and interest in and to all minerals in, on or under the Leased Premises. Lessee shall not engage in any mining or drilling activities in, on or under the Leased Premises during the Term of this Agreement. "Minerals" as used herein shall mean all mineral substances and deposits whether solid, gaseous, or liquid.

Section 4.4 Quiet Enjoyment. Unless Lessee shall have defaulted in his obligations hereunder, he shall have quiet enjoyment of the Leased Premises. Provided however, TAIT makes no representations or warranties, either express or implied, as to the condition of the Leased Premises or that they will be suitable for Lessee's purposes and needs. TAIT reserves the right to further develop, improve, rehabilitate, repair, reconstruct, alter and expand the Airport and all roadways, parking areas, terminal facilities, runways, taxiways and other aircraft operating areas as it may reasonably see fit, free from any and all liability to Lessee for damages of any nature whatsoever to Lessee occasioned during the making of improvements, repairs, alterations, reconstructions and additions to the Airport unless said liability arises from the solely negligent acts of TAIT, its agents, and contractors.

Section 4.5 No Joint Venture or Partnership. This Agreement shall not be deemed or construed (a) to create any relationship of joint venture or partnership between TAIT and Lessee; (b) to give TAIT any interest in the business of Lessee; or (c) to grant to Lessee any powers as an agent or representative of TAIT, the Authority, or the City, for any purpose or to bind TAIT, the Authority, or the City.

Section 4.6 Termination of Agreement for Airport Purposes. Lessee agrees and understands that, by reason of the broad public interest in the efficient maintenance, operation and development of the Airport, TAIT hereby expressly reserves the right to terminate this Agreement upon a determination by TAIT or the Authority that the Leased Premises are needed for permanent Airport construction, or development, or improvements. Such construction, development or improvements shall be for airport and or aviation purposes only.

In the event that permanent Airport construction, development or improvements

necessitates termination of this Agreement and the acquisition of Lessee's Leasehold Improvements and interest in the Leased Premises, Lessee shall surrender the Leased Premises to TAIT within ninety (90) days from receipt of TAIT's written notice of its intent to terminate the Agreement and acquire Lessee's leasehold improvements and interest in the Leased Premises. TAIT shall use its best efforts to provide Lessee with replacement premises at the Airport at the rates not to exceed those provided in this Agreement under the same terms and conditions as this Agreement or the then current lease agreement in use by TAIT subject to the same periods of duration and renewal options of this Agreement. Relocation benefits shall be paid by TAIT to Lessee in the manner required by applicable law.

In consideration of Lessee's surrender of the Leased Premises, Lessee shall receive, as complete compensation for Lessee's interest in the Leased Premises and Lessee's improvements thereto, a sum of money equivalent to the fair value of any improvements of Lessee acquired by TAIT. Determination of the fair value of the improvements shall be made by the appraisal method known as the "market comparison approach." The appraisal method known as the "income approach" shall not be used in the valuation of the improvements.

The parties further agree that the fair value rental of the Leased Premises shall be equivalent to the contract rent specified in this Agreement for the remainder of the Term.

ARTICLE V

Use

Section 5.1 Use of Leased Premises. The use of the Leased Premises shall be to store, maintain, build, rebuild, restore and service aircraft. Aircraft maintenance and overhaul may be performed either by Lessee or by an FAA licensed A&P mechanic. The Leased Premises shall not be used for any commercial use or purpose. Lessee also shall be entitled to construct improvements for the stated aviation purposes, subject to the conditions hereinafter set forth. Lessee shall have the non-exclusive license to use, in common with others, the access roads or designated taxiways or taxilanes as aircraft operations will safely permit for purposes of ingress and egress to the Leased Premises and the public facilities of the Airport. TAIT and the Authority reserve the right to close any means of ingress and egress, so long as other reasonable means of ingress and egress to the Leased Premises are available to Lessee.

Section 5.2 General Use of the Airport. Subject to terms, conditions and covenants hereof, and provided that Lease is not in default of this Agreement, Lessee shall be entitled to use, on a non-exclusive basis, public areas of the Airport including runways, taxiways, taxilanes, aprons, lighting, navigation aids, and other facilities necessary for the operation of aircraft.

Section 5.3 Fueling Operations. Except in conformity with Section 9.1 hereof, Lessee shall not permit any aircraft to be fueled on the Leased Premises except by a licensee approved by TAIT to fuel aircraft at the Airport; provided, however, if approved licensee fails to provide "auto gas" for Supplemental Type Certificate ("STC") approved aircraft, Lessee shall be allowed to fuel Lessee's STC approved aircraft.

Section 5.4 Safety and Security Plan. At Lessee's sole cost and expense, Lessee shall comply with the Airport Safety and Security Plan provided by TAIT. Lessee shall require all invitees entering the Leased Premises to comply with the Airport Security Plan and all applicable Governmental Requirements pertaining to security and safety.

ARTICLE VI
Improvements to the Premises

Section 6.1 Title to Existing Improvements.

a. Title to all improvements (except improvements owned by TAIT or City) currently located on the Leased Premises and Leasehold Improvements constructed by the Lessee during the Term of this Agreement as hereinafter set forth, shall be and remain in Lessee during the Term of this Agreement and any extended period.

b. Lessee may sell, convey, mortgage, gift, or devise the Leasehold Improvements, subject to TAIT consent which shall not be unreasonably withheld.

Section 6.2 Removal or Alteration of Airport Structures on Leased Premises. Lessee may not remove or otherwise alter any improvement to the Leased Premises owned by TAIT or the City without prior written consent of TAIT. Lessee may request permission in writing to remove or alter such improvements

Section 6.3 Removal or Alteration of Leasehold Improvements on Leased Premises.

a. Lessee may remove or alter any Leasehold Improvements owned by Lessee after submitting proposed plans and specifications to TAIT/TAA for approval, which approval shall not be unreasonably withheld. Within thirty (30) days of receipt of such written request, TAIT shall notify Lessee of either the rejection or approval of the request. Approval shall not be arbitrarily denied. Ownership and title to all Leasehold Improvements owned by Lessee, and removed from or altered on the Leased Premises, shall remain in Lessee's possession. Removal, storage, maintenance, transportation and disposal of the improvements shall be made at Lessee's sole cost;

b. Upon termination or expiration of lease this Agreement, TAIT may require Lessee to remove Lessee's Improvements. In such event, Lessee shall restore the Leased Premises to an unimproved condition at Lessee's sole cost and expense. If Lessee fails to do so, TAIT may, at its option, cause the improvements to be removed and the Leased Premises restored at the sole cost and expense of the Lessee.

Section 6.4 Construction of New Improvements. Lessee shall have the right to construct improvements on the Leased Premises consisting of hangars, ramps, and other such improvements. Lessee shall not construct any improvements to the Leased Premises without submittal to, and approval of, all plans and specifications by TAIT as hereinafter set forth. All plans and specifications for new improvements on the Leased Premises shall be prepared by Lessee in compliance with all Governmental Requirements. Lessee shall furnish to TAIT copies of permits and licenses needed for construction. A construction application, in a form prepared by Authority, together with plans and specifications, shall be submitted by Lessee to TAIT for approval. Thereafter, TAIT shall have thirty (30) days after receipt within which to approve the plans and specifications, or to notify Lessee of any objections thereto. Each objection and the grounds therefor, shall be stated separately. Lessee shall have a reasonable time thereafter within which to make any revisions to remove TAIT's objections. Upon TAIT's receipt of the final plans and specifications, TAIT shall have thirty (30) days within which to approve or reject Lessee's revised proposal. After TAIT's approval of the final plans and specifications, Lessee may proceed with construction. Construction shall be substantially in accordance with the approved plans and specifications. Upon completion of construction, Lessee shall furnish to TAIT one (1) complete set of reproducible "as built" plans and specifications in digital format.

Section 6.5 Effect of New Improvements. New improvements on the Leased Premises shall not be constructed in a manner which may adversely affect existing improvements, other Airport tenants, Airport property, or other property contiguous to the Airport.

Section 6.6 Inspection. TAIT, the Authority and the City, and their authorized representatives, shall have the right to inspect the Leased Premises during all reasonable hours, or in case of emergency, at any

time.

Section 6.7 Weight Limitations. Lessee hereby specifically acknowledges that the roadways, taxilanes, taxiways, ramps and aprons located on the Airport wherein the Leased Premises are located are stressed for designated maximum gross weights. Lessee shall be responsible for all damage or destruction caused by utilization of said Airport roadways, taxilanes, taxiways, ramps and aprons by aircraft or vehicles operated by Lessee or invitees in excess of the maximum gross weights.

Section 6.8 Minimum Hangar Standards.

a. **Lawn Maintenance.** Lessee is responsible for mowing lawn and trimming weeds and grass from the hangar structure to the taxiways during the construction process as well as during the day-to-day operations. Grass should be kept to a height not greater than six inches. Trees, shrubbery and flowers are optional but Lessee is responsible for their orderly appearance. Any trees or shrubbery planted must not limit the visibility for vehicular or aircraft movement.

b. **Outside Storage.** Lessee shall not store any items on the exterior of the hangar structure, except as may be specifically permitted by this agreement or with the prior written permission of the Airports Director of the City of Tulsa. Aircraft in an unairworthy condition or disabled, disassembled, or partially assembled aircraft, parts, or other aircraft components thereof, shall not be parked, stored or left standing for a period in excess of thirty (30) days on the exterior areas or portions of the Leased Premises. Approval of the Airports Director of the City of Tulsa is required if the thirty (30) day period allowed will be exceeded.

c. **Exterior Improvement Appearance.** Lessee shall maintain the exterior appearance of the Leasehold Improvements on the Leased Premises in a proper state of repair and shall specifically prevent, repair and paint any visible peeling, chipped, faded or rusted areas. Lessee shall re-skin the exterior surfaces of their hangar, if skin is penetrated, using at a minimum 26-gauge metal siding with 20 year paint guarantee. If exteriors have not been penetrated and rust can be overlaid, damaged areas shall be repaired with corrosive inhibitor coating and painted to match the hangar exterior. Colors shall comply with guidelines established or approved by Authority. Lessee shall be deemed in conformity with this maintenance standard if Lessee has consulted, and complied, with reasonable directives from TAIT. Compliance with this maintenance standard is a prerequisite for TAIT approval of (i) Lessee's option to extend, and/or (ii) a new sublease agreement for the Leased Premises.

ARTICLE VII
Maintenance and Care of Leased Premises

Section 7.1 **Maintenance and Care of Leased Premises.** Lessee shall perform all maintenance, including but not limited to, all repairs relative to heating, electrical, plumbing and air conditioning systems; roofs; walls; structure; structural improvements; paving; and any ramp on the Leased Premises. Lessee also shall be responsible for mowing of and snow removal from, the Leased Premises. Lessee, at all times, shall keep in a clean and orderly condition and appearance all the Leased Premises and all of Lessee's fixtures, equipment and personal property which are located thereon. Lessee shall not commit or suffer to be committed any nuisance on the Leased Premises. Lessee shall conduct Lessee's operations in an orderly and proper manner so as not to annoy, disturb, or be offensive to others at the Airport. Lessee shall take all reasonable measures to keep the sound level of Lessee's operations as low as reasonably possible. Lessee shall not permit the accumulation of any rubbish, trash or other waste material. Except in tanks and in the manner approved by appropriate governmental authorities, Lessee shall not store any gasoline or other material likely to give off fumes or gases or any material likely to constitute a fire, safety or security hazard on the Leased Premises. Lessee shall not cause or permit any hazardous or flammable substance to be used, stored, generated or disposed of on the Airport or Leased Premises, except as otherwise provided herein.

ARTICLE VIII
Indemnity and Insurance

Section 8.1 Indemnity - General. Lessee shall indemnify, protect, defend and hold completely harmless, TAIT, the Authority, and the City, and their trustees, councilors, officers, agents and employees from and against all liability, losses, suits, claims, judgments, fines or demands arising from injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including attorney fees, court costs, and expert fees), of any nature whatsoever arising out of or incident to this Agreement, Lessee's use or occupancy of the Leased Premises, the Airport, or the rights, licenses, or privileges granted Lessee herein, or the acts or omissions of Lessee's officers, agents, employees, contractors, subcontractors, licensees, or invitees, regardless of where the injury, death or damage may occur, unless such injury, death or damages is caused by the sole negligence of TAIT. TAIT shall give notice to Lessee of any such liability, loss, suit, claim or demand, and Lessee shall defend the same using counsel reasonably acceptable to TAIT. The provisions of this section shall survive the expiration or early termination of this Agreement.

Section 8.2 Insurance.

a. Lessee shall maintain in force during the Term, and any extended Term, public liability and insurance in comprehensive form including but not limited to airport premises liability and aircraft liability with such coverage and limits as reasonably may be required and approved by TAIT from time to time, but in no event for less than the sum of Five Hundred Thousand and No/100 Dollars (\$500,000) combined single limit. The insurance shall be issued by an insurer licensed to do business in the State of Oklahoma. Lessee's aircraft liability policy may be used to meet the requirement for airport premises liability insurance if the insurance carrier provides confirmation acceptable to TAIT that the policy meets required airport liability coverage.

b. Concurrent with the execution of this Agreement, Lessee shall provide proof of insurance by providing a certificate of Lessee's insurance coverage. The certificate(s) of insurance shall provide that: (1) the insurance coverage shall not be canceled, changed in coverage, or reduced in limits without at least thirty (30) days prior written notice to TAIT; (2) TAIT, the Authority and the City, and their trustees, councilors, agents, officers, servants and employees are named as additional insureds; (3) the policy shall be considered primary as regards any other insurance coverage TAIT or the Authority may possess, including any self-insured retention or deductible TAIT or the Authority may have, and any other insurance coverage TAIT or the Authority may possess shall be considered excess insurance only; (4) the limits of liability required therein are on an occurrence basis; and (5) deductibles shall not exceed \$5,000.

c. **Pooled Insurance Option.** The parties hereto recognize that TAIT is considering the feasibility of, and if feasible, intends to appropriately solicit bids for an airport liability policy (naming TAIT, Authority and City as additional insureds) to "pool" the risks of loss of Airport Lessees who elect to participate ("Pooled Insurance"). Such a policy, if available and acceptable to TAIT, would satisfy Lessees' obligation to provide airport liability insurance hereunder.

Although TAIT is not obligated to arrange for such coverage or to continue to make coverage available throughout the Term of the Agreement, and Lessee is not obligated to participate if it is offered, the parties acknowledge that (1) Pooled Insurance may result in substantial savings in premiums if a sufficient number of Lessees elect to participate, and (2) all parties would benefit by the elimination of a substantial administrative burden.

If and/or when Pooled Insurance is made available by TAIT, each Lessee's decision to participate shall be timely and appropriately documented. Premiums shall be payable by TAIT and each participating Lessee's portion of the premium shall be calculated on a pro rata basis (i.e. the percentage that the square footage of the Leased Premises bears to the total square footage of all participating Lessees' Leased Premises) and paid promptly by Lessee upon receipt of an invoice for the same mailed to Lessee at the

address shown herein. Lessee's failure to timely pay an invoice for Pooled Insurance coverage shall be treated as an Event of Default under the provisions of Article X hereof.

d. If the insurance coverage required herein is canceled, changed in coverage or reduced in limits, Lessee shall, within thirty (30) days, but in no event later than the effective date of cancellation, change or reduction, provide to TAIT a certificate showing that insurance coverage has been reinstated or provided through another insurance company. Upon failure to provide such certificate, and Lessee's failure to respond to a written notice from TAIT, TAIT may, in addition to all its other remedies exercise TAIT's rights as provided in the default provisions of this Agreement.

ARTICLE IX

Governmental Requirements

Section 9.1 Governmental Requirements - General. Lessee shall substantially comply with all Governmental Requirements applicable to Lessee's use of the Airport and operation/utilization of the Leased Premises and improvements thereon. Lessee shall also require its guests, invitees, and those doing business with it to comply with all applicable Governmental Requirements.

Section 9.2 No Liability for Exercise of Powers. Neither TAIT, the Authority, nor the City shall be liable to Lessee for any diminution or deprivation of Lessee's rights which may result from the proper exercise of any power reserved to TAIT, the Authority, or the City in this Agreement. Lessee shall not be entitled to terminate this Agreement by reason thereof, unless the exercise of such power shall substantially interfere with Lessee's rights hereunder so as to constitute a termination of this Agreement by operation of law.

Section 9.3 Nondiscrimination. Lessee, Lessee's successors in interest and assigns, as a part of the consideration hereof, do covenant and agree hereby, as a covenant running with the land, that in the event facilities are constructed, maintained or otherwise operated on property described in this Agreement for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provisions of similar services or benefits, Lessee shall remain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49 CFR Part 21, (Non-discrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964), Part 26 (Participation by Minority Business Enterprises and DOT Programs) and Part 27 (Nondiscrimination on Basis of Handicap and Programs and Activities Receiving or Benefiting from Federal Assistance) and the regulations promulgated thereunder or as may hereafter be amended.

Lessee, and Lessee's successors in interest and assigns, as a part of the consideration hereof, do covenant and agree hereby, as a covenant running with the land, that (1) no person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said facilities on the grounds of race, color, creed, national origin, or handicap; (2) in the construction of any improvements on, over or under such land, and the furnishings of services thereon, no person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said facilities, on the grounds of race, color, creed, national origin, or handicap; (3) Lessee shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49 CFR Part 21, (Non-discrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964), Part 26, (Participation by Minority Business Enterprises and DOT Programs) and Part 27 (Nondiscrimination on Basis of Handicap and Programs and Activities Receiving or Benefiting from Federal Assistance) and the regulations promulgated thereunder or may hereafter be amended.

Section 9.4 Taxes and Other Governmental Charges. Lessee shall pay, as the same become due, all taxes and governmental charges of any kind whatsoever that at any time lawfully may be assessed or levied against or with respect to Lessee's Leasehold Improvements, including any ad valorem or personal property tax that may be assessed against any leasehold interest or estate created by this Agreement. In good faith and with due diligence, as permitted by law, Lessee may contest any such taxes or governmental charges.

Section 9.5 Domestication. If Lessee is a foreign corporation, Lessee shall domesticate corporate status within the State of Oklahoma. Lessee shall obtain a certificate of good standing from the Secretary of the State of Oklahoma and provide to TAIT such evidence of good standing as TAIT from time to time reasonably may require.

ARTICLE X
Events of Default

Section 10.1 Events of Default Defined/Cure. The following shall be "events of default" under this Agreement, and the terms "events of default" or "default" shall mean, whenever they are used herein, any one or more of the following:

- a. Lessee shall fail to pay when due and owing any rentals, fees, or charges payable hereunder and such nonpayment shall continue for thirty (30) days after written notice thereof by TAIT;
- b. Lessee shall (1) mortgage, pledge or encumber, any portion of its interest in this Agreement; (2) subject the Leased Premises to any lien of whatsoever nature, or (3) transfer, sublease or assign, either voluntarily or by operation of law, any portion of its interest in the Leased Premises, the Leasehold Improvements, or in this Agreement, except in accordance with the provisions hereof;
- c. Lessee shall terminate Lessee's corporate structure, except as permitted herein;
- d. Lessee shall substantially breach any term, provision, condition, obligation or covenant under this Agreement;
- e. Lessee shall abandon, desert, or vacate the Leased Premises voluntarily for a continuous period of 90 days or more after a written notice served on Lessee. Abandonment shall be presumed by evidence of non-payment of rentals for a continuous period of 90 days after due, plus non-occupancy of the Leased Premises.
- f. Lessee shall fail to comply with insurance requirements imposed in Section 8.2 hereof.

If Lessee commits an event of default as set forth in Subsections 10.1(a) through (f) hereof, and such failure shall continue unremedied for thirty (30) days after TAIT shall have given to the Lessee written notice specifying such default, then TAIT may proceed in accordance with Section 10.2 of this Agreement; provided, TAIT may grant Lessee (in writing) such additional time as reasonably is required to correct any such default if Lessee has instituted corrective action and is diligently pursuing the same.

Section 10.2 Remedies upon Lessee's Default and Failure to Cure. Whenever an event of default of Lessee shall occur, and upon Lessee's failure to cure after notice of default is given as provided in Section 10.1 above, TAIT may pursue any available right or remedy at law or equity, including:

a. Termination. TAIT may deliver to Lessee written notice of termination, specifying the date (which must be at least 30 days after the date of mailing of the notice) upon which the Agreement will terminate. In the event of termination, Lessee's rights to possession of the Leased Premises immediately shall cease. TAIT may then reenter and take possession of the Leased Premises and Lessee forthwith shall surrender possession of the Leased Premises. Upon termination of this Agreement, Lessee shall be liable for payment of:

- 1. All sums accrued through the date of termination;
- 2. The balance of all rentals required to be paid by Lessee;

3. The reasonable costs incurred by TAIT in terminating this Agreement, recovering possession of, and re-letting the Leased Premises, or any portion thereof; and
4. The reasonable cost incurred by TAIT to restore the Leased Premises or any portion thereof to the condition in which they originally were leased, ordinary wear and tear excepted.

All rentals received by TAIT from re-letting the Leased Premises after the termination of this Agreement shall be credited against the Outstanding Rental Balance. The acceptance by TAIT of any rentals from Lessee after the termination of this Agreement shall not reinstate this Agreement.

b. **Possession of Lessee Property; Storage.** If TAIT takes possession of the Leased Premises upon Lessee's default, TAIT may expel Lessee and those claiming through or under Lessee and remove their property. TAIT may remove all of Lessee's property in or upon the Leased Premises and place such property in storage for the account, and at the sole expense, of Lessee.

c. **Cumulative Remedies.** Each remedy available to TAIT under this Section shall be cumulative and shall be in addition to every other remedy of TAIT under this Agreement or existing at law or in equity.

Section 10.3 Nonwaiver. Neither the waiver by TAIT of any breach by Lessee of any provision hereof, nor any forbearance by TAIT to seek a remedy for any such breach, shall operate as a waiver of any other breach by Lessee.

Section 10.4 Event of Default by TAIT, Lessee's Remedies. TAIT shall not be in default in the performance of any of its obligations hereunder until TAIT shall have failed to perform such obligations for thirty (30) days or such additional time as is reasonably required to correct any such nonperformance, after notice by Lessee to TAIT specifying wherein TAIT has failed to perform any such obligations. Neither the occurrence nor existence of any default by TAIT shall relieve Lessee of Lessee's obligation hereunder to pay rentals, fees and charges. However, Lessee may institute such action against TAIT as Lessee may deem necessary to compel performance or recover Lessee's damages for nonperformance.

Section 10.5 Condemnation. If, at any time during the Term and any extended term, the Leased Premises or the Leasehold Improvements located thereon or any portion thereof shall be taken by exercise of the power of eminent domain by a governmental entity other than TAIT, the Authority, or the City, the proceeds and awards in the condemnation proceedings shall be divided, and rentals required hereunder shall be adjusted in such manner as shall be just and equitable. If TAIT and Lessee are unable to agree upon a just and equitable division of proceeds and adjustment of rentals within thirty (30) days after rendition of any condemnation award, the matters then in dispute shall be submitted for determination by a court of competent jurisdiction. If the Leased Premises are taken wholly by condemnation, this Agreement shall terminate. Provided, valuation of Lessee's interest in the Leased Premises and any Leasehold Improvements thereon shall be determined in the manner set forth in Section 4.6 entitled Termination of Agreement for Airport Purposes.

ARTICLE XI

Transfer of Interests

Section 11.1 Assignments by TAIT and the City. TAIT and the City may transfer or assign this Agreement to any successor in interest to whom the Airport may be sold or assigned without consent of Lessee; however, the successor in interest shall execute and deliver to TAIT, with a copy to Lessee, an instrument assuming the obligations of TAIT and the City under this Agreement.

Section 11.2 Assigning, Subletting and Encumbering.

- a. Lessee shall not assign, sublet or encumber the Leased Premises, or any Leasehold

Improvements thereon, without TAIT's prior written consent. If Lessee shall be other than an individual, for purposes of this section, the transfer of the majority of the shares of the Lessee (including any combination of shares that are equivalent to a majority interest) or any other evidence of majority ownership interest or control in the Lessee's enterprise, shall be deemed an "assignment"; and

b. TAIT shall not unreasonably withhold consent to (1) Lessee's sale of Leasehold Improvements to a responsible, qualified buyer capable of meeting TAIT's rules, regulations and requirements; or (2) Lessee's mortgage or assignment of its Leasehold Improvements as collateral to secure payment of costs of construction on the Leased Premises; provided, however, such consent, if granted, shall not result in a modification or diminution of TAIT's rights hereunder.

c. All documents of transfer, during the primary Term and any extended Term, shall recognize the Lessee's ownership of the Leasehold Improvements, subject only to the terms and limitations of this Agreement; and

d. Lessee shall pay the then current administrative fee, as established annually in TAIT's Schedule of Rates, Fees & Charges, for any action requiring TAIT approval. Lessee shall pay the administrative fee with Lessee's submission of a written request for TAIT approval.

ARTICLE XII **Miscellaneous**

Section 12.1 Rules of Construction. Throughout this Agreement, unless the context clearly shall require otherwise:

- a. The singular includes the plural and vice versa;
- b. The words "and" and "or" shall be both conjunctive and disjunctive;
- c. The words "all" and "any" mean "any and all";
- d. The word "including" means "including without limitation";
- e. Reference to any exhibits shall mean exhibits attached to this Agreement which shall be deemed incorporated by reference; and
- f. Reference to articles or sections respectively shall mean articles or sections of this Agreement.

Section 12.2 Existence of Lessee Entity. All references in this Agreement to "corporations" and "corporate" shall include limited liability companies and limited partnerships, as appropriate. If Lessee is a corporation, Lessee shall maintain its corporate existence and shall not dispose of all or substantially all of its assets and shall not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it. However, Lessee may, without violating the prohibition contained in this section, consolidate with or merge into another corporation, or permit one or more other corporations to consolidate with or merge into it, or sell or otherwise transfer to another corporation all or substantially all of its assets as an entity and thereafter dissolve, if the surviving or transferee corporation (a) assumes in writing all of the obligations of Lessee herein; (b) has net assets and capital (both paid in and surplus) at least equal to the net assets and capital of Lessee immediately prior to such consolidation, merger, sale or transfer; and (c) is qualified to do business in Oklahoma.

Section 12.3 Notices. All notices, certificates, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments, designations or other communication which may be or are required to be given by either party thereto to the other shall be deemed to have been given sufficiently

on the fifth day following the day on which the same are mailed by registered or certified or priority mail, postage prepaid as follows, if to TAIT or the Authority:

Tulsa Airports Improvement Trust
or Tulsa Airport Authority
Attention: Airports Director
P. O. Box 581838
Tulsa, OK 74158-1838

and, if to Lessee:

TAIT, the Authority, and Lessee, by written notice given hereunder, may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 12.4 Severability. In the event any provisions of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, unless such holding shall materially and adversely affect the rights of either party as set forth herein.

Section 12.5 Entire Agreement; Modification. This Agreement expresses the entire understanding of TAIT and Lessee concerning the Leased Premises and all agreements of TAIT and Lessee with each other concerning the subject matter hereof. Neither TAIT nor Lessee has made or shall be bound by any agreement or any representation to the other concerning the Leased Premises or the subject matter hereof which is not set forth expressly in this Agreement. This Agreement may be modified only by a written agreement of subsequent date hereto signed by TAIT and Lessee.

Section 12.6 Execution of Counterparts. This Agreement simultaneously may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.7 Effect of Saturdays, Sundays and Legal Holidays. Whenever this Agreement requires any action to be taken on a Saturday, Sunday or a legal holiday, such action shall be taken on the first business day occurring thereafter. Whenever in this Agreement, the time within which any action is required to be taken, or within which any right will lapse or expire, shall terminate on Saturday, Sunday or a legal holiday, such time shall continue to run until 11:59 p.m. on the next succeeding business day.

Section 12.8 Descriptive Headings; Table of Contents. The descriptive headings of the Sections of this Agreement and any Table of Contents annexed hereto are inserted or annexed for convenience of reference only and do not constitute a part of this Agreement, and shall not affect the meaning, construction, interpretation or effect of this Agreement.

Section 12.9 Choice of Law; Enforcement. This Agreement shall be construed and enforced in accordance with the laws of the State of Oklahoma. Whenever in this Agreement it is provided that either party shall make any payment or perform, or refrain from performing, any act or obligation, each such provision, even though not so expressed, shall be construed as an express covenant to make such payment or to perform, as the case may be, such act or obligation.

Section 12.10 Force Majeure. Neither TAIT nor Lessee shall be deemed in violation of this

Agreement if it is prevented from performing any of the obligations hereunder by reason of embargoes, shortages of material, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, floods, riots, rebellions, sabotage, or any other circumstances for which it is not responsible or which are not within its control, and the time for performance automatically shall be extended by the period the party is prevented from performing its obligations hereunder; however, these provisions shall not apply to the failure of Lessee to pay the rentals and other charges required hereunder.

Section 12.11 Consent Not Unreasonably Withheld. Whenever it is provided herein that the consent of TAIT, the Authority, the City or Lessee is required, such consent shall not be unreasonably withheld, conditioned or delayed.

Section 12.12 Recovery of Attorney's Fees and Costs. If either party shall bring any legal or equitable action against the other, the non-prevailing party shall pay the prevailing party's reasonable attorney's fee and costs incurred in such action and any appeal therefrom. For purposes of this section, "costs" shall include expert witness fees, court reporter fees, and court costs.

Section 12.13 Binding Effect. This Agreement shall inure to the benefit of, and shall be binding upon, TAIT and its successors and assigns, and upon Lessee and Lessee's respective heirs, devisees, personal representatives, successors, and assigns, if such assignment shall have been made in conformity with the provisions of this Agreement.

IN WITNESS WHEREOF, TAIT and Lessee have entered into this Agreement at Tulsa, Oklahoma on the ____ day of _____, 20____, to be effective on _____.

TULSA AIRPORTS IMPROVEMENT TRUST

BY: _____
Chair

APPROVED:

APPROVED AS TO FORM:

Airports Director

Airports Attorney

WITNESS:

By: _____