



MEMORANDUM

Council Agenda
Item No. IX. BW
8/2/2022

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Lease and Operations Agreement, Memorandum of Lease, Leasehold Financing and Master Lease Recognition Agreement, and the Lessor's Estoppel Certificate with the Oklahoma City Airport Trust, Turbine Aircraft Services, LLC and Prosperity Bank, where applicable. Ward 1.

Background:

Turbine Aircraft Services, LLC ("Turbine") currently has a Hangar/Office Lease Agreement with the Oklahoma City Airport Trust ("OCAT"), dated May 25, 2005, as amended by Supplement No. 1 ("Original Lease"), for the use and occupancy of a hangar and office facility to operate as a Specialized Aviation Service Operation ("SASO") at Wiley Post Airport.

Turbine desires to enter into a new Lease and Operations Agreement ("Lease") with OCAT to allow for its continued operation as a SASO and to expand and make improvements to the hangar facility. On the effective date of the new Lease, the Original Lease, and all supplements thereto shall terminate.

Turbine will be financing its improvements through Prosperity Bank. The Lease requires certain written approvals by the Trust in advance before Turbine can mortgage its leasehold interest in the facilities, including the recognition and approval of Prosperity Bank as a Leasehold Mortgage Lender. Prosperity Bank also requires certain assurances from the Trust and Turbine in order to provide the loan and in the event of any default by the borrower.

The Lease and Operations Agreement and the Memorandum of Lease will be effective August 1, 2022. The Leasehold Financing and Master Lease Recognition Agreement, and the Lessor's Estoppel Certificate will only be effective in the event the loan closes.

Review:

Department of Airports

Recommendation: Lease and Operations Agreement, Memorandum of Lease, Leasehold Financing and Master Lease Recognition Agreement, and the Lessor's Estoppel Certificate be approved.