

AIRPORT-AIRLINE USE AND LEASE AGREEMENT

by and between

_____ Airport

and

CONTENTS

| | Page |
|---|------|
| Article 1 RECITALS | 2 |
| Article 2 DEFINITIONS | 2 |
| A. Definitions | 2 |
| B. Rules of Construction | 14 |
| Article 3 TERM | 15 |
| A. Term | 15 |
| B. Holding Over | 16 |
| Article 4 RIGHTS OF AIRLINE..... | 16 |
| A. Airline’s Air Transportation Business..... | 16 |
| B. Airline’s Rights Extended to Others | 20 |
| C. Airline’s Rights to Service Others | 20 |
| D. Limitation to Air Transportation Business | 20 |
| E. Rights Reserved for TAIT..... | 20 |
| Article 5 OBLIGATIONS OF AIRLINE..... | 20 |
| A. Compliance with Insurance | 20 |
| B. ALP Compliance..... | 21 |
| C. Aircraft Removal | 21 |
| D. Use, Care and Maintenance of the Airport..... | 21 |
| E. Utilities..... | 21 |
| F. Maintenance and Care of Airline’s Leased Premises..... | 22 |
| G. Operation of Equipment..... | 22 |
| H. Professional Operations..... | 23 |
| I. Non-Disturbance and Conduct of Employees | 23 |
| J. Obstructions | 23 |
| K. Antennae..... | 23 |
| L. Affiliate Airline and Sublessee Obligations..... | 24 |
| M. Support for PFC Increase | 24 |
| Article 6 AIRPORT SECURITY PROGRAM..... | 24 |
| A. TSA Program..... | 24 |
| B. Airline Compliance | 24 |
| C. Indemnification for Security Breaches | 25 |
| D. Confidentiality and Indemnity..... | 25 |
| E. Material Breach..... | 25 |

CONTENTS (*continued*)

| | Page |
|---|------|
| Article 7 TREATMENT OF AFFILIATE AIRLINES..... | 26 |
| A. Signatory Airline Landing Fee Rate..... | 26 |
| B. Activity Reports and Payments..... | 26 |
| C. Baggage System Formula | 26 |
| D. TAIT’s Right to Disapprove..... | 26 |
| E. Notification of Cancellation | 26 |
| Article 8 OBLIGATIONS OF TAIT | 27 |
| A. Airport Operation..... | 27 |
| B. Airport Approaches | 27 |
| C. Ice and Snow Removal | 27 |
| D. Maintenance Obligations | 27 |
| Article 9 TERMINAL AREA USE PROVISIONS | 28 |
| A. Policy of Open Access..... | 28 |
| B. Utilization of Facilities | 28 |
| C. Airline’s Exclusive Use Premises | 28 |
| D. Airline’s Preferential Use Premises | 28 |
| E. Baggage System Areas..... | 28 |
| F. General Terminal Areas..... | 29 |
| Article 10 TERMINAL AREA RAMP..... | 29 |
| A. Use of Airline’s Ramp Premises | 29 |
| B. Ground Support Equipment Storage | 30 |
| C. Aircraft Parking and Storage Areas..... | 30 |
| D. Disabled Equipment | 30 |
| E. Maintenance of Airline’s Ramp Premises..... | 31 |
| Article 11 ASSIGNMENT AND USE OF TERMINAL GATE POSITIONS..... | 31 |
| A. Use of Airline’s Gate Position(s) | 31 |
| B. Accommodation in Preferential Use Gate Position(s) | 31 |
| C. Right to Reassign Preferential Use Gate Position(s)..... | 31 |
| D. Process for Reassignment of Preferential Use Gate Position(s)..... | 32 |
| E. Selection of Gate Position(s) for Reassignment..... | 32 |
| F. Reimbursement for Investment in Reassigned Space and Relocation | 32 |
| G. TAIT and Airline’s Obligations Regarding Reassignment Process..... | 33 |
| H. Payment by Requesting Air Transportation Company | 33 |

CONTENTS (*continued*)

| | Page |
|--|------|
| Article 12 REALLOCATION OF AIRLINE'S LEASED PREMISES..... | 34 |
| A. Accommodation in Common Use Gates..... | 34 |
| B. Voluntary Accommodation by Signatory Passenger Airline..... | 34 |
| C. TAIT Designated Accommodation..... | 35 |
| D. Aircraft Towing Requirements of Airline..... | 36 |
| E. Requesting Air Transportation Company's Obligations during Accommodation | 36 |
| Article 13 BOND DOCUMENTS AND FLOW OF FUNDS..... | 37 |
| A. Subordination to Bond Ordinances | 37 |
| B. Internal Revenue Code of 1986..... | 37 |
| C. SEC Rule 15c2-12 | 37 |
| D. Bond Documents Flow of Funds and Application of Airport Revenues..... | 38 |
| Article 14 TERMINAL REQUIREMENT | 39 |
| Article 15 TERMINAL RENTS..... | 39 |
| A. Calculation of Terminal Rents | 39 |
| B. Baggage System Area Rents Calculation | 40 |
| C. Illustrative Terminal Rents Schedule | 41 |
| Article 16 AIRFIELD AREA REQUIREMENT..... | 41 |
| Article 17 SIGNATORY AND NON-SIGNATORY LANDING FEE RATES..... | 41 |
| A. Signatory Landing Fee Rate..... | 41 |
| B. Non-Signatory Landing Fee Rate..... | 42 |
| Article 18 LOADING BRIDGE RENTS..... | 42 |
| Article 19 RENTAL RATE ADJUSTMENTS..... | 42 |
| A. Annual Adjustment to Category Terminal Rental Rates and Signatory Landing Fee Rate | 42 |
| B. Mid Year Adjustment to Category Terminal Rental Rate or Landing Fee Rate | 43 |
| C. End of Year Reconciliation..... | 43 |
| D. No Formal Amendment | 43 |
| E. Surcharges | 44 |
| F. Extraordinary Coverage Protection..... | 44 |

CONTENTS (*continued*)

| | Page |
|--|------|
| Article 20 RENTS AND PAYMENTS..... | 45 |
| A. Rents | 45 |
| B. Agreement Contingent upon Payment | 46 |
| C. Withholding of Credit and/or Airline Net Revenue Sharing Determined Under Year-End Settlement..... | 46 |
| D. Landlord's Lien..... | 46 |
| E. Place of Payments..... | 46 |
| F. Accord and Satisfaction..... | 47 |
| G. Payments | 47 |
| H. Passenger Facility Charges ("PFC") | 47 |
| I. Monthly Activity Reports..... | 48 |
| J. Other Reports..... | 49 |
| K. Security Assurances | 49 |
| Article 21 RECORDS AND AUDIT OF RECORDS..... | 50 |
| A. Airline Books and Records..... | 50 |
| B. Audits of Airline Books and Records | 50 |
| Article 22 AIRLINE'S ALTERATIONS, IMPROVEMENTS AND EQUIPMENT..... | 50 |
| A. Airline Improvements | 50 |
| B. Airline Improvements Plans and Specifications..... | 51 |
| C. Furniture, Fixtures and Equipment ("FFE")..... | 51 |
| D. Submittal of Costs to TAIT | 51 |
| E. Modifications | 51 |
| F. Removal of Property | 52 |
| G. Damage to Leased Premises | 52 |
| H. No Liens or Encumbrances | 52 |
| Article 23 LESSOR'S GRANTS; RESERVATIONS | 53 |
| A. Sublease, License | 53 |
| B. Avigation Easement, Waiver and Release | 53 |
| C. Quiet Enjoyment..... | 54 |
| D. No Joint Venture or Partnership | 54 |
| E. Right of Temporary Relocation during Capital Project Construction..... | 54 |
| Article 24 TAIT'S RIGHT TO ENTER AND MAKE REPAIRS..... | 55 |
| A. TAIT's Right to Enter | 55 |
| B. Non-Interference | 56 |

CONTENTS (*continued*)

| | Page |
|--|------|
| Article 25 SURRENDER OF THE AIRLINE’S LEASED PREMISES..... | 56 |
| Article 26 ASSIGNMENT, SUBLEASE AND TRANSFER OF SPACE | 57 |
| A. Assignments by TAIT and the City | 57 |
| B. Assigning, Subletting and Encumbering | 57 |
| C. Bankruptcy | 58 |
| Article 27 CAPITAL EXPENDITURES | 59 |
| A. Pre-Approved Capital Improvement Program (“Pre-Approved CIP”) | 59 |
| B. Rights Regarding Proposed Capital Improvement Projects | 59 |
| C. Capital Expenditures Requiring Signatory Airline Consultation | 59 |
| D. Signatory Airline Consultation Process – New Capital Improvement Projects..... | 61 |
| E. Signatory Airline Consultation Process – Capital Improvement Project Funding Variances | 62 |
| F. Signatory Airline Disapproval Process | 63 |
| G. Application of Airport Expenses..... | 64 |
| H. Disapproved Capital Improvement Project Status..... | 64 |
| Article 28 RELINQUISHMENT OF ABANDONED SPACE..... | 65 |
| Article 29 DEFAULT AND RIGHTS AND REMEDIES UPON DEFAULT | 65 |
| A. Events of Default Defined | 65 |
| B. Remedies upon Airline’s Default..... | 66 |
| C. Removal of Displays | 66 |
| D. Event of Default by TAIT | 67 |
| E. Event of Default by TAIT, Airline’s Remedies..... | 67 |
| F. Non-Waiver..... | 67 |
| G. Condemnation | 68 |
| Article 30 GOVERNMENTAL REQUIREMENTS | 68 |
| A. Governmental Requirements – General..... | 68 |
| B. No Liability for Exercise of Powers | 69 |
| C. Nondiscrimination | 69 |
| D. Taxes and Other Governmental Charges..... | 70 |
| E. Domestication | 70 |
| F. ADA Compliance | 71 |
| G. Open Records Act..... | 71 |

CONTENTS (*continued*)

| | Page |
|--|------|
| Article 31 ENVIRONMENTAL MATTERS..... | 71 |
| A. Regulated Substance Compliance and Indemnity | 71 |
| Article 32 CASUALTY TO LEASED PREMISES, INDEMNITY AND INSURANCE | 76 |
| A. Repair of Damaged or Casualty Affected Areas..... | 76 |
| B. Liability for Loss..... | 77 |
| C. Indemnity - General..... | 78 |
| D. Insurance Requirements..... | 78 |
| Article 33 NO EXCLUSIVE RIGHT | 80 |
| Article 34 NO GRANTING OF MORE FAVORABLE TERMS | 80 |
| Article 35 MISCELLANEOUS..... | 81 |
| A. Airline to Maintain its Legal Entity Existence..... | 81 |
| B. Notices..... | 81 |
| C. Severability | 82 |
| D. Entire Agreement; Modification..... | 82 |
| E. Execution of Counterparts | 82 |
| F. Effect of Saturdays, Sundays and Legal Holidays..... | 82 |
| G. Descriptive Headings; Table of Contents | 82 |
| H. Choice of Law; Enforcement..... | 83 |
| I. Force Majeure..... | 83 |
| J. Construction/Interpretation of the Agreement..... | 83 |
| K. Consent Not Unreasonably Withheld | 83 |
| L. Waiver of Depreciation and Tax Credit | 83 |
| M. Nonwaiver of Rights | 83 |
| N. Non-Liability of Individuals/Public Officials..... | 84 |
| O. Time of the Essence | 84 |
| P. Right of Inspection - Access | 84 |
| Q. Recovery of Attorney's Fees and Costs..... | 84 |
| R. Binding Effect..... | 84 |

EXHIBITS

- Exhibit A – Sample Activity Report
- Exhibit B – Airline’s Leased Premises
- Exhibit C – Airline Space
- Exhibit D – Parking and Roadways
- Exhibit E – R. L. Jones, Jr. Airport
- Exhibit F – Terminal
- Exhibit G – Airport Layout Plan
- Exhibit H – Baggage Claim Area
- Exhibit I – Baggage Make-Up Area
- Exhibit J – Leaseable Space
- Exhibit K – Pre-Approved Capital Improvement Program
- Exhibit L – Ramp Area Premises
- Exhibit M – Maintenance Matrix
- Exhibit N – Schedule of Rates, Fees and Charges
- Exhibit O – Sample Terminal Rates and Charges Calculation Schedule
- Exhibit P – Sample Signatory Landing Fee Calculation Schedule

TULSA INTERNATIONAL AIRPORT
AIRPORT-AIRLINE USE AND LEASE AGREEMENT

THIS AIRPORT-AIRLINE USE AND LEASE Agreement, (hereinafter referred to as "Agreement") made and entered into on the dates designated on the signature pages hereof, effective however on the 1st day of July, 2008, by and between TAIT the Tulsa Airports Improvement Trust (hereinafter referred to as "TAIT"), an Oklahoma public trust, the beneficiary of which is the City of Tulsa, Oklahoma (hereinafter referred to as "City"), as Lessor, and _____ (hereinafter referred to as "Airline"), a corporation organized and existing under and by virtue of the laws of the State of _____, as Lessee.

PREMISES:

WHEREAS, TAIT leases Tulsa International Airport (hereinafter referred to as "Airport") pursuant to the terms of an Amended Lease between the City and TAIT dated November 25, 1987, effective as of July 1, 1987, and amended by Amendment No.1 to Amended Lease Agreement on June 30, 1989, effective as of July 1, 1989, by which amendment the Tulsa Airport Authority (hereinafter referred to as "Authority"), a charter agency of the City, is authorized to manage the Airport on a daily basis for TAIT. The Airport includes an Airline Passenger Terminal Building and its associated concourses (hereinafter collectively referred to as "Terminal"); and

WHEREAS, TAIT also leases R. L. Jones, Jr. Airport (hereinafter referred to as "Reliever Airport"), a Federal Aviation Administration (hereinafter referred to as "FAA") - designated reliever airport, from the City, and the Authority manages the Reliever Airport on a daily basis for TAIT; and

WHEREAS, the Authority manages and operates the Airport and the Reliever Airport for the promotion, accommodation and development of air commerce and air transportation between the Tulsa area and other cities of the United States and cities of other nations of the world; and

WHEREAS, Airline is engaged in the business of commercial air transportation of persons, property, cargo and/or mail and is authorized by the United States of America (hereinafter referred to as "U.S.") government to engage in such commercial air transportation business; and

WHEREAS, Airline desires to obtain certain rights, services and privileges in connection with the use of the Airport and its facilities, and TAIT is willing to grant and lease the same to Airline upon the terms and conditions hereinafter set forth; and

WHEREAS, Airline has met TAIT's minimum qualifications for entering into this Agreement, which include (i) having Scheduled Service at the Airport, (ii) not having any undisputed past due debts (including pre-petition and post-petition debts if Airline is or was in bankruptcy) under any lease or contract with TAIT when this Agreement is executed by TAIT, (iii) not being currently in default under any lease or contract with TAIT when this Agreement is executed by TAIT, and (iv) obtaining bankruptcy court approval to execute this Agreement by filing a motion in a form approved by TAIT if Airline is in bankruptcy before this Agreement is executed by TAIT;

NOW THEREFORE, the parties intending to be legally bound by the terms and conditions of this Agreement and in consideration of the foregoing and of the covenants and agreements of the Airline hereinafter set forth, TAIT and Airline hereby agree as follows:

Article 1 RECITALS

The premises set forth above are hereby made a part of this Agreement.

Article 2 DEFINITIONS

A. Definitions.

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

"Active Loading" shall mean that period of time that commences sixty (60) minutes prior to the scheduled departure time and that expires thirty (30) minutes after the scheduled departure time of the Aircraft;

"Active Unloading" shall mean that period of time that commences thirty (30) minutes prior to the scheduled arrival time and that expires sixty (60) minutes after the scheduled arrival time of the Aircraft;

“Activity Report” shall mean that report required to be submitted by Airline to TAIT within ten (10) days following the end of each calendar month in a form acceptable to TAIT setting forth (i) Aircraft landed weight by Aircraft, (ii) flight arrivals and departures, (iii) Enplaned and Deplaned Passenger activity, (iv) non-revenue passenger activity and (v) other statistical information reasonably required by TAIT related to Airline’s operations at the Airport. The Activity Report shall be submitted to TAIT in the form of Exhibit A attached hereto or other TAIT-approved form, as may be modified from time to time by TAIT, without amendment to this Agreement or in other forms as approved by TAIT;

“Affiliate Airline” shall mean an Air Transportation Company having an Operating License with TAIT of which Airline has notified TAIT in writing at least thirty (30) days in advance and that (i) is wholly owned by Airline or Airline’s parent company or (ii) has a code share agreement or capacity purchase agreement with Airline and operates certain flights (the flight numbers of which having been provided to TAIT at least thirty (30) days in advance) exclusively for Airline using the same code designator as Airline;

“Affiliate Airline Qualifying Flight Operations” shall mean those flights of an Affiliate Airline that meet the criteria set forth in the preceding Affiliate Airline definition hereinabove;

“Agreement” shall mean this Airport-Airline Use and Lease Agreement by and between TAIT and Airline, as it may be amended, supplemented or modified from time to time;

“Air Transportation Business” shall mean the carriage by Aircraft of persons, cargo or property as a common airline for compensation or hire, or the carriage of mail, by Aircraft, in commerce as defined in the Federal Aviation Act of 1958, as amended;

“Air Transportation Company” shall mean an entity conducting an Air Transportation Business at the Airport;

“Aircraft” shall mean a vehicle that is capable of traveling through the air, as defined in the Federal Aviation Act of 1958, as same may be amended or supplemented from time to time;

“Aircraft Parking and Storage Areas” shall mean those portions of the Airfield Area, other than the Ramp Area Premises, that are designated by the Airport Director for the parking and storage of Aircraft and Aircraft support vehicles, and, if necessary, the loading and unloading of Aircraft, which areas are subject to change from time to time;

“Airfield Area Majority in Interest ‘MII’ Concurrence Formula” shall mean concurrence by more than fifty percent (50%) in number of Eligible Signatory Airlines representing not less than fifty percent (50%) of the total Eligible Signatory Airlines landed weight in the Airfield Area. This measure will be calculated using the most recent twelve (12) months of data from the date when TAIT notifies the Signatory Airlines of a Capital Improvement Project that requires an Airfield Area MII Vote. Landed weight of Affiliate Airlines Qualifying Flight Operations will be considered as part of the Eligible Signatory Airlines landed weight;

“Airfield Area Requirement” shall mean that amount determined for each Fiscal Year in accordance with Article 16 hereof;

“Airline” shall mean the individual Air Transportation Company that is a party to this Agreement;

“Airline Cost Centers” shall mean (i) the Airfield Area Cost Center, (ii) the Terminal Cost Center and (iii) the Reliever Airport Cost Center;

“Airline Equipment” shall mean those moveable trade fixtures, furniture and equipment located on or affixed to Airline’s Leased Premises, or elsewhere at the Airport, purchased and/or constructed at the sole cost and expense of Airline which are considered the personal property of Airline;

“Airline Improvements” shall mean those fixtures and construction-related additions, modifications and improvements located on or affixed to Airline’s Leased Premises, or elsewhere at the Airport, which have been purchased and/or constructed at the sole cost and expense of Airline, and which cannot be removed without causing damage to Airport property;

“Airline’s Exclusive Use Premises” shall mean that portion of Airline’s Leased Premises which Airline has exclusive use of under this Agreement; including generally but not limited to, Ticket Counter Positions, operations areas and training offices;

“Airline’s Leased Premises” shall mean the aggregate of all space leased to Airline hereunder, as set forth in Exhibit B and Exhibit C attached to this Agreement and incorporated by reference herein, as same may be modified from time to time;

“Airline’s Preferential Use Premises” shall mean Gate Positions within Airline’s Leased Premises which Airline has Preferential Use of under this Agreement;

“Airline’s Ramp Premises” shall mean that portion of the Ramp Area Premises, as set forth in Exhibit L, which is leased specifically to Airline for its Preferential Use;

“Airline Revenues” shall mean all Rents paid by Air Transportation Companies to TAIT as recorded in the Airline Cost Centers under this Agreement;

“Airline Net Revenue Sharing” shall mean an amount determined by TAIT in accordance with Article 13.

“Airline Space” shall mean the aggregate of the total square footage leased to Air Transportation Companies in the Terminal plus the square footage attributable to the Baggage System Area at the beginning of any given Fiscal Year during the term of this Agreement, as shown on Exhibit C, as same may be modified from time to time by the parties without formal amendment hereto;

“Airport” shall mean the Tulsa International Airport;

“Airport Cost Centers” or “Cost Centers” shall mean collectively the following cost centers, as the same may hereafter be amended from time to time. Such Airport Cost Centers shall be used for purposes of accounting for Airport Revenues and Airport Expenses and for calculating and adjusting certain Rents as specified in this Agreement;

1. “Airfield Area Cost Center” or “Airfield Area” shall include the (a) the areas of the Airport comprising hard surface and grass areas within the airfield perimeter fence, reserved for Aircraft operations and Aircraft-related activities, including but not limited to areas provided for Aircraft landing, taking-off, taxiing, safety overruns and parking, as designated from time to time; and (b) other appurtenances on the Airport related to the aeronautical use of the Airport, including but not limited to TAIT-owned or controlled easement areas designated as approach and transition zones, obstacle-free areas, clear zones, avigation areas, areas leased by fixed base, general aviation, or specialized aviation service operators or other easements, including any property purchased for direct aviation operations purposes including noise mitigation purposes, as they now exist or may be developed, extended or improved from time to time. The Airfield Area Cost Center shall exclude any property owned or purchased at the Airport for purposes other than direct aviation operations;
2. “General and Administration Cost Center” shall include the Airport Expenses and Airport Revenues associated with the operation of the Airport System or any part thereof, which are not directly accounted for in another Airport Cost Center;

3. "Other Buildings, Grounds and Cargo Cost Center" shall include all airline hangars, fueling facilities, cargo facilities, and all other buildings and areas not already included in the other Airport Cost Centers.
4. "Parking and Roadways Cost Center" shall include all short-term, long-term, and shuttle parking areas, rental car facilities and Airport access roads, as the same may exist from time to time, which is illustrated on Exhibit D.
5. "Reliever Airport Cost Center" shall include the Reliever Airport, as defined herein.
6. "Terminal Cost Center" shall include the Terminal, as defined herein, and the systems and equipment associated therewith.

"Airport Expenses" shall mean the Operating Expenses, Debt Service, Amortization Charges and Fund Requirements associated with the operation of the Airport System or any part thereof for any Fiscal Year;

"Airport Revenues" shall mean income accrued or received by TAIT in accordance with generally accepted accounting principles, and as set forth in the Bond Indenture, from the ownership or operation of the Airport System, or any part thereof, or the leasing or use thereof;

"Airport System" shall mean the Tulsa International Airport and the R. L. Jones, Jr. Airport;

"Airport Director" shall mean the Airport Director of the Authority, as authorized by TAIT to operate and maintain the Airport and the Reliever Airport, or his/her designated and authorized representative;

"ALP" or "Airport Layout Plan" shall mean the currently FAA-approved layout plan for the Airport depicting the physical characteristics of the Airport and identifying the location and configuration of current runways, taxiways, buildings, roadways, utilities, nav aids and other improvements, as shown on Exhibit G, attached hereto and as may be subject to change from time to time. When appropriate, ALP shall also include the physical layout of the Reliever Airport, as may be subject to change from time to time;

"Amortization Charges" shall mean the principal and interest cost on Capital Improvement Projects financed by TAIT from the General Account. Amortization Charges shall be calculated using (a) the Revenue Bond Index rate, as published in the Wall Street Journal as of the date the Capital Improvement is placed in service, (b) the economic useful life of the Capital Improvement, as determined by TAIT in

accordance with generally accepted accounting principles and (3) the Substantial Completion Date of the Capital Improvement.

“Annual Budget” shall mean the capital and operating budget and annual rates and charges report of the Airport System, prepared and adopted by TAIT for each Fiscal Year during the term of this Agreement;

“Authority” shall mean the Tulsa Airport Authority, a charter agency of the City of Tulsa;

“Authority Space” shall mean space occupied by the Authority or TAIT;

“Baggage Claim Area” shall mean the area in the Terminal where Deplaned Passengers collect their checked baggage, as shown on Exhibit H, attached hereto and incorporated by reference herein, which may be modified from time to time;

“Baggage Make-Up Area” shall mean the area in the Terminal where Air Transportation Companies route passengers’ checked baggage for delivery to Aircraft, and the baggage cart movement areas associated therewith, as shown on Exhibit I, attached hereto and incorporated by reference herein, which may be amended from time to time;

“Baggage System Areas” shall mean the Baggage Claim Area and the Baggage Make-Up Area;

“Baggage System Area Rents” shall mean those Rents, determined by TAIT in accordance with the Baggage System Formula, that are assessed against Air Transportation Companies utilizing the Baggage System Areas;

“Baggage System Formula” shall mean the formula used to prorate the Baggage System Cost, computed in accordance with Article 15(B)(1);

“Bonds” shall have the meaning as set forth in the Bond Indenture;

“Bond Documents” shall mean those contracts, agreements, certificates, resolutions or other materials, ancillary to and including the Bond Indenture, evidencing the issuance of Bonds;

“Bond Indenture” shall mean a document providing for the issuance, security and payment of Bonds;

“Capital Expenditure” shall mean money expended by TAIT on a Capital Improvement Project less any federal or State grants or PFC revenues;

“Capital Improvement Project” shall include the following: (i) the acquisition of land or easements, (ii) the purchase of machinery, equipment or rolling stock, (iii) the planning, engineering, design and construction of new facilities, (iv) noise insulation or other noise mitigation measures, (v) other environmental mitigation measures and (vi) extraordinary maintenance projects, with a capital cost in excess of one hundred thousand dollars (\$100,000) and a useful life in excess of one (1) year, which is acquired, purchased or constructed to improve, maintain or develop the Airport, as well as any extraordinary or substantial expenditure whose object is to preserve, enhance or protect the Airport System;

“Cargo Air Transportation Company” shall mean an entity engaged in the Air Transportation Business of transporting property or cargo by air, but not passengers at the Airport;

“CIP” shall mean Capital Improvement Program;

“City” shall mean the City of Tulsa, Oklahoma, a municipal corporation;

“Code” shall mean the Internal Revenue Code of 1986, as amended, supplemented or replaced, and the regulations and rulings issued thereunder;

“Commencement Date” shall mean 12:01 a.m. on July 1, 2008;

“Common Use Gate” shall mean any TAIT-controlled Gate Position in the Terminal not directly leased to an individual Signatory Passenger Airline on a Preferential Use basis, which TAIT reserves for the flexible and temporary use of any Air Transportation Company;

“Common Use Terminal Areas” shall mean those portions of the Terminal that could be directly leased to a Signatory Passenger Airline on a Preferential or Exclusive Use basis, but are available for use for individual flights or other limited use upon agreement by TAIT, and include but are not limited to Common Use Gates;

“Debt Service” shall have the meaning as set forth in the Bond Indenture;

“Debt Service Coverage Requirement” shall mean for any and all series of Bonds, an amount required to maintain a balance in the Airport Coverage Account of twenty-five percent (25%) of annual Debt Service, net of contributions from PFC revenues and prior Airport Coverage Account balances, and allocated to the Airport Cost Centers on the basis of Debt Service;

“Deplaned Passenger” shall mean any revenue passenger disembarking from an Aircraft at the Airport, even if such passenger subsequently departs from the

Airport on another Aircraft of the same or a different Air Transportation Company;

“Eligible Signatory Airline” shall mean any Signatory Airline that has not discontinued Scheduled Service and is not in default of this Agreement;

“Eligible Signatory Passenger Airline” shall mean any Signatory Passenger Airline that has not discontinued Scheduled Service and is not in default of this Agreement;

“Enplaned Passenger” shall mean any revenue passenger boarding an Aircraft at the Airport, even if such passenger previously disembarked from a different Aircraft of the same or a different Air Transportation Company;

“Event of Default” shall include those occurrences, actions or inactions as set forth in Article 29 of this Agreement;

“Exclusive Use” shall mean a power, privilege or other right, authorized under this Agreement, excluding others from enjoying or exercising a like power, privilege or right;

“Extraordinary Coverage Protection” shall mean additional Rents which Airline agrees to pay in accordance with Article 19(F);

“Fiscal Year” shall mean TAIT’s fiscal year, which is the twelve (12) month period commencing on July 1st of each Calendar Year and extending to June 30th of the following Calendar Year;

“Fund Requirements” shall mean deposits to the funds and accounts as identified in the Bond Indenture;

“Gate Position” shall mean that area in the Terminal that includes a holdroom, the associated Loading Bridge (if any) and Ramp Area Premises, and all Airline Equipment located thereon or appurtenant thereto, including but not limited to holdroom seating, podiums, ground power units and potable water supply, that are reasonably necessary for flight operations;

“General Terminal Areas” shall mean those areas associated with the Terminal Cost Center including, but not limited to, (i) those occupied or designated as Authority Space; (ii) Public Areas; (iii) those used by TAIT to support the operations of the Airport System, including, but not limited to, utility rooms, ductways, janitorial rooms and closets, telephone rooms and other such areas as designated by TAIT; (iv) the Common Use Terminal Areas and (v) those areas designated by TAIT and leased directly to concessionaires or other non-Air Transportation Company tenants;

“Governmental Requirements” mean 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, Transportation Security Administration (“TSA”) or any other governmental entity succeeding to the jurisdiction, functions or responsibilities of either; TAIT and the Authority (subject to the conditions referenced in the definition of “Rules and Regulations” below); the City, the State, or other governmental entities authorized to enact rules, regulations, standards, or policies applicable to Airline’s use of the Airport and operation/utilization of Airline’s Leased Premises and improvements thereon;

“Ground Handling Services” shall mean services provided to Air Transportation Companies to include, but not necessarily be limited to, fueling services; loading and unloading of passengers, baggage and freight into Aircraft; providing passenger service agents; assisting in processing of passengers and crews; furnishing and operating ground support equipment in support of Aircraft operations; Aircraft cleaning and lavatory service activities; deicing; and Aircraft maintenance activities;

“Landing Fees” shall mean those fees, calculated in accordance with Article 17 hereof, paid to TAIT by Airline for its Aircraft that land at the Airport;

“Leaseable Space” shall mean those areas in the Terminal that are leased or available for lease, including ticket counter, holdroom, offices, operations, baggage make-up, baggage claim, TAIT office, and concessions space, as shown on Exhibit J. In FY 2009, one-third; in FY 2010, one-fourth; in FY 2011, one-sixth; and in FY 2012 one-twelfth of public circulation space before the TSA security checkpoints shall be included in Leaseable Space;

“Loading Bridge” shall mean a TAIT-owned moveable jet bridge connector, which extends from the Terminal to Aircraft for passenger and crew boarding onto and deboarding from such Aircraft;

“MII Vote” shall mean the mechanism by which the Signatory Airlines may disapprove a Capital Expenditure, as set forth in Article 27 hereof;

“Maximum Landed Weight” shall mean the maximum certificated gross landed weight in one thousand pound units, as stated in the flight operations manual of each Aircraft operated at the Airport by an Air Transportation Company;

“New Capital Improvement Projects” shall mean Capital Improvement Projects not on the Pre-Approved CIP.

“Non-Airline Revenues” shall mean all revenues realized by TAIT other than Airline Revenues;

“Non-Signatory Airline” shall mean any Air Transportation Company that has not entered into an agreement substantially similar to this Agreement with TAIT;

“Non-Signatory Landing Fee Rate” shall mean a rate that includes a fifty percent (50%) premium over the Signatory Landing Fee Rate for any given Fiscal Year;

“Non-Signatory Turnaround Common Use Fee” shall mean a rate that includes a premium over the Turnaround Common Use Fee for Signatory Airlines and their Affiliate(s) for any given Fiscal Year, as set forth in Exhibit N;

“Operating Expenses” shall mean the current expenses (other than Capital Expenditures) of TAIT, paid or accrued in administering, operating, maintaining and repairing the Airport;

“Operating License” shall mean the contract for the conduct of commercial flight operations at the Airport that has been executed by TAIT and a Non-Signatory Airline;

“Passenger Air Transportation Company” shall mean an entity engaged in or desiring to engage in the Air Transportation Business at the Airport primarily for the carriage of persons;

“PFC” shall mean federally approved Passenger Facility Charges or passenger facility fees, as authorized by 49 USC App. Section 1513 and regulated by 14 CFR Part 158, as such statute and regulation currently exist or as they may be amended during the Term of this Agreement;

“Pre-Approved CIP” shall mean those Capital Improvement Projects shown on Exhibit K, which have been approved in advance by the Signatory Airlines;

“Preferential Use” shall mean a right or use having priority, but not exclusivity, over a use by others;

“Proprietary Equipment” shall mean those moveable or permanent furniture, fixtures, and equipment located on or affixed to Airline’s Leased Premises, or elsewhere at the Airport, purchased and/or constructed at the cost and expense of TAIT which are made available for use by Airline and subject to the Tenant Surcharge for Proprietary Equipment, if any, as set forth in a separate written agreement between TAIT and Airline;

“Public Areas” shall mean those areas of the Terminal designated by TAIT for the public ingress and egress of the Airport’s customers, passengers, employees and

tenants within the Terminal including, but not limited to, public circulation areas, restrooms, stairwells, elevators, and passenger queuing space;

“Ramp Area Premises” shall mean that lineal footage of the Airfield Area (in the aggregate) attributable to the Signatory Airlines’ Gate Positions leased specifically to the Signatory Airlines for their Preferential Use, or at Common Use Gates, measured from the abutting face of the Terminal to the Aircraft parking limit line, as further described in Exhibit L, as may be subject to change from time to time;

“Rate Covenant” shall equal the sum of the following: the Debt Service Coverage Requirement, Operating Expenses and any deposits to the funds and accounts of the Bond Indenture;

“Reliever Airport” means the R. L. Jones, Jr. Airport which is shown on Exhibit E, and any future additions or enlargements thereto and the systems and equipment associated therewith;

“Rents” shall mean all rentals, fees, charges (other than PFC), fines, costs, reimbursements, penalties, taxes, assessments, liens, damages, additional rentals, delinquency charges, liquidated damages, and interest of all types and of all nature that Airline is required to pay pursuant to this Agreement;

“Requesting Air Transportation Company” shall mean an Air Transportation Company requesting accommodation on a Signatory Passenger Airline’s Preferential Use space;

“Revenue Aircraft Arrival” shall mean any Aircraft arrival at the Airport for which Airline has received or made a monetary fee or charge, including but not limited to, scheduled trips and charters, sightseeing and other trips for which revenue is received, but excluding, without limitation, ferry, test, courtesy, and inspection or other trips for which there is no fee or charge, along with flights to the Airport for which the sole purpose is to obtain maintenance services. Training flights shall be excluded from Revenue Aircraft Arrivals, except to the extent that the number of training flights operated by Airline during any Fiscal Year exceeds five (5) per Fiscal Year. Flights which are diverted to the Airport because of mechanical, meteorological or other causes shall be considered the same as a Revenue Aircraft Arrival, except that if a revenue flight is required to return to the Airport because of such mechanical, meteorological or other precautionary reasons, such arrival shall not be considered a Revenue Aircraft Arrival;

“Rules and Regulations” shall mean those reasonable rules and regulations promulgated by TAIT or the Authority for the use of the Airport, as the same may be amended, modified or supplemented from time to time by TAIT or the Authority; provided, however, that no changes or additions to any such rules or

regulations promulgated by TAIT or the Authority after the date of this Agreement which may adversely affect Airline's rights or increase Airline's obligations under this Agreement shall be enforceable against Airline;

"Scheduled Service" shall mean the scheduled flights of a Signatory Airline and/or its Affiliate Airline(s) as applicable, at the Airport as published in the Official Airline Guide or successor publication referenced and used by TAIT of at least two (2) flights, or one (1) round trip, a week at the Airport on the same day or days of the week for eight (8) or more weeks within the immediately preceding ninety (90) consecutive day period;

"Signatory Airline" shall mean an Air Transportation Company which has signed a Signatory Airline Use and Lease Agreement with TAIT which is substantially similar to this Agreement. When used in plural, this term means the collective group of Signatory Airlines. Signatory Airlines include Signatory Passenger Airlines and Signatory Cargo Airlines;

"Signatory Cargo Airline" shall mean a Cargo Air Transportation Company that is a Signatory Airline;

"Signatory Landing Fee Rate" shall mean the rate per 1,000 pounds of Maximum Landed Weight paid by Signatory Airlines for their flights and Affiliate Airline Qualifying Flight Operations that land at the Airport;

"Signatory Passenger Airline" shall mean a Passenger Air Transportation Company that is a Signatory Airline;

"State" shall mean the State of Oklahoma;

"Substantial Completion Date" shall mean the date on which all labor, materials and services required to complete a Capital Improvement in accordance with all applicable requirements have been provided to such extent that (i) the Capital Improvement is ready for its intended use and (ii) only the following items remain to be completed or corrected: details of construction and decoration or mechanical adjustments which do not impair or preclude the use or occupancy of the Capital Improvement for its intended use;

"TAA Funds" include the Major Maintenance, Repair and Replacement Account, the General Account, the Capital Improvement Account, the Equipment and Capital Outlay Account and the Airport Account, which includes net Airport Revenues retained by TAIT (if any), as these accounts currently exist or may hereafter be modified or eliminated;

"Tenant Surcharge for Proprietary Equipment" shall mean that amount to be paid by an Air Transportation Company as may be determined by TAIT from time to

time, for the use of Proprietary Equipment, for which the Air Transportation Company would otherwise be responsible for providing at its own expense for its own use;

“Terminal” shall mean the Airline Passenger Terminal Building, including the Baggage System Areas, and its related airside and landside concourses and passenger connectors to the Baggage Claim Area, leased to TAIT by the City and located at the Airport, as the same may exist from time to time, and which is illustrated on Exhibit F;

“Terminal MII Concurrence Formula” shall mean concurrence by more than fifty percent (50%) in number of Eligible Signatory Passenger Airlines leasing fifty percent (50%) or more of the total Eligible Signatory Passenger Airline leased space in the Terminal. This measure will be calculated using the most recent twelve (12) months of data from the date when TAIT notifies the Signatory Passenger Airlines of a Capital Improvement Project that requires a Terminal MII Vote. Space leased to Affiliate Airlines will not be considered in determining Eligible Signatory Passenger Airline leased space in the Terminal;

“Terminal Requirement” shall mean that amount determined for each Fiscal Year in accordance with Article 14 hereof;

“Ticket Counter Positions” shall mean a ticket counter area, including the associated back office and outbound baggage conveyor;

“Turnaround Use” shall mean each Aircraft arrival and departure or other utilization of a Gate Position by an Air Transportation Company for an arrival and departure Aircraft operation, consistent with the definitions of Active Loading and Active Unloading;

“Turnaround Common Use Fee” shall mean those rates, fees and charges established by TAIT for any given Fiscal Year, as set forth in the Schedule of Rates, Fees, and Charges for Signatory Airlines and their Affiliate(s) utilizing a Common Use Gate, as set forth in Exhibit N attached to this Agreement and incorporated by reference herein, as same may be modified from time to time;

B. Rules of Construction

Throughout this Agreement, unless the context clearly states otherwise:

1. The singular includes the plural and vice versa;
2. The words “and” and “or” shall be both conjunctive and disjunctive;

3. The words “hereby”, “herein”, “hereof”, “hereto” and “hereunder” and any similar terms used in this Agreement refer to this Agreement;
4. The words “all” and “any” mean “any and all”;
5. The word “including” shall not mean in a limiting nature, but shall be construed to mean “including without limitation”;
6. The word “he” or any masculine pronoun includes any individual regardless of gender;
7. Words denoting persons shall include firms, associations, partnerships, limited liability corporations, limited liability partnerships, trusts, corporations and other legal entities, including public bodies, as well as natural persons;
8. Reference to any attachments or exhibits shall mean exhibits attached to this Agreement which shall be deemed incorporated fully by reference and made an integral part of this Agreement;
9. The word “days” in this Agreement shall mean calendar days, except as provided for in Article 35(F);
10. Any headings preceding the text of the Articles, and Sections of this Agreement and any Table of Contents or marginal notes appended to notes hereof shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect the meaning, construction, interpretation or effect of this Agreement; and
11. Reference to articles or sections respectively shall mean articles or sections of this Agreement.

Article 3

TERM

A. Term

Notwithstanding TAIT or Airline’s rights of early termination under this Agreement, the Term of this Agreement shall commence at 12:01 a.m. on July 1, 2008 and shall terminate on June 30, 2013, unless terminated earlier as provided in this Agreement.

B. Holding Over

In the event that Airline, without request or objection by TAIT, shall continue to occupy the Leased Premises and conduct its airline operations under this Agreement beyond the Term of this Agreement, such holding over shall not constitute a renewal of this Agreement, but shall be considered a month-to-month tenancy only, incorporating all terms and conditions of this Agreement, unless otherwise agreed to by both parties in writing. In such event, Airline shall be assessed those same Rents as are applied to Non-Signatory Airlines during such holding over period. No such holding over shall be deemed to operate as a renewal or extension of the Term. Such month-to-month tenancy may be terminated by TAIT or Airline by giving thirty (30) days prior written notice of said termination to the other party at any time.

Article 4 RIGHTS OF AIRLINE

A. Airline's Air Transportation Business

The rights granted hereunder are in addition to all rights elsewhere granted in this Agreement and relate to the conduct of Airline's Air Transportation Business at the Airport. Airline shall have the right, at its own cost and expense, and in common with others as may be so authorized by TAIT, to operate an Air Transportation Business at the Airport, directly or through its Affiliate Airline(s), including all activities reasonably necessary for such operation, including:

1. **Airport Use.** Use facilities, equipment and improvements at the Airport for the operation of Airline's Air Transportation Business.
2. **Aircraft Operations.** Land, take-off, load, unload, repair, condition, service, park and store Aircraft or other equipment, in areas designated by TAIT; provided, however, that Airline shall not use the Ramp Area Premises at the Terminal to load or unload all-cargo Aircraft unless otherwise authorized in advance in writing by TAIT.
3. **Aircraft Maintenance.** Service Aircraft or equipment operated by Airline with line maintenance or materials or supplies at TAIT-designated locations.
4. **Conveyance Rights.** Sell tickets, document shipments, handle reservations, and load and unload persons, property, cargo and/or mail at the Airport by using motor vehicles or such other means of conveyance as Airline may desire or require in the operation of its Air Transportation

Business, which means of conveyance is subject to the prior written approval of TAIT through and on behalf of TAIT.

5. Procurement. Purchase, either on or off the Airport, Airline's requirements of gasoline, fuel, lubricating oil, grease, food and other passenger supplies, and any other materials and supplies, from any person or company of Airline's choice, and the right to make arrangements with any person or company of Airline's choice for work to be done for Airline, subject, however, to TAIT's right to require such person or company to enter into a contract or secure a permit and/or license to conduct such business at the Airport, and to assess and collect reasonable fees from such company or person, and subject to such person's or company's compliance with federal, local and State security requirements.
6. Aircraft Testing. Test Aircraft and other equipment being utilized at the Airport in the operation of Airline's Air Transportation Business; provided, however, that said testing shall be incidental to the use of the Airport in the operation by Airline of its Air Transportation Business and shall not unreasonably hamper or interfere with the use of the Airport and its facilities by others entitled to the use of same. TAIT reserves the right to restrict or prohibit such testing operations which it deems to interfere with the use of the Airport, including excessive noise as reasonably determined by TAIT.
7. Signage. Install and maintain identifying signs at the Airport, the general type, design and location of which shall be subject to the Airport permit processes.
8. Communication Devices. Install, maintain and operate such electronic or electrical devices, radio, communication, meteorological and aerial navigation equipment and facilities in, on and about the Airport as may be necessary or convenient in the opinion of Airline for its operations; provided, however, that (i) such equipment does not interfere with other Airport communication, meteorological, or aerial navigation systems; and (ii) the type, location, and method of installation of such equipment and facilities is approved by the Airport Director in writing prior to the installation of such equipment.
9. Hire and Train. Hire and train, on the Airport, personnel in the employ of, or to be employed by Airline or any other Air Transportation Company, provided that such right shall not be construed as authorizing the conduct of a separate business by Airline, but shall permit Airline to

perform such functions as are incidental to the conduct of its Air Transportation Business.

10. Ingress and Egress. Reasonable ingress to and egress from the Airport and Airline's Leased Premises, Public Areas and the Baggage System Areas for Airline's officers, employees, agents, subcontractors and invitees, including, but not limited to, passengers, suppliers of materials, and furnishers of services, Aircraft equipment, vehicles, machinery and other property. Such right shall be subject to Federal Aviation Regulations (FAR) Part 107, 49 CFR Part 1542 and any successor regulations, applicable laws, and TAIT's and the City's right in accordance with applicable law to establish reasonable and not unjustly discriminatory Rules and Regulations; provided, however, that any such Rules and Regulations of Airport shall not unreasonably interfere with the operation of Airline's Air Transportation Business. TAIT may at any time temporarily or permanently close or re-route any roadway, door, passageway or other access to the Airline's Leased Premises or to the Airport, so long as a means of ingress and egress reasonably equivalent is concurrently made available to Airline. TAIT shall use reasonable efforts to ensure that the usable area of Airline's Leased Premises is not reduced and that any such closing or re-routing shall be calculated to minimize interference with or disruption to Airline's operations. Airline hereby releases and discharges TAIT from any and all claims, demands, or causes of action which Airline may now or at any time hereafter have arising or alleged to arise out of such a closing or re-routing.
11. Vending Machines. Airline may install a limited number of soft drink vending machines and snack vending machines, subject to the prior written approval of TAIT, in non-public portions of Airline's Leased Premises for the exclusive use of Airline's employees and agents.
12. Food Service. Subject to any restrictions in TAIT's existing agreement(s) with its food and beverage service provider(s): (i) provide under a separate contract with TAIT through and on behalf of TAIT for its own flight kitchen, (ii) serve food or beverages to its passengers and crews for consumption aboard its Aircraft, except that no such food or beverages may be sold by Airline in the Terminal or elsewhere at the Airport without the prior written approval of TAIT. If in-flight food or beverages are supplied to Airline by an off-Airport caterer or supplier, or other Air Transportation Company, or concessionaires other than TAIT's on-Airport food and beverage service provider(s), TAIT shall require such off-Airport caterer or supplier, or other Air Transportation Company, to pay a fee at a rate not to exceed the rate that would be payable to TAIT for comparable

deliveries made on the Airport by TAIT's on-Airport food and beverage service provider, as such rate may be amended from time to time.

13. Porter/Skycap. Provide either alone or in conjunction with other Air Transportation Companies or through a sub-contractor, porter/skycap service for the convenience of the public.
14. Airline Equipment. Install such personal property, including instant ticketing machines, furniture, furnishings, supplies, machinery, and equipment, in Airline's Leased Premises as Airline may deem necessary, useful or prudent for the operation of its Air Transportation Business, subject to TAIT's prior written approval. Title to such personal property shall remain with Airline, subject to the provisions of this Agreement, or as may be otherwise provided by law. Airline shall also have the right, subject to a Tenant Surcharge for Proprietary Equipment, if any, as set forth in a separate written agreement, to use TAIT-owned Proprietary Equipment at the Airport.
15. Airline Improvements. Construct such modifications, finishes and improvements in its Airline's Leased Premises as Airline may deem necessary or prudent for the operation of its Air Transportation Business, subject to TAIT's prior written approval.
16. Telephone and ATM. Airline shall not provide nor enter into any agreements providing for pay telephones or wireless cell phone connectivity for the public anywhere at the Airport. Airline may not install cash machines (ATMs), sell merchandise or operate any other sort of retail business at the Airport without the prior written approval of TAIT.
17. Public Areas. Airline shall have the right to use Public Areas of the Airport in common with others authorized to do so, in accordance with the applicable laws of the United States of America, the State and the City, and the Rules and Regulations.
18. Concessionaire Fees. Nothing in this Agreement shall prohibit TAIT from charging Airline the standard rates charged to concessionaires in connection with the sale by Airline to others of food, beverages or other items normally sold by concessionaires or the rendering by Airline for compensation of services normally rendered by concessionaires. To the extent that Airline competes with the concessionaires of TAIT, TAIT shall not be deprived of concession revenue by such competition.

B. Airline's Rights Extended to Others

The rights and privileges granted to Airline pursuant to this Article may be exercised on behalf of Airline by other Signatory Passenger Airlines or contractors authorized by TAIT to provide such services at the Airport, subject to the prior written approval of TAIT and further subject to all laws, Rules and Regulations, and other fees and charges as may be applicable to the activities undertaken.

C. Airline's Rights to Service Others

Airline may exercise on behalf of any other Air Transportation Company any of the rights granted Airline herein, so long as Airline is currently exercising those same rights in the operation of Airline's own Air Transportation Business at the Airport, subject to all laws, ground handling agreements, Rules and Regulations, and other fees and charges as may be applicable to the activities undertaken.

D. Limitation to Air Transportation Business

Nothing in this Agreement shall be construed as authorizing Airline to conduct any business separate and apart from the conduct of its Air Transportation Business.

E. Rights Reserved for TAIT

Any and all rights and privileges not specifically granted to Airline for its use of and operations at the Airport pursuant to this Agreement are hereby reserved for and to TAIT.

**Article 5
OBLIGATIONS OF AIRLINE**

In addition to the obligations as set forth elsewhere in this Agreement, the following obligations shall apply to Airline at the Airport.

A. Compliance with Insurance

Airline shall comply with the requirements of all insurance companies having policies of public liability, fire and other insurance in force covering the Airline's Leased Premises and any other areas and facilities used by Airline at the Airport.

In addition, Airline shall not do or permit to be done anything on the Airport that will invalidate, conflict with or increase the premium of Airport insurance policies covering the Airport or any part or aspect thereof. In the event TAIT determines, in its reasonable judgment, that Airline has done or permitted to be done anything

that shall invalidate, conflict with or increase the premium of Airport insurance policies, TAIT shall notify Airline in writing of the nature of the act or failure to act and Airline shall immediately remedy its act or failure to act and pay to TAIT any additional cost incurred by TAIT because of Airline's act or failure to act. If such Airline's act or failure to act causes the cancellation of any Airport insurance policy, then Airline shall take such action as is necessary to permit reinstatement of the insurance policy.

B. ALP Compliance

Airline will comply with any TAIT limitations or restricted uses of the Airfield Area by any Aircraft operated and controlled by Airline which exceeds the design strength or capability of the Airfield Area as described in the current FAA-approved ALP, as amended, or other engineering evaluations performed subsequent to the approval of the current ALP, including the current airport certification manual as required by the FAA.

C. Aircraft Removal

As soon as allowed by the appropriate authorities, Airline shall remove any of its disabled Aircraft from any parts of the Airport, including, without limitation, runways, taxiways, aprons, Ramp Area Premises and Aircraft Parking and Storage Areas and shall place any such disabled Aircraft only in such storage areas as may be designated by TAIT. Airline shall store such disabled Aircraft only upon such terms and conditions as may be established by TAIT.

In the event Airline fails, is unable (due to bankruptcy, strike or any other reason) or elects not to move any disabled Aircraft as required, TAIT, to the extent not prohibited by law, may, but shall not be obligated to, cause the removal of such Aircraft (after first informing Airline of TAIT's intent to remove such Aircraft). Airline agrees to reimburse TAIT for all of TAIT's actual costs of such removal, plus a fifteen (15%) administrative fee.

D. Use, Care and Maintenance of the Airport

Airline shall not knowingly interfere or permit interference with the use, operation or maintenance of the Airport, including but not limited to, the effectiveness or accessibility of the drainage, sewage, water, communications and fire protection, utility, electrical, security or other systems installed or located from time to time at the Airport.

E. Utilities

TAIT reserves the right to provide separate metering of any or all utilities associated with Airline's Exclusive Use Premises during the Term of this

Agreement. In such event, Airline shall pay when the same comes due, all utility and other charges incurred based on such separate metering and such utility costs will not be considered in the development of Rents for Airline's Leased Premises.

F. Maintenance and Care of Airline's Leased Premises

Airline shall, at its expense, do and perform all maintenance necessary to keep Airline's Leased Premises and all Airline Equipment, Airline Improvements, Proprietary Equipment and other property and improvements thereon, in a clean, orderly and workmanlike condition and appearance at all times, reasonable wear and tear excepted. TAIT shall be the judge of the quality of such maintenance at all times. Provided, however, this requirement shall not be construed to mean Airline shall have maintenance, cleaning and operation responsibilities designated to be those of TAIT pursuant to Exhibit M of this Agreement, a copy of which is attached hereto and incorporated by reference herein.

Notwithstanding the foregoing, Airline shall have the option of choosing to provide for janitorial services in Airline's Exclusive Use office and operations areas using its own staff or subcontractor or having TAIT, through its designated subcontractor, provide such janitorial services subject to Airline's reimbursement to TAIT of TAIT's costs associated therewith. In the event Airline opts to provide such janitorial services, it shall be required to comply with the indemnity and insurance provisions outlined in Article 32.

Airline shall promptly remove and repair or replace any broken, damaged or unsightly (as reasonably determined by TAIT) furniture, carpeting and other Airline Equipment from Airline's Leased Premises that are accessible to the public, at its sole cost and expense. Airline shall not commit or suffer to be committed any nuisance on Airline's Leased Premises. Airline shall not permit the accumulation of any rubbish, trash or other waste material in or about Airline's Leased Premises. Airline shall not permit the accumulation of storage containers and other unsightly items used in its airline operations in areas that are visible to the public.

G. Operation of Equipment

In addition to its other responsibilities for maintenance, cleaning and operation pursuant to Exhibit M, as may be amended, supplemented or modified from time to time by the parties, Airline shall safely operate all Airline Equipment and Proprietary Equipment, and specifically including Loading Bridges, if any, located on the Airline's Leased Premises.

H. Professional Operations

Airline shall conduct its Air Transportation Business using management practices consistent with industry standards, including (i) manage passenger check-in lines in compliance with applicable fire codes and regulations, (ii) accurately and timely input flight information into multi-use flight information display (MUFIDS) and Airline-operated flight information displays, (iii) use commercially reasonable efforts to notify TAIT at least thirty (30) days in advance of planned schedule changes, including but not limited to equipment changes, flight times, and number of flights, (iv) provide a means (e.g. signs in Baggage Claim Area, phones, computer kiosks, and/or personnel) for customers to submit baggage service needs to Airline, (v) manage inbound baggage in accordance with TSA regulations, and (vi) notify TAIT of disruptions and operational or equipment changes that may materially impact TAIT.

I. Non-Disturbance and Conduct of Employees

Airline will, in and about the Airport and its Airline's Leased Premises, exercise reasonable control over the conduct, demeanor and appearance of its employees, agents and representatives, contractors, suppliers, vendors, service providers and officers in an orderly and proper manner so as to at all times act in accordance with the Rules and Regulations and Airport Security Program, as further addressed in Article 6 below.

J. Obstructions

Airline shall not construct anything at the Airport unless authorized in writing in advance by TAIT. No Capital Improvement that has been authorized by TAIT shall be deemed an obstruction. Any obstructions erected by Airline shall be promptly removed by Airline at its expense, if requested by TAIT or required by the FAA. Airline agrees not to increase the height of any structure or objects or to permit the growth of plantings of any kind or nature whatsoever that would interfere with the line of sight between the Airport's control tower and the ramp towers and the operations controlled therefrom. Airline further agrees not to install any structures, objects, machinery or equipment that would interfere with operation of navigation aids or would interfere with the safe and efficient operation of the Airport.

K. Antennae

Airline shall not install antennae at the Airport without TAIT's prior written approval. Airline shall comply with the regulations, directives and requirements of TAIT as to the placement, erection, repair and maintenance of each outside

antenna that Airline erects at the Airport and shall pay all fees and privilege charges associated therewith.

L. Affiliate Airline and Sublessee Obligations

Any and all of the obligations of Airline set forth in this Agreement shall apply to any Affiliate Airline and sublessee conducting operations at the Airline's Leased Premises and Airline shall ensure compliance by any such Affiliate Airline and sublessee.

M. Support for PFC Increase

Airline hereby agrees to support a PFC increase to \$4.50 when needed to fund TAIT's (a) purchase and installation of new Loading Bridges and purchase of Loading Bridges owned by Signatory Passenger Airlines, (b) relocation of Ticket Counter Positions and (c) purchase and installation of new back-up power generator(s).

**Article 6
AIRPORT SECURITY PROGRAM**

A. TSA Program

In accordance with regulations issued by the FAA, the U.S. Department of Transportation and the U.S. Department of Homeland Security, TSA and found at 49 Code of Federal Regulations ("CFR") Part 1542, airports are required to have TSA-approved security programs. These programs are designed to control access to certain areas of airports and to control the movement of people and vehicles within those areas.

B. Airline Compliance

TAIT has a TSA-approved security program for the Airport. Airline must have a security program for the operation of its Air Transportation Business at the Airport at all times during the Term of this Agreement. At all times during the Term of this Agreement, Airline's security program must be in compliance with 49 CFR Part 1542, 1544 and 1546 and all other applicable laws and regulations from time to time enacted or promulgated, must be consistent and compatible in all respects with TAIT's overall security program for the Airport and must be acceptable to TAIT and the TSA.

C. Indemnification for Security Breaches

Airline shall be responsible for any breach of security on the Airline's Leased Premises which occurs as a result of the negligence and/or willful misconduct of Airline, its agents, employees, contractors, subtenants, Affiliate Airline(s), or invitees, excluding passengers, and Airline further agrees to indemnify and hold harmless and, at Airline's option, defend TAIT from and against any and all damages, penalties, fines, claims and costs resulting directly or indirectly from the breach of Airline's responsibilities, covenants and agreements as set forth in this Article 6(C). TAIT shall provide Airline prompt notice of and consult with Airline regarding any claims of which TAIT has knowledge that are related to Airline. TAIT shall defend all alleged security violations. The indemnification contained in this Article 6(C) applies only to this Article 6(C).

D. Confidentiality and Indemnity

In connection with its operations, Airline may receive, gain access to or otherwise obtain certain knowledge and information related to TAIT's overall Airport Security Program. Airline acknowledges that all such knowledge and information is of a highly confidential nature. Airline covenants and agrees that no person, whether an employee of Airline or a third party, shall be permitted or gain access to such knowledge and information, unless such person has been approved by TAIT in advance in writing, which approval may be granted or withheld by TAIT in its sole discretion. Notwithstanding the foregoing, Airline is permitted to direct such security knowledge and information to its employees who require same to conduct Airline's Air Transportation Business or to comply with any law or regulation. Airline further agrees to indemnify and hold harmless TAIT and other users of the Airport from and against any and all fines, claims, costs, expenses, damages and liabilities, including but not limited to all attorneys' fees and costs, resulting directly or indirectly from Airline's breach of covenants and agreements as set forth in this Article 6(D). TAIT shall provide Airline notice of any claims of which TAIT has knowledge that are related to Airline. The indemnification contained in this Article 6(D) applies only to this Article 6(D).

E. Material Breach

Violation of any of the provisions of this Article shall be a material breach. In order to cure a breach under this Article, Airline shall cooperate with TAIT in all respects reasonably necessary to assist in its defense related thereto.

Article 7
TREATMENT OF AFFILIATE AIRLINES

A. Signatory Airline Landing Fee Rate

For purposes of this Agreement, the Signatory Landing Fee Rate assessed to Airline will also apply to Affiliate Airline Qualifying Flight Operations.

B. Activity Reports and Payments

Airline(s) shall be responsible for the reporting of its Affiliate Airline(s) Qualifying Flight Operations in a monthly Activity Report, and shall be responsible for the payment of all Rents incurred for Affiliate Airline Qualifying Flight Operations at those same rates as are paid by Airline. Notwithstanding the above, upon the prior written request of Airline, TAIT reserves the right to approve the reporting and/or payment by Airline on behalf of its Affiliate Airline(s) of Affiliate Airline(s) Qualifying Flight Operations provided such reporting and/or payments are kept separate and distinct from Airline's reports and payments. During the term of the approved affiliation with Airline, Airline shall be liable as a guarantor for all unpaid fees and other charges that Affiliate Airline(s) incur while operating as Airline's Affiliate Airline(s). The guarantee contained in this Article 7(B) applies only to this Article 7(B).

C. Baggage System Formula

TAIT shall not include Affiliate Airlines in the calculation of the twenty percent (20%) portion of the Baggage System Formula. The Enplaned Passengers of Airline's Affiliate Airline(s) will be included in the calculation of Airline's eighty percent (80%) portion of the Baggage System Formula.

D. TAIT's Right to Disapprove

TAIT shall reserve the right to disapprove the designation of an Affiliate Airline or Affiliate Airline Qualifying Flight Operations if in TAIT's judgment, reasonably exercised, (i) the Affiliate Airline and/or Affiliate Airline Qualifying Flight Operations definitions and designation requirements have not been met, or (ii) the proposed Affiliate Airline is subject to an uncured notice of default from TAIT on this Agreement or any other agreement with TAIT or on any required payment to TAIT.

E. Notification of Cancellation

Airline shall provide TAIT with at least thirty (30) days prior written notice of cancellation of designation of any of its Affiliate Airlines.

Article 8 OBLIGATIONS OF TAIT

In addition to the obligations as set forth elsewhere in this Agreement, as may be amended, supplemented or modified from time to time by the parties, TAIT shall have the obligations set forth below.

A. Airport Operation

TAIT shall use reasonable efforts to, except as otherwise provided in this Agreement, efficiently maintain and operate the Airport in an orderly, clean, neat, safe and sanitary condition and in a state of reasonably good repair consistent with airports of similar size. In addition, TAIT will maintain and operate the Airport facilities to conform to the requirements of the FAA, TSA, and other governmental agencies and regulatory authorities having jurisdiction over the Airport.

B. Airport Approaches

TAIT shall use reasonable efforts, to the extent it is legally able so to do, to keep the Airport and its approaches free from obstruction, congestion and interference for the safe, convenient and proper use thereof by Airline.

C. Ice and Snow Removal

TAIT shall use reasonable efforts to keep the Airport free from ice, snow and other foreign matter which could adversely affect Airline's operations, in accordance with Exhibit M and in accordance with applicable operational plans established by TAIT, as may be amended from time to time.

D. Maintenance Obligations

TAIT or its designee, as provided in TAIT's contractual agreements with other parties, shall use reasonable efforts to appropriately furnish and maintain in safe condition and good repair all General Terminal Areas. In addition, TAIT shall use reasonable efforts to fulfill its responsibilities for maintenance and cleaning of the Terminal and the Airfield Area, as set forth in Exhibit M, as may be amended, supplemented or modified from time to time by the parties.

Article 9
TERMINAL AREA USE PROVISIONS

A. Policy of Open Access

TAIT has a policy of providing open access to the Airport and achieving a balanced utilization of the facilities of the Airport. To achieve that goal, TAIT has established the following, as may be modified from time to time and consistent with the provisions of this Agreement: (i) Common Use Terminal Areas; (ii) procedures for the consensual reallocation of space and accommodations among Passenger Air Transportation Companies, including Airline; (iii) TAIT's right to require temporary use of Airline's Preferential Use Premises; and (iv) procedures to accommodate requests for facilities by Passenger Air Transportation Companies seeking to expand their present service at the Airport or Passenger Air Transportation Companies seeking entry into the Airport.

B. Utilization of Facilities

During periods of operational inconvenience, including but not limited to, weather delays, the temporary non-availability of facilities for maintenance purposes, or Aircraft mechanical delays, and if accommodation at a Common Use Gate(s) is not readily available, Airline shall make all reasonable efforts to accommodate other Air Transportation Company's operations on Airline's Preferential Use Premises in such instances.

C. Airline's Exclusive Use Premises

Airline will have Exclusive Use of that portion of Airline's Leased Premises designated as Airline's Exclusive Use Premises as described in Exhibit C.

D. Airline's Preferential Use Premises

Airline will have Preferential Use of that portion of Airline's Leased Premises designated as Airline's Preferential Use Premises, as described in Exhibit C. Airline's Preferential Use Premises are subject to reassignment in accordance with Articles 11 and 12 of this Agreement, Active Loading and Active Unloading period requirements and other provisions of this Agreement.

E. Baggage System Areas

Airline has the right to use the Baggage System Areas in conjunction with other Signatory Passenger Airlines and Air Transportation Companies as designated by TAIT.

F. General Terminal Areas

1. Common Use Terminal Areas. Airline may request and TAIT may grant to Airline the right to use Common Use Terminal Areas in conjunction with other Signatory Passenger Airlines and Air Transportation Companies designated by TAIT. Common Use Terminal Areas are to be assigned at the sole discretion of TAIT in its prudent operation of the Airport as necessary to achieve a balanced utilization of the Terminal.
 - (a) Common Use Gates may be utilized by Airline on a Turnaround Use basis and Airline must use its best efforts to schedule such use with TAIT during the month prior to the month that Airline desires to use the Common Use Gate(s).
 - (b) The then-current Schedule of Rates, Fees and Charges in effect at the Airport will be applicable to Airline's use of Common Use Gates. A current copy of the Schedule of Rates, Fees and Charges, which is subject to periodic modification, is attached hereto as Exhibit N and incorporated by reference herein.
2. Public Areas. Airline has the right of ingress and egress to the Public Areas and the right to their use in conjunction with its Air Transportation Business at the Airport.
3. General Terminal Areas. TAIT shall at all times manage, direct, control, and where appropriate, enter into contracts and leases in and for the General Terminal Areas. Airline's rights with respect to the General Terminal Areas are at all times subject to the terms of this Agreement, the Rules and Regulations and the rights and privileges afforded to other Terminal tenants under separate leases and contracts. TAIT shall have the right to restrict Airline's ingress, egress or use of the General Terminal Areas as provided for in this Agreement, subject to Airline's right to use the Public Areas and the Common Use Terminal Areas as provided for herein and otherwise in the prudent operation of the Airport and sole discretion of TAIT.

Article 10 TERMINAL AREA RAMP

A. Use of Airline's Ramp Premises

Airline shall have Preferential Use of the Airline's Ramp Premises for the loading and unloading of Airline's passenger Aircraft, or the passenger Aircraft of

Airline's Affiliate Airline(s) and Air Transportation Companies operating from Airline's Leased Premises under TAIT-approved subleases and ground handling agreements with Airline. Airline's use of said Airline's Ramp Premises shall be limited to (i) the loading and unloading of persons, property, cargo, parcels, mail and in-flight food and related supplies on passenger Aircraft, as well as (ii) the parking, refueling, interior cleaning and minor mechanical maintenance of Airline's passenger Aircraft, and the Aircraft of Airline's Affiliate Airline(s) and Air Transportation Companies operating from Airline's Leased Premises under TAIT-approved subleases and ground handling agreements with Airline. Unless otherwise approved by TAIT, Airline's right of Preferential Use of the Airline's Ramp Premises shall not include the parking of any Aircraft beyond the published size of Aircraft approved by TAIT for such area, which Aircraft size limitations are subject to change from time to time.

B. Ground Support Equipment Storage

Airline shall have the right to stage/store its ground support equipment on the Airline's Ramp Premises in areas designated for such staging/storage by TAIT, subject to the requirement that Airline's ground support equipment may need to be removed from such staging/storage areas at TAIT's request if necessary to accommodate use of such Airline's Preferential Use Premises for another Air Transportation Company's flights pursuant to Article 11 hereof.

C. Aircraft Parking and Storage Areas

TAIT may from time to time, following consultation with Airline's local management personnel and taking into consideration Airline's operational needs, temporarily designate suitable alternate areas outside the Airline's Ramp Premises for the loading and unloading of Airline's Aircraft and/or the staging/storage of Airline's Aircraft and ground support equipment. TAIT reserves the right, in its sole discretion, to manage and control the assignment and use of such Aircraft Parking and Storage Areas in a manner that is in the best interests of the Airport. Nothing herein is intended to prohibit TAIT from establishing fees during the Term of this Agreement for the use of the Aircraft Parking and Storage Areas, after consultation with the Signatory Airlines.

D. Disabled Equipment

Airline shall not store on the Airline's Ramp Premises any damaged equipment, disabled equipment or mechanically non-operable motorized equipment.

E. Maintenance of Airline's Ramp Premises

In addition to the other obligations of Airline set forth in this Agreement, with respect to the Airline's Ramp Premises, Airline agrees to promptly remove any spilled or deposited petroleum products and the accumulation of oil and grease caused by the Aircraft and ground support equipment of Airline, its Affiliate Airline(s) and other Air Transportation Companies operating from Airline's Leased Premises, except those Air Transportation Companies operating on the Airline's Ramp Premises under a TAIT-designated Accommodation per Articles 9(B), 11 and 12 hereof. Airline shall also maintain the Airline's Ramp Premises of the Airport in a safe, neat, clean and orderly manner and place all trash and debris in proper containers approved by TAIT, until properly disposed of in a manner acceptable to TAIT.

**Article 11
ASSIGNMENT AND USE OF TERMINAL GATE POSITIONS**

A. Use of Airline's Gate Position(s)

Airline's Gate Position(s) will be assigned on a Preferential Use basis, for all scheduled flights, subject to procedures for off-schedule flights (resulting from ground delays, air traffic control delays, extended ground time, etc.) Gate Positions unassigned to a Signatory Airline may also be operated as Common Use Gates. In such procedures for off-schedule flights, priority will be given to assigning Airline gates nearest to Airline's Preferential Use Gate Positions.

B. Accommodation in Preferential Use Gate Position(s)

Airline will have priority in using its Preferential Use Gate Position(s) to accommodate its flights. However, TAIT may assign such Gate Position(s) for use by others outside of periods of Active Loading and Unloading in the event that no Common Use Gates are available and in accordance with the provisions of Article 12(E).

C. Right to Reassign Preferential Use Gate Position(s)

The Gate Position(s) preferentially assigned to Airline at the passenger terminal building is designated in Exhibit C. TAIT reserves the right to reassign one or more of Airline's preferentially assigned Gate Position(s) to another Signatory Airline(s) if (i) TAIT determines that there is a reasonable need for the preferential use of such Gate Position(s) by another Signatory Airline(s), and (ii) Airline's scheduled average gate utilization (including Affiliate Airline(s) Qualifying Flight

Operations) falls below an average of four (4) departures per Gate Position per day.

D. Process for Reassignment of Preferential Use Gate Position(s)

If TAIT determines that there is a reasonable need for the preferential use of such Gate Position(s) by another Signatory Airline(s), TAIT will evaluate Airline's utilization of the terminal in terms of average number of daily departures per Gate Position for the immediately preceding six (6) full calendar months. If Airline's average gate utilization is less than four (4) departures per day during the immediately preceding six (6) full calendar months (determined by taking the total number of scheduled departures during the six (6) month period and dividing by the product of total number of Gate Position(s) preferentially assigned to Airline times the number of days in the six (6) month period), TAIT may, at its option and in order to accommodate the needs of other airline users of the Airport, require Airline to relinquish a proportionate number of its Gate Position(s) in the terminal such that, on a pro-forma basis, excluding such relinquished Gate Position(s), the remaining Gate Position(s) would have demonstrated an average utilization of at least 4 departures per day during the six (6) month period. In addition, Airline must make available, as necessary, proportionate amounts of ticket counter, ticket office space and bag makeup areas.

E. Selection of Gate Position(s) for Reassignment

In the event TAIT requires Airline to relinquish such space and Gate Position(s), TAIT and Airline will confer to determine which Gate Positions and other space will be relinquished. If after fifteen (15) days of good faith negotiations, no agreement has been reached, TAIT shall select the Gate Position(s) and space to be relinquished.

F. Reimbursement for Investment in Reassigned Space and Relocation

In the event of a reassignment of Airline's Preferential Use Gate Positions and/or other space in accordance with this Article 11, TAIT shall reimburse Airline for the undepreciated (calculated on a straight-line basis over a reasonable useful life) capital cost of any TAIT-approved Airline Improvements made by Airline in such reallocated space and for reasonable moving and reconfiguration expenses, without subsequent charge back to the Terminal Cost Center, or the undepreciated capital cost will be passed on to the airline which acquires the leasehold rights to the relinquished space.

G. TAIT and Airline's Obligations Regarding Reassignment Process

1. **Removal of Airline Equipment and Vacating Airline's Leased Premises.** In the event that any portion of Airline's Leased Premises are to be removed from Airline's Leased Premises as a result of a reallocation process in accordance with this Article 11, Airline will vacate such portion of Airline's Leased Premises and remove its Airline Equipment on or before the reallocation date set forth in TAIT's notification, which in no event shall be less than thirty (30) days from the date of the notification.
2. **Amendment to Airline's Leased Premises.** In the event that any portion of Airline's Leased Premises are to be removed from Airline's Leased Premises included in this Agreement as a result of a reallocation process in accordance with this Article 11, TAIT shall prepare and provide to Airline a revised Exhibit B which will set forth Airline's Leased Premises subsequent to such removal, and all Rents associated with such Airline's Leased Premises, as amended, shall be effective on the reallocation date set forth in TAIT's notification, which in no event shall be less than thirty (30) days from the date of the notification.
3. **Cost of Reconfiguration of Airline's Leased Premises.** The cost of any reconfiguration of Airline Space which is removed from Airline's Leased Premises pursuant to this Agreement shall be (i) paid by TAIT, without subsequent charge back to the Terminal Cost Center, or (ii) passed on to the airline which acquires the leasehold rights to the relinquished space.

H. Payment by Requesting Air Transportation Company

Whenever Airline's Preferential Use Gate Position(s) is used by others, Airline has the right to charge such other users either (i) its direct costs and expenses related to providing such facilities plus administrative overhead not to exceed fifteen (15%) percent or (ii) the then-current Turnaround Common Use Fee or Non-Signatory Turnaround Common Use Fee, as applicable. Whenever Airline's Preferential Use Gate Position(s) is used by others, such use shall also be in accordance with the provisions of Article 12(E).

Article 12
REALLOCATION OF AIRLINE'S LEASED PREMISES

TAIT shall accommodate the needs of an airline that seeks to initiate air passenger service to the Airport, but does not then lease space at the Airport, or an incumbent airline which seeks to expand its service to the Airport, also known as a Requesting Air Transportation Company, as follows:

A. Accommodation in Common Use Gates

If available, TAIT shall grant the Requesting Air Transportation Company the use of Common Use Gates, ticket counter, office, baggage make-up and related terminal space that are not currently under lease to another airline serving the Airport.

B. Voluntary Accommodation by Signatory Passenger Airline

If there is insufficient Common Use Gates and other space available, the Airport Director shall notify all Signatory Passenger Airlines serving the Airport of any Requesting Air Transportation Company. TAIT will notify the Signatory Passenger Airlines in writing regarding the request for accommodation, including the specific schedule to be accommodated.

The Signatory Passenger Airlines shall make every reasonable effort to either:

1. Attempt to reach an agreement for the sublease of space leased by a Signatory Airline or for handling of the Requesting Air Transportation Company's passengers, baggage, freight and aircraft. Airline agrees to reasonably consider a request by a Requesting Air Transportation Company to sublease or jointly use Airline's Leased Premises and for handling. Airline shall not impose unreasonable terms or excessive charges on the Requesting Air Transportation Company for sublease, joint use or handling. All subleases, joint use agreements and handling agreements are subject to the prior written approval of the Airport Director, which shall not be unreasonably delayed or denied. Nothing herein shall be construed to prevent a Requesting Air Transportation Company from directly entering into a sublease, joint use agreement, or handling agreement with an existing Signatory Airline in the first instance, or:
2. Accommodate such Requesting Air Transportation Company at times when the use of such Preferential Use facilities shall not interfere with the Active Loading and Active Unloading of Airline or its Affiliate(s).

If no Signatory Passenger Airline has responded in writing to City and the Requesting Air Transportation Company within fifteen (15) days of such notification, City and Requesting Air Transportation Company shall proceed to the provisions of Article 12(C).

C. TAIT Designated Accommodation

TAIT may require any Signatory Airline, including Airline, having an underutilized Gate Position, as determined in accordance with Article 11(C) and (D), to accommodate the Requesting Air Transportation Company in accordance with the provisions of Article 12(E), or immediately relinquish such underutilized Gate Position back to TAIT for reassignment to the Requesting Air Transportation Company.

If there are no underutilized Gate Position(s), and the Airport Director determines that the Requesting Air Transportation Company needs the requested space or facilities, and that to satisfy such need, it will be necessary for one or more of the Signatory Airlines to share its preferentially leased premises with the Requesting Air Transportation Company, the Airport Director shall so notify each of the Signatory Airlines in writing. Such notice shall inform the Signatory Airlines that it is the Airport Director's intent to make a further determination within fifteen (15) days of how the Requesting Air Transportation Company will be accommodated. If the needs of the Requesting Air Transportation Company have not been voluntarily accommodated by one or more of the Signatory Airlines within such period, the Airport Director may grant the Requesting Air Transportation Company the right of shared use of all or a designated portion of an airline's preferentially leased premises, together with the right of access to such premises, and the right to use appurtenant passenger loading bridges and other equipment which is reasonably necessary for the use of such premises. In determining which premises will be made available to a Requesting Air Transportation Company, the Airport Director shall consider:

1. The average number of flight arrivals and departures per Gate Position per day;
2. Potential flight scheduling conflicts;
3. Potential labor conflicts;
4. The location of Gate Position(s), ticket counters and other Preferential Use Premises; and
5. Operational and other matters deemed appropriate by the Airport Director.

D. Aircraft Towing Requirements of Airline

Airline covenants to minimize its time of usage of such Gate Position(s) and to remove its aircraft promptly, outside of periods of Active Loading and Unloading, from the aircraft loading positions and to make available the use of the related passenger hold rooms whenever Airline is notified that one or more of the said Gate Position(s) are required for loading or unloading aircraft of other Requesting Airline(s).

Whenever Airline is required to remove its aircraft from its assigned aircraft loading positions pursuant to TAIT notification, TAIT shall designate a location at either (i) the Aircraft Parking and Storage Areas to which the Aircraft is to be towed or (ii) such other area at the Airport to which the Aircraft is to be towed and shall not impose a parking or storage fee in connection with such towed Aircraft.

E. Requesting Air Transportation Company's Obligations during Accommodation

In the event the Director grants a Requesting Air Transportation Company the right of shared use of all or a portion of Airlines Premises:

1. The Requesting Air Transportation Company shall indemnify Airline from claims for damages and personal injury arising out of Requesting Air Transportation Company's use of Airline's Premises to the same extent as Airline indemnifies TAIT under this Agreement;
2. The Requesting Air Transportation Company shall deliver to Airline insurance certificates documenting Requesting Air Transportation Company's compliance with all insurance requirements imposed on Airline hereunder, and additionally documenting that (i) Airline is named as an additional insured on all liability coverages carried by Requesting Air Transportation Company, and (ii) all rights of subrogation against Airline are waived with respect to Worker's Compensation or Employment Liability carried by Requesting Air Transportation Company.
3. The Requesting Air Transportation Company shall reimburse Airline for either (i) Airline's direct costs and expenses related to providing such facilities plus administrative overhead not to exceed fifteen (15%) percent or (ii) the then-current Turnaround Common Use Fee or Non-Signatory Turnaround Common Use Fee, as applicable; and

4. Airline shall be excused from its obligation to indemnify TAIT under Article 32(C), for claims for damages or personal injury caused by, or resulting from, Requesting Air Transportation Company's use of Airline's Leased Premises, except to the extent caused by or resulting from the negligence or willful misconduct of Airline, or Airline's agents, employees or contractors.

Article 13

BOND DOCUMENTS AND FLOW OF FUNDS

A. Subordination to Bond Ordinances

This Agreement and all rights granted to Airline hereunder are expressly subordinated and subject to the lien and provisions of the pledges, transfer, hypothecation or assignment made by TAIT in the Bond Ordinance adopted by TAIT to issue Bonds. TAIT expressly reserves the right to make such pledges and grant such liens and enter into covenants as it may deem necessary or desirable to secure and provide for the payment of Bonds, including the creation of reserves therefore, provided that TAIT shall not take any actions that would be inconsistent with the terms and conditions of this Agreement. Notwithstanding the foregoing, nothing contained in this Article shall be deemed a pre-approval by Airline of a future Bond Ordinance that changes the terms and conditions of this Agreement.

B. Internal Revenue Code of 1986

Airline understands that TAIT is and will be the issuer of bonds and Bonds. With respect to bonds or Bonds that may be issued, the interest on which is intended to be excludable from gross income of the holders for Federal income tax purposes under the Code, Airline agrees that it will not act, or fail to act (and will immediately cease and desist from any action, or failure to act) with respect to the use of its Airline's Leased Premise, if the act or failure to act may cause TAIT to be in noncompliance with the provisions of the Code, and Airline will not take or persist in any action or omission which may cause the interest on such bonds or Bonds to be includable in the gross income of the holders thereof for Federal income tax purposes.

C. SEC Rule 15c2-12

Upon TAIT's reasonable written request, Airline shall provide TAIT with such information with respect to Airline as TAIT may require in writing in order for TAIT to comply with its continuing disclosure obligations under Securities and Exchange Commission ("SEC") Rule 15c2-12 (the "Rule"), as it may be amended

from time to time. To the extent that Airline is an "Obligated Party" with respect to the bonds or Bonds as per the Rule, Airline agrees to execute the Continuing Disclosure Agreement incident to such financing.

D. Bond Documents Flow of Funds and Application of Airport Revenues

All Airport Revenues shall be deposited, maintained and paid as set forth in the Bond Documents. Amounts remaining in the Airport Account, following any transfers made pursuant to the Bond Documents, will be applied or credited in the following manner:

1. A deposit required to maintain the Debt Service Coverage Requirement.
2. Following any and all transfers and assignments required by the Bond Documents and by Article 13(D)(1) above, if TAIT enters into any new agreements and/or develops any additional parcels in the Other Buildings, Grounds and Cargo Cost Center, the incremental net revenues, i.e., Airport Revenues less the Airport Expenses attributable to such parcels, shall be allocated to TAA Funds and remain in the Airport Account.
3. Following any and all transfers and assignments required by the Bond Documents and by Article 13(D)(1) and Article 13(D)(2) above, if TAIT undertakes a Capital Improvement Project(s) disapproved by a Majority-In-Interest Vote in accordance with Article 27, any incremental net revenues attributable to such Capital Improvement Project(s) shall be allocated to TAA Funds and remain in the Airport Account.
4. The Airline Net Revenue Sharing shall equal twelve and one-half percent (12.5%) in FY 2010, twenty five percent (25%) in FY 2011, thirty seven and one-half percent (37.5%) in FY 2012, and fifty percent (50%) in FY 2013 of amounts remaining in the Airport Account less amounts determined in accordance with Article 13(D)(2) and Article 13(D)(3) above, if any, following any and all transfers and assignments required by the Bond Documents and by Article 13(D)(1) above.
5. Following any and all transfers required by the Bond Documents, Article 13(D)(1), Article 13(D)(2), Article 13(D)(3) and Article 13(D)(4) amounts remaining in the Airport Account shall be allocated to TAA Funds.

Article 14
TERMINAL REQUIREMENT

The Terminal Requirement for each Fiscal Year shall be the amount in the Annual Budget equal to:

1. The sum of Airport Expenses allocated to the Terminal Cost Center;
2. Plus bad debt expenses attributable to the Terminal Cost Center following a determination by TAIT that amounts due are uncollectible, and after applying any Security Assurance balances or retaining any year-end credits that may accrue from a prior year.

Article 15
TERMINAL RENTS

A. Calculation of Terminal Rents

During each Fiscal Year of the Term hereof, Terminal Rents shall be computed as follows:

1. Average Terminal Rental Rate. The Average Terminal Rental Rate shall be computed by dividing the Terminal Requirement, computed in accordance with Article 14, by the square footage of Leaseable Space in the Terminal.
2. Types of Leaseable Space by Category. For any given Fiscal Year, Signatory Passenger Airline Leaseable Space in the Terminal shall be classified by Type of Space as set forth in the table below:

| Types of Space | Location/Function | Weighted Value |
|----------------|---|----------------|
| 1 | Ticket counter, holdroom and upper level offices | 100% |
| 2 | Ticket counter offices, baggage claim area, baggage claim offices | 75% |
| 3 | Airline Operations Space, baggage makeup | 50% |

3. **Category Terminal Rental Rates.** For any given Fiscal Year, the Category Terminal Rental Rates for Airline Space shall be calculated as follows:
 - (a) Classify all Airline Space by Types of Space described above;
 - (b) Multiply the total square footage of each Type of Space by the weighted value of each Type of Space identified in Article 15(A)(2) to determine the weighted equivalent square footage;
 - (c) Sum the weighted equivalent square footage for all of the Types of Space to determine total weighted equivalent square footage;
 - (d) Divide the Terminal Requirement, computed in accordance with Article 14, by the total weighted equivalent square footage to establish the Type 1 Rental Rate;
 - (e) Multiply the Type 1 Rental Rate by the weighted value of each Type of Space identified in Article 15(A)(2) for Types 2 and 3 to determine the Category Terminal Rental Rate for each of the remaining Types of Space.
4. **Airline's Leased Premises Rents.** Multiply the square footage in each category of Airline's Leased Premises by the corresponding Category Terminal Rental Rate, computed in accordance with Article 15(A)(3), to determine Airline's Leased Premises Rents.

B. Baggage System Area Rents Calculation

During each Fiscal Year of the Term hereof, Baggage System Areas Rents shall be computed as follows:

1. **Baggage System Cost.** Baggage System Cost shall be equal to the Category Terminal Rental Rate, computed in accordance with Article 15(A)(3), applicable for the type of Airline Space (i.e. Category 2 for Baggage Claim Area and Category 3 for Baggage Make-Up Area) multiplied by the square footage of the respective Baggage Claim Area and Baggage Make-up Area.
2. **Baggage System Areas - 20% share.** Twenty percent (20%) of the total monthly Baggage System Cost, computed in accordance with Article 15(B)(1), shall be divided equally among all Signatory Passenger Airlines having the right to use the Baggage System Areas.
3. **Baggage System Areas - 80% share.** Eighty percent (80%) of the total monthly Baggage System Cost, computed in accordance with Article

15(B)(1), of the Baggage System Cost being apportioned monthly among all Signatory Passenger Airlines and their Affiliate Airline(s) based upon the ratio of the number of Enplaned Passengers of each Signatory Passenger Airline and its Affiliate(s) to the total number of Enplaned Passengers of all such Signatory Passenger Airlines and their Affiliate(s) using the Baggage System Areas.

C. Illustrative Terminal Rents Schedule

The Terminal Rates and Charges schedule attached as Exhibit O is provided for illustrative purposes only and reflects the Terminal Rents calculation methodologies set forth herein.

**Article 16
AIRFIELD AREA REQUIREMENT**

The Airfield Area Requirement for each Fiscal Year shall be the amount in the Annual Budget equal to:

1. The sum of Airport Expenses allocated to the Airfield Area Cost Center;
2. Plus bad debt expenses attributable to the Airfield Area Cost Center following a determination by TAIT that amounts due are uncollectible, and after applying any security deposit balances or retaining any year-end credits that may accrue from a prior year;
3. Less revenues from Airfield Area miscellaneous (includes airline catering, airfield security and apron fees), ground rentals from Fixed Base and Specialized Aviation Service Operators, other ramp and Non-Signatory Airline Landing Fees; and
4. Plus any surplus or minus any deficit of revenues versus expenses in the Reliever Airport Cost Center.

**Article 17
SIGNATORY AND NON-SIGNATORY LANDING FEE RATES**

A. Signatory Landing Fee Rate

The Signatory Landing Fee Rate for any given Fiscal Year shall be calculated by dividing the Airfield Area Requirement, computed in accordance with Article 16, by the sum of (i) the projected aggregate Maximum Landed Weight of the

Signatory Airlines' flights and (ii) the projected aggregate Maximum Landed Weight of the Affiliate Airlines Qualifying Flight Operations.

B. Non-Signatory Landing Fee Rate

The Non-Signatory Landing Fee Rate for any given Fiscal Year shall be calculated by multiplying the Signatory Landing Fee Rate by one hundred and fifty percent (150%).

**Article 18
LOADING BRIDGE RENTS**

In the event TAIT purchases and owns any Loading Bridge(s) during the Term of this Agreement that are used by Airline at Airline's Preferential Use Premises, Airline shall pay as Rents to TAIT any Airport Expenses associated with those Loading Bridges used by Airline. Airline's Loading Bridge Rents shall be recalculated annually during the Term hereof, and at such times as TAIT provides any additional Loading Bridges or Loading Bridge-related services or Proprietary Equipment for Airline without the necessity of formal amendment to this Agreement.

**Article 19
RENTAL RATE ADJUSTMENTS**

A. Annual Adjustment to Category Terminal Rental Rates and Signatory Landing Fee Rate

1. **Adjustment Rights.** Subject to Article 19(B), the Category Terminal Rental Rates and the Signatory Landing Fee Rate are subject to adjustment as of July 1, 2009, and each July 1 thereafter during the term of this Agreement. If the calculation of any of the said rental rates is not completed by July 1 for any reason in any given Fiscal Year, the Category Terminal Rental Rates or Signatory Landing Fee Rate then in effect shall continue to be paid by Airline until such calculation of the adjusted rate is completed. The adjusted rate will be retroactive to the later of (i) the first day of the Fiscal Year or (ii) ninety (90) days prior and any payments by Airline to TAIT shall be adjusted accordingly.
2. **Airline Consultation.** TAIT will consult with the Signatory Airlines prior to adjusting the Category Terminal Rental Rates and the Signatory Landing Fee Rate by providing preliminary budget information, including the Category Terminal Rental Rates and Signatory Landing Fee Rate

calculation for the ensuing Fiscal Year in writing to the Signatory Passenger Airlines no less than forty five (45) days prior to implementation of the adjustment and in no event later than ninety (90) days after the start of the Fiscal Year. A consultation meeting will be held at least thirty (30) days prior to the implementation date of any Category Terminal Rental Rates or Signatory Landing Fee Rate increase or decrease.

B. Mid Year Adjustment to Category Terminal Rental Rate or Landing Fee Rate

TAIT may implement a midyear adjustment of the Category Terminal Rental Rate or Signatory Landing Fee Rate in any given Fiscal Year when TAIT determines that the current estimate of the Terminal Requirement or Airfield Area Requirement (based on year-to-date actual information) is estimated to be ten percent (10%) lower or higher than the then Annual Budget for the Terminal Requirement or Airfield Area Requirement for such Fiscal Year. TAIT may also implement a midyear adjustment to the Signatory Landing Fee Rate in any given Fiscal Year when TAIT determines that the current estimate of the Maximum Landed Weight (based on year-to-date actual information) is estimated to be ten percent (10%) lower or higher than projected in the Signatory Landing Fee Rate calculation for such Fiscal Year. TAIT will notify and hold a consultation meeting with the Signatory Passenger Airlines at least thirty (30) days prior to the implementation of a mid year adjustment of the Category Terminal Rental Rates or Signatory Landing Fee Rate.

C. End of Year Reconciliation

Within ninety (90) days after the completion of TAIT's annual audited financial statements, TAIT shall calculate the Airline Net Revenue Sharing in accordance with Article 13(D)(3) and any deficit or credit in the Airfield Area Cost Center, Reliever Airport Cost Center, and Terminal Cost Center to determine any surplus or deficit in the amount of Airline Revenues in such cost centers for the most recently completed Fiscal Year. The Airline Net Revenue Sharing will be distributed among Signatory Airlines in proportion to the cumulative Landing Fees, Rents for Airline's Leased Premises, and Baggage System Area Rents paid by such Signatory Airlines during the most recently completed Fiscal Year. Any such surplus or deficit shall be paid directly to the other party in a lump sum.

D. No Formal Amendment

Adjustments to the Category Terminal Rental Rates and the Signatory Landing Fee Rate shall apply without the necessity of formal amendment of this Agreement.

E. Surcharges

Surcharges attributable to Airline will be documented in an Exhibit to this Agreement and may be adjusted at any time as provided for in said Exhibit.

F. Extraordinary Coverage Protection

It is imperative that TAIT generate sufficient Airport Revenues to meet the requirements of any applicable Rate Covenant. As such, TAIT may adjust the

Terminal Rental Rates, the Signatory Passenger Airline Loading Bridge Rental Rate and/or the Signatory Landing Fee Rate, upon thirty (30) days prior written notice to the Signatory Passenger Airlines, if TAIT estimates that it will not meet its Rate Covenant Airport Revenue requirements during any Fiscal Year of the Term hereof. TAIT will retain such Extraordinary Coverage Protection Airport Revenues only to the extent necessary to meet the Rate Covenant requirements.

Article 20 RENTS AND PAYMENTS

A. Rents

1. Rents for Airline's Leased Premises – Terminal. Airline shall pay to TAIT Rents for Airline's Leased Premises – Terminal, which rental rates are subject to periodic adjustment in accordance with Article 19 hereof. The annual Rents for Airline's Leased Premises – Terminal shall be paid in twelve (12) equal installments with the first installment to be paid by Airline on or before July 1, 2008. All subsequent installments shall be paid in advance on or before the first day of each succeeding month. Airline shall pay a pro rata amount for any partial month possession of the Airline's Leased Premises - Terminal.
2. Rents for Baggage System Areas (20% share). Airline shall pay to TAIT Rents for its twenty percent (20%) share of the Baggage System Areas, which rental rate is subject to periodic adjustment in accordance with Article 19 hereof, divided equally among the number of Signatory Passenger Airline Agreements. The annual rental shall be paid in twelve (12) equal installments. Airline shall pay to TAIT within thirty (30) days of receipt of an invoice from TAIT Baggage System Areas (20% share) fees. Airline shall pay a pro rata amount for any partial month use of the Baggage System Areas. Airline's Baggage System Areas Rents are also subject to adjustment, without the necessity of formal amendment to this Agreement, whenever the number of Signatory Passenger Airlines at the Airport using the Baggage System Areas increases or decreases.
3. Landing Fees. Airline shall pay to TAIT by the fifteenth (15th) day of each calendar month during the Term hereof Landing Fees at a rate of two dollars and thirty five cents (\$2.35), which rate is subject to periodic adjustment in accordance with Article 19 hereof, based on the Maximum Landed Weight of each Revenue Aircraft Arrival landing at the Airport during the previous calendar month.

4. **Baggage System Areas (80% share) Fees.** Airline shall pay to TAIT within thirty (30) days of receipt of an invoice from TAIT Baggage System Areas (80% share) fees, computed in accordance with Article 15(B) hereof, for its use of the Baggage System Areas.
5. **Additional Fees and Charges.** Unless otherwise specified in this Agreement, rates, fees and charges in the TAIT Schedule of Rates, Fees and Charges in effect at the Airport will be applicable to Airline's activities at the Airport. A current copy of the Schedule of Rates, Fees and Charges, which is subject to periodic modification, is attached hereto as Exhibit N and incorporated by reference herein.

B. Agreement Contingent upon Payment

The granting of the rights, licenses, facilities, services and privileges to Airline under this Agreement, in each case, shall be subject to the full and timely payment of the Rents required to be paid by Airline hereunder.

C. Withholding of Credit and/or Airline Net Revenue Sharing Determined Under Year-End Settlement

The application of any year-end credit and/or Airline Net Revenue Sharing, determined in accordance with Article 19(C), shall be withheld to Airline if (i) Airline has an undisputed outstanding past due balance, or (ii) Airline has not provided a required Security Assurance to TAIT.

D. Landlord's Lien

TAIT shall have the first lien, paramount to all others, on every right and interest of Airline in this Agreement, and on all improvements, equipment and fixtures to Airline's Leased Premises. The lien is granted for the purpose of securing the payment of Rents herein covenanted to be paid by Airline, 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 Airline. This lien shall be in addition to all rights of a landlord given under the laws of the State of Oklahoma.

E. Place of Payments

All sums payable by Airline hereunder, save and except PFC, shall be delivered to:

Tulsa Airports Improvement Trust
Department 598
Tulsa, Oklahoma 74182

In accordance with the PFC Regulations, all PFC collections payable by Airline and its Affiliate Airline(s) shall be delivered to:

Tulsa Airports Improvement Trust
 RE: PFC
 Post Office Box 581838
 Tulsa, OK 74158

All or any portion of the payments due from Airline under this Agreement shall be paid by Airline to any party designated by TAIT in writing with reasonable notice and instructions as to payment.

F. Accord and Satisfaction

No payment by Airline or receipt by TAIT of a lesser amount than the Rents or payment(s) due to be made by Airline hereunder shall be deemed to be other than a payment on "account" of the Rents or payments due, and no endorsement or statement on any check or in any letter accompanying any check or payment as Rents or payments due shall be deemed in accord and satisfaction, and TAIT may accept such check or payment without prejudice to TAIT's right to recover the balance of such Rents or payments due or to pursue any other remedy provided in this Agreement.

G. Payments

Payments should include identifying information, including but not limited to the invoice number. Payments made by Airline shall be received by TAIT subject to collection. Airline agrees to pay on demand by TAIT any actual costs, including attorney fees and costs incurred by TAIT for collection. If Airline fails to timely remit to TAIT all or any part of the payments which it is obligated to make to TAIT hereunder, which failure remains uncured for a period of thirty (30) days after the date of delivery of TAIT's notice to Airline of such failure, then TAIT shall be entitled to pursue all of TAIT's remedies available under this Agreement, at law or in equity, plus applicable interest or other costs and expenses.

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

H. Passenger Facility Charges ("PFC")

Airline acknowledges that TAIT has the right to assess Airline passengers a PFC for the use of the Airport in accordance with 49 U.S.C. Section 40117 and the rules and regulations provided thereunder (14 C.F.R. Part 158, herein the "PFC Regulations") and as otherwise hereinafter authorized or permitted. Airline shall

collect on behalf of and remit to TAIT on a timely basis any such charges in accordance with the requirements of the PFC Regulations, including but not limited to holding any charges collected by Airline, pending remittance to TAIT, in trust for the benefit of TAIT. Airline shall remit PFC to TAIT at the address designated by TAIT in writing, and must include an itemized statement with its payment supporting the calculation of the PFC remittance. TAIT shall have the right to use all such PFC collected in any lawful manner. Airline and TAIT shall comply with and shall observe all of the provisions of the PFC Regulations as they apply to each party.

I. Monthly Activity Reports

1. Airline shall prepare and file with TAIT, by the tenth (10th) day following each calendar month of the Term hereof, a completed Activity Report on the TAIT-designated form, which is attached hereto as Exhibit A or other TAIT-approved form, showing the activity of Airline at the Airport for the preceding calendar month.
2. With respect to each and every monthly Activity Report filing and payment required herein:
 - (a) The acceptance by TAIT of any such payment shall not preclude TAIT from questioning the accuracy of Airline's Activity Report upon which the payment is based. TAIT, as provided for in this Agreement, shall have the right, upon reasonable notice, to examine that portion of the books and records of Airline relevant for the purpose of ascertaining that the amounts paid or to be paid to TAIT are correct.
 - (b) In the event that Airline fails to remit to TAIT any monthly Activity Report as required herein, TAIT may compute Rents as though the activity statistics upon which said Rents are based were the same as during Airline's highest month in TAIT's immediately preceding Fiscal Year or in the current Fiscal Year, whichever is higher, or upon the basis of such other estimate thereof as TAIT, in its discretion, deems reasonable. TAIT will issue an invoice to Airline for such estimated Rents. After Airline remits the required, but delinquent, payment and Activity Report to TAIT, TAIT shall recalculate the Rents for the month in question based upon the Airline's Activity Report. If the actual Rents are higher than those invoiced by TAIT, Airline shall be liable for any deficiencies in payments; payments for said deficiencies shall be deemed due as of the date such Rents were due and payable.

- (c) If the actual Rents are less than those Rents invoiced by TAIT to Airline, TAIT shall either apply such overpayment as a credit against a subsequent amount of Rents due from Airline or, at the election of TAIT, issue a refund; provided, however, Airline shall not be entitled to any credit for late fees on payments of such estimated amounts.

J. Other Reports

Airline shall submit such other reports on a timely basis as may reasonably be requested by TAIT, including but not limited to a written estimate of Airline's total Maximum Landed Weight projected for the succeeding Fiscal Year.

K. Security Assurances

If Airline has operated at the Airport for less than twelve (12) consecutive months prior to the Commencement Date or if Airline has received a written notice from TAIT of an overdue payment on more than one occasion during any rolling twelve (12) month period, then Airline shall obtain and deliver to TAIT, unless specifically waived in writing by TAIT, a good and sufficient corporate surety company bond, cash deposit or a bank irrevocable letter of credit ("Security Assurance") renewable for the Term hereof. Said Security Assurance shall serve the purpose of securing payment of all sums payable by Airline to TAIT hereunder and will be forfeited in whole or in part to satisfy an Airline liability in the event of Airline's failure to pay any Rents of whatsoever nature due TAIT. Said Security Assurance shall be conditioned to ensure the faithful and full performance by Airline of all its covenants, terms, conditions and obligations of this Agreement. Upon request of TAIT, Airline shall restore the Security Assurance to its original amount. The Security Assurance in an amount of twenty-five percent (25%) of Airline's estimated annual Rents for the current Fiscal Year shall remain in full force and effect during the Term and any extended period thereof until the later of (a) twelve (12) months following receipt of full payment of any and all amounts due from Airline or (b) a twelve (12) month period during which Airline has remained current on all amounts due under this Agreement. The form, provisions and nature of the Security Assurance, and the identity of the surety, insurer or other obligor, shall be subject to the approval of TAIT. In the event that TAIT and Airline hereafter agree to any amendment or modification of this Agreement, Airline shall, if required by the terms of the Security Assurance, obtain the consent of the surety, insurer or other obligor hereunder, as the case may be, and shall adjust the amount of the Security Assurance to reflect a change in the Rents payable by Airline hereunder. The failure of Airline to furnish (and keep in full force and effect) the Security Assurance, to renew the same, to adjust the amount thereof, or to obtain the consent of surety, insurer or obligor as heretofore set forth, shall constitute an event of default under this Agreement.

Article 21
RECORDS AND AUDIT OF RECORDS

A. Airline Books and Records

Airline shall maintain in accordance with generally accepted accounting practices and principles during each Fiscal Year hereof and for three (3) years thereafter records and books of account recording all transactions at, through or in any way connected with Airline's activities conducted pursuant to this Agreement. Such records and books of account shall be kept at all times within the City or at its corporate headquarters. Airline shall permit, during ordinary business hours upon prior written notice, the examination and audit by the officers, employees and representatives of TAIT of such records and books of account. If such books and records shall be located at Airline's corporate headquarters and the same shall not be located within the City, upon notice by TAIT, Airline shall within three (3) days make the same available at TAIT's offices. However, if said books and records are not or cannot be made available in the City, then in that event, Airline shall reimburse TAIT for reasonable travel costs of TAIT's auditor(s) to audit and review the books, records and accounts at Airline's corporate headquarters.

B. Audits of Airline Books and Records

Audits of Airline's books, records and accounts may be undertaken by TAIT or representatives of TAIT, or by a firm of Certified Public Accountants representing TAIT. In the event such audit shall reveal a deficiency of more than two and one-half percent (2.5%) between the Rents paid and the Rents as determined by TAIT to be due and owing for the audit period by the audit authorized by this Article 21(B), the full cost of the audit shall be borne by Airline, and Airline shall promptly, within thirty (30) days of notice of such discrepancy, pay the costs of the audit and the amount of the discrepancy owing to TAIT in addition to interest thereon at the rate of eighteen percent (18%) per annum on the amount so determined to be due and owing from the date the same should have been paid to the date actually paid to TAIT.

Article 22
AIRLINE'S ALTERATIONS, IMPROVEMENTS AND EQUIPMENT

A. Airline Improvements

Airline shall provide, construct and install on the Airline's Leased Premises, at its sole cost and expense, all improvements (except improvements to be provided by TAIT pursuant to this Agreement, if any) as Airline deems necessary and appropriate to operate its Air Transportation Business. The quality level, design

and appearance of such Airline Improvements shall both conform, in all material respects, to the Airport architectural design criteria.

B. Airline Improvements Plans and Specifications

Before commencement of construction of any Airline Improvements or installing any Airline Improvements in connection with its Air Transportation Business at the Airport, Airline shall submit to the Airport Director a detailed plan setting forth the specifications of all Airline Improvements to be constructed or installed on Airline's Leased Premises. Said plan shall set forth Airline's estimated costs for accomplishing the Airline Improvements and shall show the proposed location of installations and detail all preparation, redecoration and renovation Airline proposes to do for Airline's Leased Premises. All Airline Improvements constructed or installed on or all work performed on Airline's Leased Premises shall be coordinated with the existing improvements. Airline shall not proceed with its planned Airline Improvements without the Airport Director's prior written approval of its plan. Any and all Airline Improvements shall become an integral part of Airline's Leased Premises and title to the same shall pass to TAIT upon installation or construction.

C. Furniture, Fixtures and Equipment ("FFE")

Any and all FFE permanently affixed to Airline's Leased Premises shall become an integral part of Airline's Leased Premises and title to the same shall pass to TAIT upon installation or construction. All Airline Equipment, trade fixtures and FFE that may be removed from Airline's Leased Premises without damaging same, and other personal property belonging to Airline shall remain the property of Airline.

D. Submittal of Costs to TAIT

Within thirty (30) days following the Substantial Completion Date of any new or reallocated space within the Terminal, Airline shall submit to TAIT a list of all Airline Improvements and Airline Equipment installed in or placed on Airline's Leased Premises, which shall include the cost and depreciable life of each item.

E. Modifications

Airline shall not make any modifications or changes to the completed facility or construct any further improvements at Airline's Leased Premises without the prior written approval of the Airport Director and then only in accordance with such plans and terms as said Airport Director may first approve.

F. Removal of Property

Upon expiration or early termination or cancellation of this Agreement, or a reallocation or relocation of Airline's Leased Premises, Airline shall forthwith, at its own expense, remove all of its personal property, equipment, trade fixtures, devices and appurtenances thereto and to any other portions of the facility or structural components installed by Airline that are readily removable from Airline's Leased Premises without damaging said Airline's Leased Premises, provided, however, that no installed or extended utility lines or facilities or any other structures or appurtenances permanently affixed to Airline's Leased Premises that are not removable without damage to Airline's Leased Premises shall be removed there from unless TAIT directly expressly directs Airline to do so. Airline shall conduct removals referenced in this Article 22(F) at its own expense upon expiration or early termination or cancellation of this Agreement. TAIT shall reimburse Airline for removals referenced in this Article 22(F) upon a reassignment or relocation of Airline's Leased Premises by TAIT.

G. Damage to Leased Premises

Any damage incurred to Airline's Leased Premises on account of removal by Airline of any item or portion of the facility or appurtenances thereto or otherwise caused by Airline, or its agents, employees, invitees, excluding passengers, and licensees, shall be promptly repaired by Airline at its sole and own expense and Airline's Leased Premises restored to the condition in which it was received by Airline at the commencement of this Agreement, ordinary wear and tear excepted.

H. No Liens or Encumbrances

Airline shall well, truly and promptly pay or satisfy the just and equitable claims of all persons who have performed labor or furnished material by it or on its behalf for construction of any improvements required under this Agreement and all bills, costs or claims of whatever kind, which may at law or equity become a lien upon said work, or a claim against TAIT; provided, however, that Airline may contest the amount or validity of any claim without being in default of this Agreement upon furnishing security satisfactory to counsel for TAIT, guaranteeing such claim will be properly discharged forthwith, if such contest is finally determined against Airline.

Article 23
LESSOR'S GRANTS; RESERVATIONS

A. Sublease, License

1. Sublease. TAIT hereby offers and subleases to Airline, and Airline hereby accepts and subleases from TAIT, Airline's Leased Premises for the Term of this Agreement, subject to the terms, provisions and conditions herein set forth, for the purposes of operating an Air Transportation Business at the Airport. Airline accepts Airline's Leased Premises in the condition in which such premises exist at the commencement of this Agreement.
2. License. TAIT hereby grants to Airline and Airline hereby accepts from TAIT for the Term of this Agreement, subject to the terms, provisions and conditions herein set forth, including, but not limited to the prompt and timely payment of Rents set forth herein, a nonexclusive license to maintain company-owned or leased Aircraft at those locations at the Airport as approved by TAIT.

B. Avigation Easement, Waiver and Release

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 applicable standards or Governmental Requirements, together with the right to prevent Airline 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 buildings or facilities to be constructed in compliance with and pursuant to the plans and specifications approved pursuant to Article 22 hereof or except with the prior written approval of the Airport Director), which would conflict with such standards and Governmental Requirements. TAIT also reserves for itself, Authority and City, and their lessees and licensees, an avigation easement in, over and across the airspace above Airline's Leased Premises and the unrestricted right to subject Airline's 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.

Airline shall waive, remise and release any right or cause of action which airline may now have or may have in the future against TAIT, Authority or City on account of or arising out of noise, vibrations, fumes, dust, fuel, particles and other effects that may be caused or may have been caused by the operation of aircraft landing at or taking off from or operating at or on the Airport or in and near the airspace above Airline's Leased Premises.

C. Quiet Enjoyment

Unless Airline shall have defaulted in its obligations hereunder and so long as such default is not continuing, that except as provided in this Agreement it shall have quiet enjoyment of Airline's Leased Premises. Provided, however, TAIT makes no representations or warranties, either express or implied, as to the condition of Airline's Leased Premises or that they will be suitable for Airline's purposes and needs. Be it further provided, that 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 Airline for loss of business or damages of any nature whatsoever to Airline occasioned during the making of such improvements, repairs, alterations, reconstructions and additions to the Airport.

In implementing such improvements, repairs, alterations, reconstructions and additions to the Airport, TAIT will use its best efforts to minimize any interference with Airline's business use of or access to Airline's Leased Premises and in no event shall any such improvements, repairs, alterations, reconstructions and additions to the Airport materially and adversely affect Lessee's use or occupation of, or access to Airline's Leased Premises

D. 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 Airline, (b) to give TAIT any interest in the business of Airline or (c) to grant to Airline 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.

E. Right of Temporary Relocation during Capital Project Construction

1. **Right of Temporary Relocation.** TAIT shall have the right to temporarily relocate Airline's Leased Premises including any improvements located thereon when necessary to accommodate the overall growth and development of the Airport. The need for such relocation shall be determined by TAIT.

In the event such relocation becomes necessary, Airline shall be assigned a replacement area which is similar in size and amenities. Should Airline disagree with the replacement location, Airline shall have the right, within fifteen (15) calendar days of receipt of the written notice by the Airport Director of impending relocation, to provide written notice to the Airport Director that Airline disagrees with the replacement location. Upon such

written notice by Airline, the parties shall, for a period not to exceed thirty (30) days from the date of such notice, negotiate in good faith an attempt to resolve the matter to the satisfaction of both parties; however, if for any reason this issue is not resolved within thirty (30) days, TAIT shall have the right to decide the matter, and Airline agrees to and shall abide by TAIT's decision.

2. **Requirements of Relocation.** Should the Airport Director serve written notice on Airline that Airline is to be relocated, Airline agrees it shall take or cause to be taken any and all actions as may be required to vacate its Airline's Leased Premises and surrender the same to TAIT and begin serving the public from a replacement location or remainder space upon written notice by the Airport Director that said replacement premises are available for beneficial occupancy by Airline. Airline shall be responsible for moving its Airline Equipment and other personal property. All reasonable costs incurred by Airline as a result of said relocation of Airline's Leased Premises or portion thereof shall be borne by TAIT. The Rents paid by Airline for such replacement space shall be the lesser of (i) the Rents paid by Airline for such Airline's Leased Premises prior to the relocation or (ii) the Rents attributable to the replacement space.

Article 24

TAIT'S RIGHT TO ENTER AND MAKE REPAIRS

A. TAIT's Right to Enter

TAIT and its authorized officers, employees, agents, contractors, subcontractors and other representatives (including but not limited to the Airport's Fire Marshall's Office) shall have the right and with as little interruption to Airline's operations as is reasonably practicable, to enter upon Airline's Leased Premises for the following purposes:

1. **Inspection.** To inspect such Airline's Leased Premises at reasonable intervals during regular business hours (or at any time in an emergency) to determine whether Airline has complied or is complying, with the terms and conditions of this Agreement.
2. **Maintenance.** To perform maintenance and make repairs and replacements where Airline is obligated to do so and has failed after sixty (60) days prior notice to do so (or less in the case of an emergency which Airline fails to immediately address), in which event Airline shall reimburse TAIT for its actual costs, plus a fifteen percent (15%) administrative fee, promptly upon demand.

3. **Structural Safety.** To perform maintenance and make repairs and replacements where TAIT is obligated to do so; and in any other case where TAIT, in its reasonable judgment, determines that it is necessary or desirable so to do in order to preserve the structural safety of such Airline's Leased Premises or of the Terminal or to correct any condition likely to cause injuries or damages to persons or property.
4. **Police Power.** To take necessary action in the exercise of TAIT's police power with respect to Airline's Leased Premises or of the Terminal.
5. **Fire/Life Safety.** To perform fire/life safety inspections with respect to Airline's Leased Premises or the Terminal where TAIT is obligated to do so.
6. **Security.** To take necessary action for security-related purposes.

B. Non-Interference

No such entry by or on behalf of TAIT upon the Airline's Leased Premises shall cause or constitute a termination of the letting thereof or be deemed to constitute an interference with the possession thereof by Airline. During any inspection and repairs, TAIT may close doors, entrances, corridors and other facilities, all without any liability to TAIT for inconvenience, interference or annoyance. Such repairs and replacements shall be made in coordination with Airline to the best extent possible.

Article 25
SURRENDER OF THE AIRLINE'S LEASED PREMISES

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 Airline's Leased Premises peacefully and promptly to TAIT in as good condition as existed at the Commencement Date of this Agreement, normal wear and tear and alterations (made with TAIT's consent and without requirement for removal at expiration or termination of this Agreement) excepted.

Article 26
ASSIGNMENT, SUBLEASE AND TRANSFER OF SPACE

A. 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; however, the successor-in-interest shall execute and deliver to TAIT, with a copy to Airline, an instrument assuming the obligations of TAIT and the City under this Agreement.

B. Assigning, Subletting and Encumbering

1. Except as provided in Article 26(B)(2) below, Airline shall not assign, sublet or encumber Airline's Leased Premises or any part thereof, including improvements thereon, without TAIT's prior written consent. If Airline shall be other than an individual, for purposes of this section, the transfer of the majority of the shares of the Airline (including any combination of shares that are equivalent to a majority interest), or any other evidence of majority ownership interest or control in the Airline's enterprise, shall be deemed an "assignment".
2. Notwithstanding anything to the contrary contained herein, provided Airline is not in default of any of the terms, covenants or conditions of this Agreement, Airline, without the consent of TAIT but otherwise in accordance with all of the terms and conditions of this Agreement, may (i) assign this Agreement or sublet the entire Airline's Leased Premises to any entity which owns all of the issued and outstanding common stock of Airline or to a wholly owned subsidiary corporation of Airline or (ii) assign this Agreement to (a) any entity resulting from the consolidation or merger of Airline named herein into or with any other business organization or (b) any person, firm, corporation or other entity acquiring all of the issued and outstanding capital stock, partnership interests or membership interests (as applicable) or all or substantially all of the assets of Airline.
3. Notwithstanding the foregoing, no such assignment shall be deemed effective unless and until such assignee executes and delivers to TAIT, at no cost to TAIT, a written agreement in form and substance acceptable to TAIT whereby such assignee assumes for the benefit of TAIT the performance and observance of all of the terms, conditions and covenants contained in this Agreement whether or not deemed personal covenants.
4. Also, notwithstanding the foregoing, no such sublease shall be deemed effective unless and until the parties enter into an acknowledgement of

sublease agreement in form and substance acceptable to TAIT and Airline shall deliver to TAIT executed copies of any applicable sublease and all related collateral agreements, which agreements shall provide that sublessee shall affirmatively covenant in the agreements to perform all such obligations for the direct benefit of TAIT as a third party beneficiary thereof, whether or not deemed personal covenants. The execution of such sublease shall not later, diminish or release Airline's direct obligation for performance of its obligations hereunder. In the event of a sublease, in no event will TAIT be obligated to: (i) give any notice to or join such sublessee in any proceeding TAIT institutes against Airline, or (ii) recognize the continued existence of such sublessee in the event Airline defaults under this Agreement, and the sublease will by its own terms automatically end upon the expiration or earlier termination of the Term.

5. Airline shall pay an administrative fee of three hundred dollars (\$300) required by TAIT for TAIT's approval of each (i) sale of leasehold improvements, (ii) assignment, (iii) collateral assignment, (iv) release of assignment, (v) amendment or supplement to this Agreement, or (vi) any other modification to this Agreement requested in writing by Airline requiring approval by TAIT. The administrative fee shall be paid to TAIT by Airline simultaneously with submission of Airline's written request for TAIT approval.
6. Notwithstanding any such assignment or sublease, Airline shall remain liable to TAIT for the performance and observance of all of the terms, conditions, agreements and covenants to be performed and observed by Airline hereunder.

C. Bankruptcy

Notwithstanding any provision contained in this Agreement and to the extent consistent with Federal bankruptcy law, any party to this Agreement which seeks protection under the Federal bankruptcy code, or is currently operating under the protection of the Federal bankruptcy code, herein called "Debtor", shall be prohibited from conveying its interest under this Agreement to any other entity without prior approval of TAIT. In the event that such a Debtor intends to assume the Agreement, or assume and assign the Agreement pursuant to 11 U.S.C. Section 365, Bankruptcy-Executory Contracts and Unexpired Leases to the extent consistent with Federal bankruptcy law, the Debtor shall be required to immediately cure any and all defaults and provide adequate assurance of future performance under this Agreement which shall include, but not be limited to (i) adequate assurance of the reliability of the proposed source for the Rents due

under this Agreement upon the assumption of the Agreement, and (ii) adequate assurance that all other consideration due under this Agreement shall be forthcoming upon the assumption of this Agreement.

Article 27 CAPITAL EXPENDITURES

Capital Improvement Projects to preserve, rehabilitate, protect, enhance, expand or otherwise improve the Airport System, or any part thereof, will be required during the Term of this Agreement.

A. Pre-Approved Capital Improvement Program (“Pre-Approved CIP”)

TAIT has identified on Exhibit K of this Agreement the Capital Expenditures in the Pre-Approved CIP planned for inclusion in Airline Cost Centers. Airline agrees to the inclusion of Airport Expenses associated with the Capital Improvement Projects set forth on Exhibit K, in the identified Airline Cost Centers and in the determination of Airline’s Rents upon the Substantial Completion Date of each Capital Improvement Project. Modification or amendment of Exhibit K shall not require a formal amendment to this Agreement, but shall be subject to the provisions contained in this Article pertaining to Signatory Airline Consultation Process, as applicable.

B. Rights Regarding Proposed Capital Improvement Projects

1. TAIT’s Right to CIP. Airline acknowledges that nothing contained in this Agreement, including but not limited to the withholding of Capital Expenditure approval by the Eligible Signatory Airlines pursuant to this Agreement, in any way limits or restricts the rights of TAIT to implement Capital Improvement Projects within the Airport System at any time.
2. Withholding Approval. Airline acknowledges that the rights granted in this Article are expressly limited to preventing the inclusion of Airport Expenses of Capital Improvement Projects, except those exempted in Article 27(A) and Article 27(C)(2) hereof, in the applicable rate base for the Airline Cost Centers during this Agreement’s Term.

C. Capital Expenditures Requiring Signatory Airline Consultation

1. Qualifying Projects. Capital Expenditures for Terminal Capital Improvement Projects require Signatory Passenger Airline Consultation, except as exempted in Article 27(A) and Article 27(C)(2) hereof. Capital Expenditures for Airfield Area or Reliever Airport Cost Center Capital

Improvement Projects require Signatory Airline Consultation, except as exempted in Article 27(A) and Article 27(C)(2) hereof.

2. Exempted Projects. Notwithstanding the foregoing, certain Capital Expenditures will not require a Signatory Airline Consultation Process and will be excluded from a Majority in Interest Vote as follows:
 - (a) Capital Improvement Projects on the Pre-Approved CIP, as long as the aggregate Capital Expenditures for such Capital Improvement Projects do not increase more than ten percent (10%) over the previously approved aggregate Capital Expenditures to be included in Signatory Airlines' Rents;
 - (b) Any New Capital Improvement Project and associated Capital Expenditure having a net cost (i.e., gross costs less any federal or State grants or PFC revenues) to TAIT of less than five hundred thousand (\$500,000), to be included in Signatory Airlines' Rents, as long as the sum of all Capital Expenditures for New Capital Improvement Projects, that are not otherwise excluded from a Majority in Interest Vote, in the Fiscal Year do not exceed one million and five hundred thousand dollars (\$1,500,000), to be included in Signatory Airlines' Rents. The aforementioned upset limit amounts are subject to annual adjustment each July of the Term hereof based on the percentage change in the Implicit Price Deflator Index since July 2008;
 - (c) Any New Capital Improvement Project and associated Capital Expenditure required by any agency of the U. S. Government having jurisdiction over activities within the Airport System or by federal law or executive order;
 - (d) Any New Capital Improvement Project and associated Capital Expenditure whose principal purpose is to repair casualty damage at the Airport System or to Airport System property;
 - (e) Any New Capital Improvement Project and associated Capital Expenditure required to settle claims, satisfy judgments or comply with judicial orders against TAIT, the Authority or the City by reason of ownership, operation, or maintenance of the Airport System;
 - (f) Any New Capital Improvement Project and associated Capital Expenditure that is related to any hazardous substance release;

- (g) Any New Capital Improvement Project and associated Capital Expenditure related to regulatory, security or safety matters, as determined by TAIT or the Authority, in its discretion;
- (h) Any New Capital Improvement Project that TAIT undertakes for an individual Airport tenant, for which TAIT intends to recover the associated Capital Expenditure from that tenant and in the event that TAIT is unable to recover the associated Capital Expenditure from that tenant, the associated Capital Expenditure shall not be included in an Airline Cost Center rate base;
- (i) Any previously approved New Capital Improvements Project, not on the Pre-Approved CIP, as long as the Capital Expenditure for such New Capital Improvement Project does not increase more than ten percent (10%) over the previously approved Capital Expenditure to be included in Signatory Airlines' Rents;
- (j) Any New Capital Improvement Project and associated Capital Expenditure for additional Terminal space or related facilities for the expansion of a Requesting Air Transportation Company, or to make space or facilities available in the Terminal to accommodate new air service as long as the Requesting Air Transportation Company enters into an agreement with TAIT for the remaining Term of this Agreement to lease such space, provided that existing space and facilities are not otherwise available to accommodate such needs, as reasonably determined by TAIT; and in the event that TAIT is unable to recover the associated Capital Expenditure from such Requesting Air Transportation Company, the associated Capital Expenditure shall not be included in an Airline Cost Center rate base; and
- (k) Any New Capital Improvement Project and associated Capital Expenditure of an emergency nature, as reasonably determined by TAIT.

D. Signatory Airline Consultation Process – New Capital Improvement Projects

1. Notification. TAIT shall provide a written notification to the Signatory Airlines annually identifying any New Capital Improvement Projects, that were not otherwise previously approved by a Majority in Interest Vote, proposed to be undertaken in the upcoming Fiscal Year and whether those Capital Improvement Projects require a Signatory Airline Consultation Process meeting in accordance with this Article. If a Signatory Airline Consultation Process meeting is required, the notification shall include (i) the date, time and location for the

consultation meeting which shall occur no sooner than fifteen (15) days after delivery of the notification and (ii) the basis upon which TAIT established that a Capital Improvement Project is exempt from the Signatory Airline Consultation Process, if applicable.

2. **Project Description.** The notification shall also include the following for each Capital Improvement Project requiring a Signatory Airline Consultation Process:
 - (a) A general description of the proposed Capital Improvement Project, together with a cost estimate, schedule and estimated Substantial Completion Date;
 - (b) The proposed allocation of the Capital Expenditure for the Capital Improvement Project among Airline Cost Center(s);
 - (c) An explanation of the need for and/or benefit to be derived from the Capital Improvement Project; and
 - (d) The proposed funding source(s), e.g., federal funds, PFC revenues, airport revenue bonds, Airport cash flow and/or State grants, for the Capital Improvement Project.

E. Signatory Airline Consultation Process – Capital Improvement Project Funding Variances

1. **Notification.** TAIT shall provide a written notification to the Signatory Airlines in the event:
 - (a) The estimated or actual Capital Expenditure for Capital Improvement Projects on the Pre-Approved CIP, as set forth on Exhibit K, to be included in Signatory Airlines’ Rents, exceed the previously approved aggregate Capital Expenditures to be included in Signatory Airlines’ Rents for such Capital Improvement Projects by more than ten percent (10%), or
 - (b) The estimated or actual amount of any Capital Expenditure to be included in Signatory Airlines’ Rents for a previously approved New Capital Improvement Project, or for a New Capital Improvement Project or group of New Capital Improvement Projects that were previously exempted from the Signatory Airline Consultation Process in accordance with Article 27(C)(2)(b), exceeds the previously approved or exempted Capital Expenditure to be

included in Signatory Airlines' Rents for such Capital Improvement Project(s) by more than ten percent (10%).

2. In the notification to the Signatory Airlines, TAIT shall provide:
 - (a) The reason the Capital Expenditure to be included in Signatory Airlines' Rents has increased by more than ten percent (10%) over the previously approved Capital Expenditure for such Capital Improvement Project;
 - (b) The particular Airline Cost Center(s) rate base in which the additional Capital Expenditure is to be included upon the Substantial Completion Date of the Capital Improvement Project;
 - (c) If a Signatory Airline Consultation Process meeting is required, the date, time and location for the consultation meeting which shall occur no sooner than fifteen (15) days after delivery of the notification, and
 - (d) The basis upon which TAIT established that a Capital Improvement Project Funding Variance is exempt from the Signatory Airline Consultation Process, if applicable.
3. The Signatory Airline Consultation Process hereunder would only be applicable to the portion of the Capital Expenditures to be included in Signatory Airlines' Rents that has increased by more than ten percent (10%) over the previously approved Capital Expenditures to be included in Signatory Airlines' Rents.

F. Signatory Airline Disapproval Process

1. Terminal Capital Improvement Projects MII Vote. Within ten (10) days following any TAIT-Signatory Passenger Airlines consultation meeting, TAIT shall provide all Eligible Signatory Passenger Airlines with a ballot and conduct a Signatory Passenger Airline MII Vote as follows:
 - (a) For those New Capital Improvement Projects or Capital Improvement Project Funding Variances that will only impact the Rents of the Terminal Cost Center, the MII Vote will be based on the Terminal MII Concurrence Formula.
2. Airfield Area Capital Improvements Project MII Vote. Within ten (10) days following any TAIT-Signatory Airlines consultation meeting, TAIT shall provide all Eligible Signatory Airlines with a ballot and conduct a Signatory Airline MII Vote as follows:

- (a) For those New Capital Improvement Projects or Capital Improvement Project Funding Variances that will impact the Rents of the Airfield Area Cost Center, the MII Vote will be based on the Airfield Area MII Concurrence Formula.
3. Voting. Each Signatory Airline which is entitled to vote pursuant to the above-described procedures shall submit its ballot to TAIT signifying its approval or disapproval of the proposed new Capital Improvement Project(s) or Capital Improvement Project Funding Variance(s) within thirty (30) days of the delivery of the ballot to such Signatory Airline.
 4. Approval of new Capital Improvement Projects or Capital Improvement Project Funding Variances. New Capital Improvement Projects or Capital Improvement Project Funding Variances on the ballot distributed to the Eligible Signatory Airlines and Eligible Signatory Passenger Airlines shall be deemed approved unless disapproval is specifically provided pursuant to the applicable MII concurrence formula, within thirty (30) days of the issuance of the ballot.

G. Application of Airport Expenses

1. Approved Projects. The Airport Expenses for Capital Improvement Projects and Capital Improvement Project Funding Variances that are exempt from a Signatory Airline Consultation Process or deemed approved by the Eligible Signatory Airlines or Eligible Signatory Passenger Airlines shall be included in the applicable Airline Cost Center rate base upon the Substantial Completion Date of such Capital Improvement Project.
2. Disapproved Projects. The Airport Expenses and Airport Revenues for Capital Improvement Projects or Capital Improvement Project Funding Variances that are disapproved by the Eligible Signatory Airlines or Eligible Signatory Passenger Airlines may not be included in an Airline Cost Center rate base unless and until a subsequent Signatory Airline Consultation Process approves the Capital Improvement Project or Capital Improvement Project Funding Variance, as applicable.

H. Disapproved Capital Improvement Project Status

On an annual basis, TAIT may call for another MII Vote to establish Signatory Airline approval or disapproval on a New Capital Improvement Project or Capital Improvement Project Funding Variance that has previously been disapproved.

Article 28
RELINQUISHMENT OF ABANDONED SPACE

In the event that Airline has voluntarily abandoned or constructively abandoned a portion of its Airline's Leased Premises, TAIT may, in addition to the other remedies provided for in this Agreement and after appropriate notice and cure periods provided for in this Agreement, partially terminate this Agreement with respect to, and delete from Airline's Leased Premises hereunder, such abandoned space. Whether or not all or a portion of the Airline's Leased Premises is abandoned or constructively abandoned shall be determined by TAIT in its discretion but after taking into account planned use by the Airline for such premises and provided that reduced use of Airline's Leased Premises by Airline, Affiliate Airline(s) and Air Transportation Companies operating from Airline's Leased Premises under TAIT-approved subleases or ground handling agreements with Airline shall not be considered an abandonment or constructive abandonment.

Article 29
DEFAULT AND RIGHTS AND REMEDIES UPON DEFAULT

A. Events of Default Defined

The following shall be "events of default" under this Agreement and terms "event of default" or "default" or "breach" shall mean whenever they are used herein, any one or more of the following:

1. If Airline shall fail to pay when due and owing any Rents payable hereunder, and such nonpayment shall continue for thirty (30) days after Airline's receipt of TAIT's written notice;
2. If Airline shall (i) mortgage, pledge, or encumber any portion of its interest in this Agreement, (ii) subject Airline's Leased Premises to any lien or encumbrance of whatsoever nature or (iii) transfer or assign, either voluntarily or by operation of law, any portion of its interest in this Agreement, except in accordance with the provisions hereof;
3. If Airline shall fail to take possession of Airline's Leased Premises;
4. If Airline shall terminate its corporate or other legal structure, except as permitted herein;
5. If Airline shall fail to comply with the insurance provisions imposed by Article 32 hereof;

6. If Airline shall file a petition requesting relief or instituting proceeding under any act, state or federal, relating to the subject of bankruptcy or insolvency, or an involuntary petition in bankruptcy or any other similar proceeding shall be instituted against Airline and continue for ninety (90) days; or a receiver of all or substantially all of the property or assets of Airline shall be appointed and the receiver shall not be dismissed for sixty (60) days or if Airline shall make any assignment for the benefit of Airline's creditors insofar as the enumerated remedies for default are provided for or permitted in such state or federal code;
7. If Airline shall fail to observe or perform any conditions, covenants, obligations, or requirements or terms hereunder, or commits an event of default as set forth in this Article 29(A)(1) through (A)(6) and such breach, failure, or event of default shall continue unremedied or uncured for thirty (30) days after TAIT shall have given to Airline written notice specifying such default, provided TAIT shall grant Airline such additional time as is reasonably required to correct any such default if Airline has instituted corrective action and is diligently pursuing the same.

B. Remedies upon Airline's Default

Whenever an event of default by Airline shall occur and the same shall not have been cured or remedied by Airline subject to the provisions of Article 29(A) (notwithstanding any waiver, license or indulgence granted by TAIT with respect to any event of default in any form or instance), TAIT may pursue any available right or remedy at law or equity, including termination. At its exclusive option, TAIT may deliver to Airline written notice of termination, specifying the date upon which this Agreement will terminate. In the event of termination, Airline's rights, licenses and privileges granted pursuant to this Agreement and to possession of Airline's Leased Premises shall cease immediately. Upon termination of the Agreement, Airline shall be liable for payment of all Rents accrued through date of termination in addition to said Rents as may be payable hereunder.

C. Removal of Displays

If TAIT shall terminate this Agreement by reason of Airline's commission of an event of default as set forth in Article 29(A)(1) through (A)(7) hereof, Airline shall forthwith remove its Airline Equipment and other personal property from Airline's Leased Premises at its own expense.

D. Event of Default by TAIT

In addition to all other remedies available to Airline, this Agreement shall be subject to termination by Airline, at its election, should any one or more of the following events occur ("Event of Default"):

1. The abandonment of the Airport facility for longer than sixty (60) days;
2. The issuance of an order or injunction by any court of competent jurisdiction preventing or restraining the use of the Airport facility in such a manner as to substantially restrict Airline from conducting its Air Transportation Business at the Airport, where such order or injunction was not caused by any act or omission of Airline; provided that such order or injunction remain in force of such injunction for at least sixty (60) days;
3. The breach by TAIT of any of the material terms, covenants or conditions of this Agreement to be kept, performed and observed by TAIT, and the failure of TAIT to remedy such breach for a period of thirty (30) days after receipt of written notice from Airline of the existence of such breach;
4. The assumption by the United States Government, or any authorized agency thereof, of the operation, control or use of the Airport or its facilities in such a manner as to substantially restrict Airline from conducting its Air Transportation Business at the Airport if such restriction be continued for a period of sixty (60) days or more; or
5. The destruction of a significant portion of the Airport or its facilities due to fire, earthquake or any other causes.

E. Event of Default by TAIT, Airline'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 non-performance, after written notice by Airline to TAIT specifying wherein TAIT has failed to perform any such obligations; neither the occurrence nor existence of any default by TAIT shall relieve Airline of its obligation hereunder to pay Rents.

F. Non-Waiver

Neither the waiver by TAIT of any breach of Airline 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 Airline. Neither the waiver by Airline of any

breach of TAIT of any provision hereof nor any forbearance by Airline to seek a remedy for any such breach shall operate as a waiver of any other breach by TAIT.

G. Condemnation

If, at any time during the Term, Airline's Leased Premises or the 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 Rents required hereunder shall be adjusted in such manner as shall be just and equitable. If TAIT and Airline are unable to agree upon a just and equitable division of proceeds and adjustment of Rents 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 Airline's Leased Premises are taken wholly by condemnation, this Agreement shall terminate.

Article 30 GOVERNMENTAL REQUIREMENTS

A. Governmental Requirements - General

1. Airline shall comply with all Governmental Requirements applicable to Airline's use and operation of Airline's Leased Premises. Without limiting the generality of the foregoing, Airline shall at all times use and occupy the Airport in strict accordance with all applicable rules, regulations and security plans that may be imposed by the TSA, FAA or TAIT, the Authority or the City with respect to the Airport, Airline's Leased Premises and the operations thereof. This Agreement is subject and subordinate to the provisions of any agreement heretofore or hereafter made between TAIT, the Authority and/or the City and the U.S. Government relative to the financing, operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or property to TAIT, the Authority or the City for Airport purposes, or for the expenditure of federal funds for the financing, maintenance, operation or the development of the Airport, including the expenditure of federal funds for development of the Airport in accordance with the provisions of the Federal Aviation Act of 1958, as amended from time to time, or any airport improvement program, law or regulation or successor program, law or regulation.

2. In the event that the FAA or the TSA require modifications or changes in this Agreement as a condition precedent to the granting of funds or for the certification, operation or improvement, rehabilitation, development or expansion of the Airport, or otherwise, Airline agrees to consent (without further consideration) to such amendments, modifications, revisions, supplements or deletions of any of the terms, conditions or requirements of this Agreement as may be reasonably required to satisfy the FAA or TSA requirements.
3. Airline shall procure, and require all its subsidiaries or assignees to procure, from all governmental authorities having jurisdiction over the operation of Airline hereunder, all licenses, franchises, certificates, permits or other authorizations, including all environmental permits or authorizations which may be necessary for the conduct of Airline's business at the Airport.
4. Airline shall require its guests and invitees and those doing business with it to comply with all Governmental Requirements relating to the conduct and operation of Airline's business at the Airport.

B. No Liability for Exercise of Powers

Neither TAIT, the Authority nor the City shall be liable to Airline for any diminution or deprivation of its rights which may result from the proper exercise of any power reserved to TAIT, the Authority or the City in this Agreement. Airline shall not be entitled to terminate this Agreement by reason thereof, unless the exercise of such power shall interfere with Airline's rights hereunder so as to constitute a termination of this Agreement by operation of law.

C. Nondiscrimination

Airline, and its successors in interest and assigns, as a part of the consideration hereof, does 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, Airline shall maintain 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 23, (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.

Airline, and its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (i) 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, (ii) 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, (iii) Airline shall use Airline's 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 23, (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 there under or may hereafter be amended.

To the extent applicable, Airline assures that it will undertake an Affirmative Action Program as required by 14 CFR Part 152, Subpart E, to ensure that, on the grounds of race, color, creed, national origin or sex, no person shall be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Airline agrees that it will require that its covered suborganizations provide assurances to TAIT that they similarly will undertake Affirmative Action Programs and that they will require assurances from their suborganizations as required by 14 CFR Part 152, Subpart E to this same effect.

D. Taxes and Other Governmental Charges

Airline shall pay all taxes and governmental charges of any kind whatsoever that may be lawfully levied, assessed, or charged by any federal, State, or local governmental entity upon the real and personal property occupied, used or owned by Airline, and upon the rights of Airline to occupy and use Airline's Leased Premises, upon any benefit derived from Airline's Leased Premises, upon Airline Improvements and Airline Equipment or other property thereon, and upon Airline's rights or operations under this Agreement. Airline shall have the right, at its sole cost and expense, to contest the amount or validity of any tax as may have been or may be levied, assessed, or charged.

E. Domestication

If Airline is a foreign corporation, it shall domesticate (be qualified to do business within Oklahoma) its corporate status within the State of Oklahoma. Airline 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.

F. ADA Compliance

Airline shall take the necessary actions to ensure its facilities and employment practices are in compliance with the requirements of the Americans with Disabilities Act. Any costs of such compliance shall be the sole responsibility of Airline.

G. Open Records Act

Airline understands and acknowledges TAIT's and Authority's legal requirements to comply with the Oklahoma Open Records Act (51 O.S. 2001 Sec.24A.1. *et.seq.*). Airline understands and acknowledges that persons who submit information to public bodies have neither the right to keep this information from public access nor reasonable expectation that the information will be kept from public access.

**Article 31
ENVIRONMENTAL MATTERS**

A. Regulated Substance Compliance and Indemnity

Airline shall not cause or permit any "Regulated Substance" as hereinafter defined, to be brought upon, generated, stored, or used in or about the Airport or its Leased Premises by Airline, its agents, employees, contractors, or invitees, except for such Regulated Substances of the type and quantity as is necessary to Airline's business. Any Regulated Substance permitted on the Leased Premises, and all containers therefore, shall be used, kept, stored, and disposed of in a manner that complies with Applicable Environmental Laws as hereinafter defined. As used herein, the term "Applicable Environmental Law" means duly promulgated statutes, regulations and government standards which, independent of the contractual undertakings of the Airline herein, govern the generation, handling, storage, disposal, usage and release or emission of Regulated Substances by Airline. As used herein, the term "Applicable Environmental Law" shall not include any state or local standard that is adopted or enforced in violation of 42 USC §7573.

Airline shall not release, discharge, leak, or emit, nor permit to be discharged, leaked, released or emitted, any Regulated Substance into the atmosphere, ground, storm or sewer system, or any body of water, ditch, or stream on the Airport, in violation of Applicable Environmental Law. Airline shall fully and

timely comply with all applicable federal, state and local statutes, ordinances and regulations relating to protection of the environment, including without limitation, 42 U.S.C. §6991-6991i.

1. **Definition of Regulated Substances.** The term "Regulated Substances" means and includes any and all substances, chemicals, waste, sewage or other materials, which are now or hereafter regulated, controlled or prohibited by any local, state, or federal law or regulation requiring removal, warning or restrictions on the use, generation, disposal or transportation thereof, including, without limitation (a) any substance defined as a "hazardous substance", "hazardous material", "hazardous waste", "toxic substance", or "air pollutant" in the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), 42 U.S.C. §9601 *et seq.*, The Hazardous Materials Transportation Act (HMTA), 49 U.S.C. §1801 *et seq.*, The Resource Conservation and Recovery Act (RCRA), 42 U.S.C. § 6901 *et seq.*, Federal Water Pollution Control Act (FWPC), 33 U.S. §1251 *et seq.*, or the Clean Air Act (CAA), 42 U.S.C. §7401 *et seq.*, all as amended and amended hereafter; (b) any substance defined as a "hazardous substance", "hazardous waste", "toxic substance", "extremely hazardous waste", "RCRA hazardous waste", "waste", "hazardous material" or "controlled industrial waste", as defined in the Oklahoma Industrial Waste Disposal Act, 63 O.S. §1-2000 *et seq.*; As used herein, the term Regulated Substances or "hazardous substances" also means and includes, without limitation, asbestos, flammable, explosive or radioactive materials; gasoline; oil; motor oil; waste oil; petroleum (including without limitation, crude oil, or any fraction thereof); petroleum based products; paints and solvents; leads; cyanide; DDT; printing inks; acids; pesticides; ammonium compounds; polychlorobiphenyls; and other regulated chemical products.
2. **Disclosure.** At the commencement of each year of the Term, upon thirty (30) days advance written request, Airline shall disclose to TAIT all applications, reports, notifications or other documentation submitted by Airline to regulatory agencies within the prior year as required by Applicable Environmental Law.
3. **Duty to Share Information.** Upon written request, Airline shall promptly provide TAIT with copies of any permits, authorizations, approvals and notifications issued to Airline under Applicable Environmental Laws by any governmental agencies related to Airline's operations under the Agreement or occupancy of the Airport or the Leased Premises.
4. **Compliance Inspection.** TAIT shall have the right, but not the obligation, to conduct (or cause to be conducted) an annual inspection to assess all

Airlines' compliance with Applicable Environmental Laws (collectively, "Compliance Inspection"). TAIT shall provide reasonable advance written notice of such Compliance Inspection and shall provide Airline the opportunity to accompany TAIT during the inspection.

- (a) TAIT may otherwise, at reasonable times after reasonable advance written notice (except in the event of an emergency) and in the presence of an employee or agent of Airline, enter the Leased Premises to conduct reasonable inspections, tests, samplings, split samples or other investigations in connection with Airline's obligations under the provisions of this Section.
- (b) TAIT will not unreasonably interfere with Airline operations.
- (c) In the event of any emergency-related inspection or investigation, TAIT shall provide notice to Airline as soon as reasonably possible under the circumstances and shall promptly provide Airline with all findings, results or information generated as a result of such inspection or investigation.

5. **Dispute Resolution.** Airline shall be provided a reasonable opportunity to review the results or findings of such Compliance Inspection. If the Compliance Inspection reveals alleged non-compliance by Airline with any Applicable Environmental Law at, or affecting, the Airport due to Airline's use or operation at the Airport or indicates that a release of Regulated Substances caused by Airline, its agents, employees, licensees, invitees (not including passengers), or any other persons or entities acting by, through, under or on behalf of Airline, has occurred on the Leased Premises, or elsewhere on the Airport, in violation of Applicable Environmental Law, then Airline shall be given a reasonable opportunity, not to exceed thirty (30) days of receipt of the results and findings of the Compliance Inspection, to respond to such findings and to dispute those findings for which Airline determines it is not responsible. For such disputed findings, Airline and TAIT agree to confer in an effort to resolve the dispute for up to an additional thirty (30) days (the "Dispute Resolution Period").
6. **Airline Plan for Compliance.** After the Dispute Resolution Period, TAIT shall provide notice to Airline of those findings for which TAIT determines the Airline is responsible. Airline shall deliver to TAIT an Airline Plan for Compliance ("Plan for Compliance") to provide comments and address the findings of the Compliance Inspection within forty-five (45) days of the submission of the results or findings of the

Compliance Inspection by TAIT to Airline or the end of the Dispute Resolution Period, whichever is later. The Plan for Compliance shall be sufficient to address any non-compliance or Releases of Regulated Substances in violation of Applicable Environmental Laws in a technically feasible and cost effective manner, to the extent required by such Applicable Environmental Laws. The Plan for Compliance shall also provide for the completion of any remediation in a manner consistent with the use of the Airport or the Leased Premises in Airport Operations. If Airline fails, or otherwise refuses (based on the failure of the parties to resolve any disputes in accordance with Paragraph 5 above) to timely submit the Plan for Compliance or to address disputed findings in the Plan for Compliance, TAIT or Airline may refer the dispute to mediation, or institute any other available legal or equitable proceeding in order to resolve the dispute.

7. Responsible Tenant Not Identified. If the Compliance Inspection reveals non-compliance with any Environmental Laws at the Airport or indicates that a Release of Regulated Substances has occurred on the Airport in violation of Applicable Environmental Laws, and it is not clear which Airport Tenant(s) is responsible for such non-compliance or Release after undertaking due effort to determine the identity of such responsible Airport Tenant(s), TAIT shall prepare a Plan for Compliance consistent with the requirements for such Plans as provided in Paragraph 6 above and shall implement such Plan as it reasonably deems necessary.
8. Compliance Action. Within forty-five (45) days after submittal of the Airline's Plan for Compliance, Airline shall commence and expeditiously proceed to complete, subject to TAIT's review and approval not to be unreasonably withheld, the actions identified in the Airline's Plan for Compliance.
 - (a) Notwithstanding the foregoing, if any local, state or federal agency with jurisdiction over the Airport establishes a remediation plan or schedule to address any confirmed Release of Regulated Substances by Airline at the Airport, such agency's plan or schedule shall control.
 - (b) If Airline does not complete the required remedial actions, as required by Applicable Environmental Laws and Airline's Plan for Compliance in the time periods set forth in the remediation plan or Plan for Compliance approved by TAIT (or such additional time as may be reasonably approved by TAIT as a result of site conditions and/or force majeure events), TAIT shall have the right, but not the

obligation, after providing Airline with a reasonable opportunity to cure, to implement a Plan for Compliance which it reasonably deems necessary to address such non-compliance. If TAIT implements any remediation action pursuant to this section of the Agreement, Airline shall reimburse TAIT promptly upon demand for its actual, reasonable costs, plus a ten percent (10%) administrative fee without limitation of other claims or damages that TAIT may have against Airline arising out of the terms of this Agreement or otherwise; provided, however, pursuant to Airline's rights under Paragraph 6 of this Section, Airline may refer any disputed costs from TAIT's implementation of a Plan for Compliance hereunder to mediation.

- (c) Airline reserves all rights to seek contribution or other legal or equitable reimbursement of costs incurred by Airline in any clean-up, removal or remediation of Regulated Substances or correction of any violation of Applicable Environmental Laws required under this Agreement.

9. Indemnity Noncompliance/Notice of Violation. Airline agrees that it shall be liable for all costs and expenses related to the use, storage, and disposal of Regulated Substances kept on the Airport by Airline, and the Airline shall give prompt notice to TAIT of any notice of violation received from any governmental authority. Without limiting any provisions of this Agreement, Airline shall defend, indemnify, and hold harmless TAIT, the Authority, and the City, and their trustees, officers, councilors, agents, volunteers, and employees from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses (including, without limitation, reasonable attorneys' and consultants' fees, court costs, and litigation expenses) arising out of (a) the presence, disposal, or release of a Regulated Substance, in violation of Applicable Environmental Laws, on the Leased Premises by Airline and/or any third parties (i.e. customer, invitee, employee, agent, or person having any contractual or business relationship with Airline) for whom Airline is responsible; (b) any violation by Airline of Applicable Environmental Laws, and/or any third parties (i.e. customer, invitee, employee, agent, or person having any contractual or business relationship with Airline) for whom Airline is responsible in connection with Airline's operations at the Airport. These indemnification provisions shall be in addition to any other obligations and liabilities Airline may have to TAIT, Authority or City at law or equity and shall survive the termination or expiration of this Agreement; provided, however, the indemnification set forth herein does not apply to the presence, disposal or release of Regulated Substances, pollutants, contaminants or petroleum

products that occurred or existed on the Leased Premises prior to the Airline's execution of the current, or any prior, Use and Lease Agreement with TAIT or that was caused by TAIT, Authority or City or any other third party not in privity of contract or other business relationship with Airline. Any indemnification obligation involving the completion of remediation or cleanup activities shall be resolved in accordance with Paragraphs 5, 6, and 8 above. The foregoing indemnification shall not apply to the extent any claim arises out of the gross negligence or willful misconduct on the part of City, TAIT, Authority, or their trustees, councilors, officers, agents, volunteers and employees.

10. Voluntary Programs. Should TAIT undertake any voluntary programs designed to improve environmental conditions, including, but not limited to, solid waste recycling programs, clean-fuel vehicle programs, or similar programs, Airline agrees to undertake a good faith review of the program and shall consider participating. Should any such programs be mandated by any federal or state governmental agency, Airline agrees to comply with such mandates to the extent required by Applicable Environmental Laws; provided, however, Airline reserves the right to challenge any such mandates.

Article 32

CASUALTY TO LEASED PREMISES, INDEMNITY AND INSURANCE

A. Repair of Damaged or Casualty Affected Areas

In the event any improvements owned by TAIT or the City on Airline's Leased Premises ("TAIT Improvements") shall be partially or totally damaged by fire, explosion, the elements, public enemy or other similar casualty for which Airline is not responsible, the following provisions shall apply:

1. If the damage directly or indirectly affects Airline's use of Airline's Leased Premises but does not render them untenable, i.e., unfit for the purposes for which they were leased (as reasonably determined by Airline), the damage shall be repaired with due diligence by TAIT, at the cost and expense of TAIT, with no abatement of Rents whatsoever.
2. If the damage shall render Airline's Leased Premises or any portion thereof untenable but capable of being repaired, the same shall be repaired with due diligence by TAIT, at the cost and expense of TAIT. Rents shall be paid up to the date of such damage and thereafter shall abate until such time as Airline's Leased Premises or portion thereof shall be restored to useable condition. Within sixty (60) days after the date of

the damage, TAIT shall notify Airline of the projected time required for the repair. During the time that any of Airline's Leased Premises are untenable, TAIT shall use its best efforts to provide Airline with replacement premises at the Airport at rental rates not to exceed those provided in this Agreement. The Rents paid by Airline for such replacement premises shall be the lesser of (i) the Rents paid by Airline for such Airline's Leased Premises prior to the relocation or (ii) the Rents attributable to the replacement premises.

3. If the damage shall render Airline's Leased Premises or portion thereof untenable and incapable of being repaired, TAIT may notify Airline of its decision to reconstruct or replace Airline's Leased Premises or portion thereof within sixty (60) days from the date of the damage; however, TAIT shall be under no obligation to replace or reconstruct Airline's Leased Premises or portion thereof. The Rents payable hereunder with respect to Airline's Leased Premises or portion thereof shall be proportionately paid up to the date of such damage and thereafter shall abate until such time as replacement of reconstructed improvements or Airline's Leased Premises shall be made available for use by Airline. In the event TAIT shall decide to reconstruct or replace Airline's Leased Premises, TAIT shall use its best efforts to provide temporary facilities for Airline's use. The Rents paid by Airline for such temporary facilities shall be the lesser of (i) the Rents paid by Airline for such Airline's Leased Premises prior to the relocation or (ii) the Rents attributable to the temporary facilities. In the event Airline's Leased Premises shall not be restored to usable condition, or TAIT is not diligently pursuing such restoration within twelve (12) months after the date of such damage or destruction, Airline shall have the right to terminate this Agreement as relates only to the damaged improvements, thirty (30) days after giving TAIT written notice of its intent to terminate.

B. Liability for Loss

Airline acknowledges and agrees that it understands that TAIT will not carry any insurance on Airline's fixtures, equipment, property or interest in Airline's Leased Premises, nor be liable for any loss, damage or expense of whatsoever nature to any of the same, nor shall TAIT be liable for any inconvenience or annoyance to Airline or injury to the business of Airline resulting in any way from such damage to Airline's Leased Premises, or the repairing or rebuilding done upon said damage.

Nothing in this Article nor any action taken by TAIT pursuant thereto shall relieve or release Airline from any liability that Airline may have either to TAIT or its insurers on account of any casualty to Airline's Leased Premises.

C. Indemnity - General

Airline shall indemnify, protect, defend and hold completely harmless TAIT, the Authority and the City, and their trustees, officers, councilors, agents, volunteers and employees from and against all liability, losses, suits, causes of action, claims, judgments, expenses, penalties, fines, demands, proceedings (including, without limiting the generality of the foregoing, Workers' Compensation) or costs of any kind resulting from any accident or injury to, or death of, any person or damage to any property, including all reasonable costs for investigation and defense thereof (including attorney fees, court costs, consultant and expert fees), arising out of or alleged to arise out of the Airline's use, occupancy or operations on the Leased Premises or at the Airport, or the rights, licenses or privileges granted Airline herein, or the acts or omissions of Airline's officers, agents, employees, contractors, subcontractors, licensees, suppliers or invitees, regardless of where the injury, death or damage may occur, except to the extent such injury, death or damage is caused by the sole negligence or willful misconduct of TAIT, the Authority and the City, and their trustees, officers, councilors, agents, volunteers and employees. Notwithstanding anything to the contrary set forth herein, any indemnity obligations involving any Environmental Matters as provided in Article 31 of this Agreement shall be governed by the terms of that Article.

TAIT shall give notice to Airline of any such liability, loss, suit, claim or demand, and Airline shall defend the same using counsel reasonably acceptable to TAIT, provided that TAIT may engage at its own expense its own counsel to participate in the defense of any such action. Airline shall notify TAIT, by fax or certified letter, within 24 hours of Airline's receipt of a complaint by any regulatory agency arising out of, or alleged to arise out of, the use or occupancy of the Leased Premises or operations of Airline at the Airport.

Nothing contained in this Agreement shall be construed as a waiver by TAIT of rights under the Oklahoma Governmental Tort Claims Act, 51 OS § 151 *et seq.*, as amended from time to time, nor as a limitation on the rights and defenses available to TAIT under law. The minimum insurance requirements set forth in this Agreement shall not be deemed to limit or define the obligations of Airline hereunder. The provisions of this section shall survive the expiration or early termination of this Agreement.

D. Insurance Requirements

Without limiting Airline's obligation to indemnify TAIT, the Authority or the City, or their trustees and others as set forth in Article 32(C) hereof, Airline shall maintain in force during the Term, commercial general liability, bodily injury and property damage insurance in comprehensive form including but not limited to airport liability, aircraft liability, and broad form property damage with any

excess liability in umbrella form, with such coverage and limits as reasonably may be required by TAIT from time to time, but in no event for less than the sum of Three Hundred Million Dollars (\$300,000,000) combined single limit. Airline shall also provide auto liability in an amount not less than Three Million Dollars (\$3,000,000) combined single limit; Employer's Liability in an amount not less than One Million Dollars (\$1,000,000); and Workers' Compensation as required by law. Required limits of liability are on an occurrence basis. The insurance shall be issued by an insurer having an A.M. Best rating of A-VI or better and licensed to do business in the State of Oklahoma, or be an insurer that is usual and customary in the U.S. Airline industry.

Concurrent with the execution of this Agreement, Airline shall provide proof of insurance coverage by providing certificate(s) of Airline's insurance coverage. The Certificate Holder shall be:

Tulsa Airports Improvement Trust
 Attn: Contracts Administrator
 P.O. Box 581838
 Tulsa, OK 74158-1838

The certificate(s) of insurance, or endorsement(s) attached thereto, shall provide that 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 (10 days written notice in the event of non-payment of premium). TAIT, the Authority, and the City, and their trustees, officers, councilors, agents, and employees shall be named as additional insureds on all policies except Employer's Liability and Workers' Compensation coverage. Airline agrees to permit TAIT, upon advance written notice, to review Airline's policies of insurance.

Airline's policy (a) 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, and (b) the policy shall be endorsed with a severability of interest or cross-liability endorsement, providing that the coverage shall act for each insured and each additional insured, against whom a claim is, or may be, made in a manner as though a separate policy had been written for each insured or additional insured; however, nothing contained herein shall act to increase the limits of liability of the insurance company.

If the insurance coverage required herein is canceled or changed (such that it no longer complies with the requirements of this Agreement), Airline shall, within thirty (30) days, but in no event later than the effective date of such cancellation or change, provide to TAIT a certificate showing that insurance coverage has been

reinstated or provided through another insurance company. Upon failure to provide such certificate, without further notice and at its option, TAIT may, in addition to all its other remedies, exercise TAIT's rights as provided in the default provisions of this Agreement.

TAIT and Airline (for themselves and on behalf of anyone claiming through or under them by way of subrogation or otherwise) hereby release each other from liability and waive all right of recovery against each other for any loss to real or personal property, including aircraft, located anywhere on or about the Airport from perils which can be insured against under a standard form commercial property or fire insurance policy (specifically including hull insurance or the like) with extended perils coverage endorsements generally available in Oklahoma at the time the loss occurs. The effect of the release and waiver of the right to recover damages shall not be limited by whether the party incurring the loss has actually obtained such insurance, by the amount of insurance carried, or by any deductibles applicable thereto. If a party's applicable insurance policies do not allow the insured to waive the insurer's rights to recovery, the party shall cause each insurance policy to be endorsed to allow the waiver of subrogation required by this Section, provided, that this Section shall be inapplicable if it would have the effect, but only to the extent that it would have the effect, of invalidating any insurance coverage of TAIT or Airline.

Article 33
NO EXCLUSIVE RIGHT

Nothing in this Agreement shall be deemed to grant to Airline any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act for the conduct of any activity on the Airport, except that, subject to the terms and provisions of this Agreement, Airline shall have the right to preferential possession of certain portions of Airline's Leased Premises designated for Airline's Preferential Use under this Agreement.

Article 34
NO GRANTING OF MORE FAVORABLE TERMS

TAIT shall not enter into any agreement with any other Air Transportation Company containing materially more favorable terms than this Agreement or grant to any Air Transportation Company providing Scheduled Service at the Airport rights or privileges with respect to the Airport that are not accorded Airline in this Agreement unless the same rights, terms and privileges are concurrently made available to Airline.

Article 35
MISCELLANEOUS

A. Airline to Maintain its Legal Entity Existence

Airline from the execution date hereof shall maintain its legal existence (as a corporation, limited liability company, or limited partnership, as the case may be) and Airline shall not dissolve or change or modify its legal structure (existence) or shall not dispose of all or substantially all of its assets and shall not consolidate with or merge into another legal entity or permit one or more other legal entities to consolidate with or merge into it; however, without violating the prohibition contained in this section, Airline may consolidate with or merge into another legal entity, or permit one or more other legal entities to consolidate with or merge into it, or sell or otherwise transfer to another legal entity all or substantially all of its assets as an entity and thereafter dissolve, if the surviving or transferee legal entity (i) assumes in writing all of the obligations of Airline herein and (ii) is qualified to do business in Oklahoma.

B. Notices

All notices, certificates, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments, designations or other communication that may be or are required to be given by either party thereto to the other shall be mailed by registered or certified mail or by a nationally recognized private overnight carrier, postage prepaid as follows, if to TAIT or the Authority:

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

and if to Airline:

[INSERT ADDRESS]

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

All notices shall be effective upon receipt or upon attempted delivery where delivery is refused or mail is unclaimed.

C. Severability

In the event any provisions or terms of this Agreement shall be held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable or affect any other provision hereof, and this Agreement shall be interpreted and construed as if such provisions or terms, to the extent the same has been held to be illegal, invalid or unenforceable, have never been contained herein.

D. Entire Agreement; Modification

This Agreement expresses the entire understanding of TAIT and Airline concerning Airline's Leased Premises and all agreements of TAIT and Airline with each other concerning the subject matter hereof. The parties hereto acknowledge that they have thoroughly read this Agreement, including exhibits thereto, and received whatever advice (including advice of an attorney) for them to form a full and complete understanding of all rights and obligations herein, and shall be interpreted to achieve the intents and purposes of the parties, without any presumption against the party responsible for drafting any part of this Agreement. Neither TAIT nor Airline has made or shall be bound by any agreement or any representation to the other concerning Airline's 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 Airline.

E. 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.

F. 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 Sunday or a legal holiday, such time shall continue to run until 11:59 p.m. on the next succeeding business day.

G. 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 in no way define, limit or describe the scope or intent of any provisions

hereof, and shall not affect the meaning, construction interpretation, or effect of this Agreement.

H. 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 and term to make such payment or to perform or not to perform, as the case may be, such act or obligation.

I. Force Majeure

Neither TAIT nor Airline 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 Airline to pay the Rents required hereunder.

J. Construction/Interpretation of the Agreement

This Agreement and each provision and covenant hereof shall constitute a contract, license and a sublease by and between the parties hereto.

K. Consent Not Unreasonably Withheld

Whenever it is provided herein that the consent of TAIT, the Authority, the City, or Airline or their authorized representative is required, such consent shall not be unreasonably withheld, conditioned, or delayed.

L. Wavier of Depreciation and Tax Credit

Neither Airline nor any successor in interest hereunder may claim depreciation or an investment tax credit with respect to Airline's Leased Premises or any property leased by TAIT to Airline under this Agreement.

M. Nonwaiver of Rights

No waiver of default by either party of any of the terms, covenants and conditions hereof to be performed, kept and observed by the other party shall be construed

as, or shall operate as, a waiver of any subsequent default of any of the terms, covenants or conditions herein contained, to be performed, kept and observed by the other party.

N. Non-Liability of Individuals/Public Officials

Neither trustees of TAIT, Authority and City, nor any agent, representative, officer or employee thereof, shall be charged personally by Airline with any liability, or be held liable to Airline under any term or provision of this Agreement, or because of its execution or attempted execution, or because of any breach, attempted or alleged, thereof, it being understood that in such matters they act only as agents or representatives of TAIT, Authority, or City.

No agent, representative, director, officer or employee of Airline, shall be charged personally by Airline with any liability, or be held liable to TAIT under any term or provision of this Agreement, or because of its execution or attempted execution, or because of any breach, attempted or alleged, thereof, it being understood that in such matters they act only as agents or representatives of Airline.

O. Time of the Essence

Time is expressed and acknowledged to be of the essence of the Agreement.

P. Right of Inspection - Access

TAIT, Authority and City and their authorized employees, agents and representatives shall have full right of inspection of Airline's Leased Premises upon written notice during normal business hours (or in the case of emergency at any time without notice) during the Term or any extended period of this Agreement.

Q. Recovery of Attorney's Fees and Costs

If either party hereto shall bring any legal or equitable action against the other party, the non-prevailing party shall pay the reasonable attorney's fees and costs incurred by the prevailing party in such action and any appeal there from. For purposes of this section, "costs" shall include expert witness fees, court reporter fees and court costs.

R. Binding Effect

This Agreement shall inure to the benefit of and shall be binding upon TAIT, Airline and their respective successors and assigns, if such assignment shall have been made in conformity with the provisions of this Agreement.

IN WITNESS WHEREOF, TAIT and Airline have entered into this Agreement at
Tulsa, Oklahoma on the ____ day of _____, 2008.

TULSA AIRPORTS IMPROVEMENT TRUST

BY: _____
Chairman

APPROVED:

Airport Director

APPROVED AS TO FORM:

Attorney for TAIT

ATTEST:

Corporate Secretary

BY: _____
Title: _____