

**COMPETITION PLAN UPDATE
FOR
THE NASHVILLE INTERNATIONAL AIRPORT (BNA)
NASHVILLE, TENNESSEE**



June 20, 2023

The Metropolitan Nashville Airport Authority
140 BNA Park Drive, Suite 520
Nashville, Tennessee 37214

140 BNA Park Drive, Suite 520
Nashville, Tennessee 37214
615-275-1600
flynashville.com



June 20, 2023

Mr. Tommy Dupree
Manager, Memphis Airports District Office
Federal Aviation Administration
2600 Thousand Oaks Blvd
Suite 2250
Memphis, TN 38118

Re: Nashville International Airport® (BNA®) Competition Plan Update

Dear Mr. Dupree:

We are submitting this letter and attached appendices as an update to our Competition Plan in accordance with Order 5100.38D, as the Metropolitan Nashville Airport Authority (Authority) on April 19, 2023, approved a new Airline Use and Lease Agreement (AULA) with our signatory airlines, effective July 1, 2023. The FAA previously has expressed their satisfaction with the Nashville International Airport's Competition Plan, and we believe that the new Signatory AULA further enhances our competitive situation.

Attached for your review are the following four appendices:

- Appendix A – Summary of New Signatory AULA
- Appendix B – Comparison Matrix of New and Prior Agreement
- Appendix C – New Signatory AULA (effective July 1, 2023)
- Appendix D – Prior Signatory AULA and 1st Amendment (ending June 30, 2023)

The new AULA further expands competition at BNA. Highlights include an increased gate utilization requirement for leasing a preferential use gate, a change to Majority-In-Interest (MII) approvals, dedicated common use gates to allow for flexibility to new entrants, a lease-at-risk provision to allow airlines to grow into gates, and a new Signatory Airline requirement that eliminates the requirement to lease certain facilities.

As you are aware, Nashville International Airport has experienced very rapid growth in passengers and aircraft landed weights since the last AULA was executed in 2015. This new agreement will help the Airport Authority better manage this growth, while maintaining an excellent relationship with our airlines. Once again, the Authority has committed to the Airlines capital improvement spending in the passenger terminal and other airport facilities, as you will see later on. This will allow the Authority to continue to expand and grow BNA, for all airlines, as necessary.

In accordance with public availability, after FAA approval, this update to the Competition Plan will be posted on our website, <https://flynashville.com/nashville-airport-authority/airport-data-and-reports>. Thank you, as always, for your continued support of the Nashville International Airport (BNA) and John C. Tune® (JWN®). We look forward to answering any questions or addressing any comments that you may have regarding this update.

Sincerely,



Douglas E. Kreulen, A.A.E.
President & Chief Executive Officer

cc: Michael O’Harra, Regional Administrator, FAA Southern Region
Vanessa R. Balgobin, Management & Program Analyst, FAA
Marge Basrai, EVP & Chief Financial Officer
Robert Ramsey, EVP & Chief Operating Officer
Neale Bedrock, EVP & General Counsel
Josh Powell, Director, Airline Affairs & Air Service Development

Attachments: 1. Appendix A – Summary of New Signatory AULA
2. Appendix B – Comparison Matrix of New and Prior Agreement
3. Appendix C – New Signatory AULA (effective July 1, 2023)
4. Appendix D – Prior Signatory AULA and 1st Amendment (ending June 30, 2023)

Appendix A
Summary of Current Signatory Airline Use and Lease Agreement
Competition Plan Update
Nashville International Airport

A. Background:

The current Lease Agreement was executed in 2015, originally by four (4) airlines (Southwest, American, Delta, and United) and from 2015 through 2023, five (5) additional passenger airlines (Alaska, Allegiant, Frontier, JetBlue, and Spirit) and cargo airline FedEx also entered into the Signatory Agreement with MNA. This agreement's seven (7) year term, set to expire on June 30, 2022, was mutually extended by all parties by one (1) year to June 30, 2023. The 2015 Agreement replaced a 30-year residual agreement originally executed in 1987.

The new Agreement, effective July 1, 2023, was negotiated with the existing ten (10) Signatory carriers over the course of greater than a year. This agreement was approved by the MNA Board of Commissioners on April 19, 2023, has already been executed by Southwest, Delta, and FedEx, and all other current Signatory Airlines have indicated their intent to sign.

B. New Agreement Summary:

Term: 8 years; July 1, 2023 – June 30, 2031

Option: One (1) mutual two (2) year extension, subject to MII. Automatic extension of the term will apply if the date of beneficial occupancy of the Concourse A expansion does not occur by July 1, 2028.

Signatory Airlines: Delta Air Lines, FedEx, and Southwest Airlines; Expected execution prior to effective date - Alaska Airlines, Allegiant Air, American Airlines, Frontier Airlines, JetBlue, Spirit Airlines, and United Airlines. Additional carriers may choose to enter into this Signatory Agreement at any time during the term.

Signatory Airline Commitment: Commitment to pay at least 1% of airline rents, fees, and charges (net of revenue sharing) paid by all passenger Signatory Airlines each fiscal year. Cargo Signatory Airlines commitment to pay at least 1% of all Signatory Airlines' landing fees.

Gates: All Gates are either preferential lease or dedicated common use.

- Number of gates as of November 1, 2023 – 54; additional gates to be built during term of agreement
- Preferential Leased Gates as of November 1, 2023 (expected, subject to minimum gate requirements)– 44
- Dedicated Common Use as of November 1, 2023 (not available for preferential lease) – 5
- Gates available for lease as of November 1, 2023 (new entrants or incumbent growth) – 5

Premises: Varies by Signatory Airline, includes space leased in the terminal building and ramp. Offices and club space will be exclusive use to the airlines. Other space such as ticket counters, holdrooms, and baggage make-up will be leased as preferential use space.

Non-signatory Airline: This is either an airline that utilizes our facilities on a per-use basis or may lease space but choose not to sign the Signatory Agreement. The Non-Signatory airline rates are 25% higher than the Signatory Airline rates.

Accommodation: In the event that there are no common use gates available, MNAA has the right to schedule flights of the requesting airlines on a Signatory Airline leased gate during periods when the leased gate does not have a scheduled use.

Recapture of Underutilized Gates: Each signatory airline must average 6 turns or 900 seats per day or MNAA may initiate a process to take back the gate space to lease to another airline or capture the gate for common use.

Preferential Lease at Risk Gates: A gate that is leased that does not meet the gate utilization requirements of 6 turns or 900 seats. The lease at risk gate may be recaptured by the Authority with only a 30-day written notice. This allows airlines to lease a gate, at risk, and grow their operation into a regular preferential lease.

Airfield: The airfield includes the runways, taxiways, taxilanes and other areas not leased or available for lease, including navigational aids, security roads, fencing, lighting, and safety areas. Signatory Airlines will pay landing fees for the actual net annual cost of the Airfield. Airlines have Majority-In-Interest (MII) rights of certain capital improvement projects associated with the Airfield.

Terminal: Airlines will pay an annually calculated square foot rental rate for the space they lease in the terminal and concourses.

Terminal Ramp: Airlines will pay an annually calculated square foot rental rate for the space they lease.

Joint Use: Airlines share equitably in the cost of the baggage equipment and baggage claim space. 20% fixed costs shared equally among the Signatory Airlines and 80% variable costs based on the number of screened outbound bags.

Passenger Loading Bridges: Airlines are charged an annual fee for the maintenance of the jetbridges.

Revenue Share: MNAA will share a portion of the revenue with the Signatory Airlines, known as the Revenue Sharing Credits. These are derived from a calculation of net remaining revenue, in-terminal concessions, and a fixed enplanement amount.

Annual Adjustment to Actual: Within 60 days after the completion of a 3rd party audit of the preceding fiscal year, the airport shall true-up airline rents, fees and charges, and revenue sharing credits based on the actual costs and activity during the fiscal year. This includes any signatory airline commitments that may be due.

Use: This agreement will allow the airlines the use of the Terminal Building and Airfield for the purpose of operation of air transportation for persons, baggage, cargo, and mail, as well as, activities that directly support these functions, including ticketing, boarding, fueling, and line maintenance.

Affiliates: Allows Signatory Airlines to designate their commuter carriers as affiliates allowing the affiliates to receive signatory rates.

Capital Improvements: A negative (MII) provision is included for disapproval by the airlines of Airfield Capital Projects only. All other Capital Projects at the airport shall be undertaken at the discretion of MNAA. MNAA will fund at least \$50M for capital improvement projects in the terminal, terminal ramp, or passenger loading bridges. This amount increases to a minimum of \$75M, if annual enplaned passengers exceed 11M by fiscal year 2027.

JWN: Included in the Landing Fees at BNA is financial support for the operations at our reliever airport starting at \$500,000 per year in fiscal year 2024 and increasing by 3% each year.

Appendix B
Comparison Matrix of New and Prior Agreement
Competition Plan Update
Nashville International Airport

	New Agreement (effective July 1, 2023)		Prior Agreement (Ending June 30, 2023)	
	Summary	Agreement Reference	Summary	Agreement Reference
Term	8 years; 7/1/2023 – 6/30/2031	Section 1.1	7 years; 7/1/2015 – 6/30/2022; mutually extended 1-year (1 st Amendment) ending 6/30/2023	Section 1.1; Section 1 (amendment)
Term Option	One 2-year mutual option; 7/1/2031 – 6/30/2033; automatic trigger provision based on concourse A expansion date of beneficial occupancy	Section 1.1	none	
Affiliates	No change	Article 6	Signatory can designate Affiliates; receive same rights to terminal and landing fees as Signatory	Article 6
Premises				
- Exclusive	No change		Airline offices, VIP Lounge, storage	Section 1.2, Articles 4&5
- Preferential	No change		Ticket counters, gates, bag make-up, ramp	Section 1.2, Articles 4&5
- Joint Use	20% fixed, 80% variable – based on screened baggage	Article 3, Section 9.5	20% fixed, 80% variable – based on passengers	Article 2, Section 9.5
- Common Use	Reserved common use gates / ticket counters. These gates, controlled by the airport, will not be leased to preserve gate availability for non-signatory carriers	Section 1.2, Article 3, Section 4.8	n/a	
Recapture of Underutilized Gates	Average gate utilization target of 6 turns or 900 seats per day. Authority right to recapture if threshold is not met.	Section 4.6	Average gate utilization target of 4 turns per day (increased to 5.75 turns per day in the amendment). Authority right to recapture if threshold is not met.	Section 4.6; Section 3 (amendment)
Signatory Requirement	Pax - 1% of all signatory airline rents, fees and charges, each fiscal year; Cargo – 1% of all signatory landing fees	Section 1.2	Pax – lease at least 1 gate, 1 ticket counter, and office; Cargo – lease at least 1 cargo bay	Section 1.2

	New Agreement (effective July 1, 2023)		Prior Agreement (Ending June 30, 2023)	
	Summary	Agreement Reference	Summary	Agreement Reference
Revenue Share	Revenue Sharing Credits. A function of net remaining revenue, in-terminal concessions, and a fixed enplanement amount.	Section 9.11	In-terminal concessions 70% (FY2016), 60% (FY17), 50% remainder of term (and amendment); Rental car concessions 20% (FY16-17 only)	Section 9.9, 9.12
Majority-In-Interest (MII)	50% in number of signatory carriers and 75% of landing fees paid (including affiliates) – negative MII	Section 1.2, Article 7	50% in number of signatory carriers and 75% of landing fees paid (including affiliates) – positive MII	Section 1.2
More favorable terms	No change	Section 26.24	Authority will not enter into any agreement with another Air Carrier with more favorable terms	Section 26.23
Annual Adjustments to Actual	True-up airline rents, fees and charges, and revenue sharing credits based on the actual costs and activity during the fiscal year	Section 9.14	True-up of only landing fees and revenue share	Section 9.12
Security Deposits	No change	Article 21	No deposit required unless Airline fails to make payments	Article 21

EXECUTION COPY

METROPOLITAN NASHVILLE AIRPORT AUTHORITY

SIGNATORY AIRLINE USE AND LEASE AGREEMENT

July 1, 2023 – June 30, 2031

AIRLINE:

SOUTHWEST AIRLINES CO.

NASHVILLE INTERNATIONAL AIRPORT

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METROPOLITAN NASHVILLE AIRPORT AUTHORITY
SIGNATORY AIRLINE USE AND LEASE AGREEMENT

July 1, 2023 – June 30, 2031

Airline: SOUTHWEST AIRLINES CO.

This SIGNATORY AIRLINE USE LEASE AGREEMENT (this “Agreement”) is made by and between the METROPOLITAN NASHVILLE AIRPORT AUTHORITY (the “Authority”), a public corporation existing under the laws of the State of Tennessee, and Southwest Airlines Co., a Texas Corporation (“Airline”).

RECITALS

The Authority owns and operates the Nashville International Airport (the “Airport”) and has the authority to grant to Airline rights and privileges concerning the occupancy and use of the Airport.

Airline desires to occupy or use certain Airport premises and facilities and to acquire from the Authority certain rights and privileges in connection with its use of the Airport.

The existing Signatory Airline Use and Lease Agreement expires on June 30, 2023 and the Authority and Airline both desire to replace it with this Agreement, effective July 1, 2023.

In consideration of the terms and conditions described below, the Authority and Airline agree as follows:

ARTICLE 1

DEFINITIONS AND EXHIBITS

1.1 Basic Data.

Each reference in this Agreement to any of the following subjects shall incorporate the information specified below:

Authority: Metropolitan Nashville Airport Authority

Authority's Overnight Delivery and Street Address:

Attn: President and Chief Executive Officer
Metropolitan Nashville Airport Authority
Nashville International Airport
140 BNA Park Drive, Suite 520
Nashville, TN, 37214

Authority's Payment Address:

Metropolitan Nashville Airport Authority
140 BNA Park Drive, Suite 520
Nashville, TN 37214

Airline: Southwest Airlines Co.

Airline's Overnight Delivery Address: 2702 Love Field Dr., HDQ4PF
Dallas, Texas 75235-1611

Airline's Post Office Delivery Address: P.O. Box 36611, HDQ4PF
Dallas, Texas 75235

Airline's Email Address: AirportRatesCharges@wnco.com

Effective Date: July 1, 2023.

Term: The period of time beginning on the Effective Date and ending on the Expiration Date, unless earlier terminated or extended as provided in this Agreement.

Expiration Date: June 30, 2031.

Automatic Term Extension: If the Date of Beneficial Occupancy for the Concourse A Expansion does not occur by July 1, 2028, the Term will automatically be extended by two years and expire on June 30, 2033.

Optional Term Extension: If the Automatic Term Extension is not triggered, the Authority and a Majority-In-Interest of the Signatory Airlines may agree upon a two-year extension of the Term as follows: a Majority-in-Interest may provide notice in writing to the Authority no earlier than January 1, 2029, and no later than April 1, 2029, of its disapproval of a two-year extension. If no such notice is provided, the Signatory Airlines shall be deemed to have approved a two-year extension, subject to approval by the Authority. The Authority will notify the Signatory Airlines in writing by June 30, 2029, of its decision to approve or disapprove the two-year extension.

Permitted Uses: As provided in ARTICLE 2.

Premises and Legal Description: As provided in ARTICLE 3.

1.2 Additional Defined Terms.

The following terms shall have the following meanings wherever used in this Agreement:

“AAAC” means the Airline Airport Affairs Committee established by the Signatory Airlines operating at the Airport.

“Additional Termination Damages” means, collectively, additional damages incurred by Authority because of an Event of Default under Section 22.1 as it relates to Airline’s Exclusive Use Premises, including but not limited to the costs of removing or storing any personal property from the Airline’s Exclusive Use Premises, the cost of re-letting such Exclusive Use Premises, and the costs of any necessary renovations or repairs and related expenses therefor, all as further described in Section 22.2.

“Affiliate” means an Air Carrier providing air service at the Airport that (i)(a) is a parent or subsidiary, or a subsidiary of the parent company, of Airline, or is under the same parental control as Airline, or (b) otherwise operates under essentially the same trade name as Airline at the Airport and uses essentially the same livery as Airline at the Airport, and (ii) is properly designated as an Affiliate by Airline in accordance with the provisions of ARTICLE 6.

“Air Carrier” means a carrier certificated by the Secretary of Transportation as a Passenger Carrier under 49 U.S.C. § 41102 or a Cargo Carrier under 49 U.S.C. § 41103.

“Air Transportation Business” means that business operated by Airline at the Airport for the commercial transportation by air of persons, property, mail, parcels and/or cargo.

“Airfield” means the runways, taxiways, taxilanes, and apron areas (other than the Terminal Ramp Area and other designated apron areas), navigational aids, hazard designation and warning devices, airfield security roads and fencing, blast fencing, lighting, clear zones and safety areas for landing, taking off and taxiing of aircraft, aviation easements, land utilized in connection therewith or acquired for such purpose, and facilities, the acquisition, construction or installation cost of which is wholly or partially paid by the Authority as depicted in **Exhibit A** as of the Effective Date.

“Airline Club” means those Exclusive Use Premises leased by Airline from the Authority to provide premium services to its passengers.

“Airline Entity” means Airline’s employees, contractors, subcontractors, agents, licensees, sublessees, Affiliates, vendors, invitees (excluding passengers), and any other Air Carrier that Airline expressly authorizes to use its Premises or the Airfield (regardless of whether Airline enters into a sublease or license with such Air Carrier), and other parties under Airline’s direction or control that come onto the Airport in connection with Airline’s use or occupancy of the Airport, but excluding Air Carriers that Airline is compelled by Authority to accommodate within Airline’s Premises pursuant to Section 4.3.

“Airline Rented Space” means the amount of Exclusive Use Premises and Preferential Use Premises rented by all Air Carriers in the Terminal.

“Airline Rented Space Commitment” means fifty percent (50%) of estimated Rentable Space in any given Fiscal Year.

“Airline Rents, Fees and Charges” means, for any Fiscal Year, all rents, charges and fees payable by Air Carriers for such Fiscal Year as determined and adjusted pursuant to Article 9.

“Airport” means the realty and improvements generally known and designated as the “Nashville International Airport.” The improvements on the realty generally consist of the runways, aircraft taxiways and parking aprons, the passenger and freight terminal buildings, hangars, vehicle roadways and parking facilities, and all other improvements on such realty. The term “Airport” shall also include any adjacent or nearby realty acquired for purposes of the Airport by the Authority and all improvements constructed on such realty. A depiction of the physical layout of the Airport as of the Effective Date is set forth in **Exhibit B**.

“Airline Facilities Investment Fund” means the facilities investment account used for providing annual equity investment in Capital Improvement Projects in the Airfield.

“Airport Rules and Regulations” means, collectively, all rules, procedures, requirements, standards and regulations currently effective and hereafter amended, adopted or established by the Authority, all of which are incorporated into and made a part of this Agreement, *provided* that such Airport Rules and Regulations do not conflict Applicable Laws or the provisions of this Agreement and are enforced in a nondiscriminatory manner.

“Airport System” means the system of airports owned and operated by the Authority and consisting of the Airport and John C. Tune Airport.

“Amortization Requirements” means amortization allocable to capital expenditures in the Terminal and the Terminal Ramp Area, including without limitation capital expenditures on equipment, funded from airport revenue other than debt financing, based on the useful life of the asset as determined by generally accepted accounting principles and including a return on the unamortized portion of each such project calculated using an interest rate set to equal comparable average borrowing costs published in the Bond Buyer Revenue Bond Index or a successor index as of the Date of Beneficial Occupancy of each such project.

“Applicable Laws” means, collectively, all applicable present and future laws, rules, regulations, ordinances, orders, directives, notices, federal grant assurances, limitations, restrictions, or prohibitions of any federal, state or local governmental authority lawfully exercising authority over the Airport or the activities and business operations of Airline, as they may be amended from time to time, whether foreseen or unforeseen, ordinary as well as extraordinary, including without implied limitation those relating to (i) health, sanitation and safety; (ii) the environment, including without limitation all Environmental Laws; (iii) access for persons with disabilities, including without limitation the applicable provisions of the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101 et seq.; and (iv) airport security, including without limitation the regulations of the Transportation Security Administration, 49 CFR Parts 1540, 1542, 1544 *et seq.*

“Authority Indemnified Parties” means the Authority, its elected and appointed officials, officers, agents, employees, staff (including Authority contractors augmenting Authority staff), and representatives.

“Authority-Owned Equipment” means, collectively, those certain fixtures, equipment, furniture, systems and improvements owned by the Authority and located throughout the Airport in furtherance and support of the air transportation business and related operations of Air Carriers at the Airport, including the Airline, including without limitation the Passenger Loading Bridges and any information technology equipment or systems.

“Average Gate Utilization” means the average number of Turns per Gate per day calculated by the Authority based on the rolling six-month average of a Passenger Carrier’s Turns at all of the Passenger Carrier’s Preferential Use Gates or the average number of scheduled seats per Gate per day calculated by the Authority based on the rolling six-month average of a Passenger Carrier’s scheduled seats at all of the Passenger Carrier’s Preferential Use Gates.

“Average Gate Utilization Target” means either an Average Gate Utilization of (a) six (6) Turns per Preferential Use Gate per day or (b) nine hundred (900) scheduled seats per Preferential Use Gate per day. For the avoidance of doubt, to satisfy the Average Gate Utilization Target, a Passenger Carrier is only required to meet (a) or (b).

“Baggage Claim Areas” means the space in the Terminal, excluding the IAF, designated by the President and CEO to be used jointly with other Airlines for the delivery of inbound baggage to arriving passengers.

“Baggage Claim Equipment” means equipment owned, operated and maintained by the Authority that delivers inbound baggage to arriving passengers.

“Baggage Fees” means the fees associated with the Baggage Claim Areas, Baggage Claim Equipment and Baggage Make-up Equipment, as further specified in Section 9.5.

“Baggage Make-Up Areas” means the areas in the Terminal where outbound baggage is sorted for delivery to departing aircraft and made available to Signatory Carriers on a preferential use basis.

“Baggage Make-up Equipment” means the equipment owned, operated and maintained by the Authority that delivers outbound baggage from Ticket Counters to baggage make-up devices.

“Bond Resolution” means that Airport Improvement Revenue Bond Resolution adopted by the Authority’s Board of Commissioners on August 15, 1991 (as amended and supplemented) and that Subordinate Airport Revenue Bond Resolution adopted by the Authority’s Board of Commissioners on October 16, 2019 (as amended and supplemented). The term “Bond Resolution” shall include both the senior resolution governing the senior bonds and the subordinate resolution governing the subordinate bonds of the Authority.

“Capital Costs” means the capital costs of a Capital Improvement Project, including the following:

- (a) Debt Service (net of PFCs used to pay debt service); and
- (b) Debt Service Coverage allocable to the applicable Capital Improvement Project;
- (c) Amortization Requirements; and
- (d) Deposits to the Airport Facilities Investment Fund allocable to cash-funded Capital Improvement Projects in the Airfield.

“Capital Improvement Project” means an addition or improvement to the Airport.

“Cargo Carrier” means a carrier certificated by the Secretary of Transportation as a Cargo Carrier under 49 U.S.C. § 41103.

“Chair of the AAAC” means the representative of the Signatory Airlines designated as such by the members of the AAAC.

“Claim” or “Claims” means any and all losses, liabilities, penalties, damages of whatever nature, causes of action, suits, claims, demands, judgments, injunctive relief, awards and settlements as described further in Article 15.

“Common Use Premises” means those areas within the Terminal, including Common Use Gates (including associated Terminal Ramp Area) and Common Use Ticket Counters, that are made available by the Authority to Airline and to one or more other Air Carriers, subject to Articles 2 through 5, and as more fully described in the Premises Notice.

“Common Use Gate” means a Gate designated by the Authority to be used in common by Passenger Carriers operating at the Airport, and shall not be deemed to be a Preferential Use Gate.

“Common Use Ticket Counter” means the Ticket Counters designated by the Authority to be used in common by Passenger Carriers operating at the Airport.

“Concluding Walk-Through” means a physical walk-through of the Premises or any applicable portion thereof by a representative or consultant of the Authority and Airline prior to the date that such Premises are vacated or surrendered pursuant to this Agreement, as further specified in Section 25.10.

“Concourse A Expansion” means a project that will consist of the demolition of the existing 6 Gate concourse and construction of a 16 Gate concourse with an expanded apron, moving sidewalks, holdrooms, restrooms, airline support spaces, and concessions.

“Contractor” means a person or firm hired by Airline to act as an agent or independent contractor, whether or not Airline is reimbursed by the Authority for costs of hiring such person or firm, as well as subcontractors of any such agent or independent contractor, in connection with or pursuant to the performance of any acts or obligations under this Agreement.

“Coverage Policy Requirement” means a Debt Service Coverage Ratio of no less than 150% in connection with senior bonds and no less than 125% in connection with the combination of all outstanding senior and subordinate bonds.

“Date of Beneficial Occupancy” means the date when a Capital Improvement Project or a phased element of a Capital Improvement Project has been substantially completed and the President and CEO determines it is available for use or the date that capital equipment is purchased.

“Debt Service” means amounts required to cover the payment of interest and principal on outstanding bond debt net of any such payments made with PFCs. Such servicing of bond debt may be made at any time allowable under the Bond Resolution.

“Debt Service Coverage” means the incremental amounts that are charged each Fiscal Year based on Bond Resolution covenants to maintain a Debt Service Coverage Ratio of at least 125% in connection with the Authority’s senior bonds and to maintain a Debt Service Coverage Ratio of at least 110% in connection with the combination both senior and subordinate bonds. For Fiscal Year 2024, Debt Service Coverage shall be calculated as 25% multiplied by Debt Service on senior bonds and 10% multiplied by the Debt Service on subordinate bonds (the Debt Service Coverage Requirement”). In each subsequent Fiscal Year, Debt Service Coverage shall be calculated by subtracting the Debt Service Coverage Requirement from the previous Fiscal Year from the Debt Service Coverage Requirement for the current Fiscal Year.

“Debt Service Coverage Ratio” means Net Revenues divided by Debt Service.

“Deplaned Passengers” means passengers (including non-revenue passengers) disembarking from a domestic or international flight at the Terminal, but does not include the flight crew.

“Endangered, Threatened and Sensitive Species” means any flora or fauna identified by the provisions of the Federal Endangered Species Act (16 U.S.C. §§ 1531-1543), and the Federal Migratory Bird Treaty Act (16 U.S.C. §§ 703-712).

“Enplaned Passengers” means passengers (including non-revenue passengers) embarking on a domestic flight or international flight at the Airport, but does not include the flight crew.

“Environmental Damages” means all Claims, fees and expenses of defense of any Claim and of any settlement or judgment, including without limitation reasonable attorneys’, consultants’, contractors’, experts’ and laboratory fees, any of which are incurred at any time as a result of the presence of Regulated Materials and Pollutants upon, about, or beneath the Premises or migrating or threatening to migrate to or from the Premises, or the existence of a violation of Environmental Laws pertaining to the Premises or Airline’s or an Airline Entity’s operations at the Airport including without limitation: (i) damages for personal or bodily injury, or injury to property or natural resources occurring upon or off the Premises, foreseeable or unforeseeable, including without limitation, interest and Claims brought on behalf of employees of an Air Carrier or the Authority; (ii) interference with the Airport’s Planned Uses of the Premises; (iii) fees incurred in connection with a Response, including but not limited to Response actions necessary for Planned Uses of the Airport, or a violation of Environmental Laws; and (iv) liability to any third person or governmental agency to indemnify such person or agency for fees expended in

connection with the items referenced in this definition, whether on or off the Airport. Environmental Damages does not include any Claims, fees or expenses of defense of any Claim or of any settlement or judgment, including without limitation reasonable attorneys', consultants', contractors', experts' and laboratory fees, any of which are incurred at any time as a result of any Environmental Indemnitees' sole active negligence or willful misconduct.

"Environmental Laws" means any applicable statute, ordinance, code, rule, permit, regulation, license, approval, authorization, order, directive, notice, injunction, controlling federal or state court decision, or administrative or regulatory directive, decree, judgment or order of any governmental authority, federal, state or local lawfully exercising authority over the Airport or the activities and business operations of Airline at the Airport, or written plan required by or in response to any of the same, which pertains to the environment (including, but not limited to, groundsoil, air, water pollution or contamination, public health, public safety, public welfare, any Regulated Materials and Pollutants, Endangered, Threatened or Sensitive Species, historic properties and underground or above-ground tanks) and shall include, without limitation, the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 11001 *et seq.*; the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 *et seq.*, as amended by the Hazardous and Solid Waste Amendments of 1984; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 *et seq.*, as amended by the Superfund Amendments and Reauthorization Act of 1986 the Occupational Safety and Health Act, 29 U.S.C. § 651 *et seq.*; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 *et seq.* ("CWA"); the Clean Air Act, 42 U.S.C. § 7401 *et seq.*; the Safe Drinking Water Act, 42 U.S.C. § 300f, *et seq.*; the Hazardous Materials Transportation Act 49 U.S.C. § 5101, *et seq.*; and any other local, state, or federal environmental statutes, rules, regulations, orders, and decrees applicable now or hereafter promulgated under any of the foregoing, as any of the foregoing may be applicable or may be changed or amended or come into effect in the future. Nothing in this Agreement shall preclude Airline from raising reasonable defenses including without limitation federal preemption, to the application of Environmental Laws to Airline.

"Event of Default" means an Event of Default as defined in Section 22.

"Exclusive Use Premises" means any office space, storage area, Airline Club, employee break room, baggage service office, or other areas of the Terminal designated for the exclusive use by Airline in the Premises Notice that Airline hereby agrees to lease from the Authority through the Term, subject to the terms and conditions of this Agreement.

"FAA" means the Federal Aviation Administration or successor agency.

"Fiscal Year" means a year beginning July 1 and ending June 30.

"Fuel System" means, collectively, all fuel (including motor fuel) receipt, storage, transmission, delivery and dispensing systems, including without limitation hydrant systems, and related facilities, fixtures, equipment and other real and personal property, whether permanent, temporary or mobile, including but not limited to underground delivery pipelines, storage tanks, fuel pumps or load racks, and underground hydrant pipes and pumps, located at the Airport or otherwise that are leased, acquired or controlled at any time during the Term by Air Carriers, either

directly or indirectly through or a limited liability company, consortium or committee composed primarily of Air Carriers.

“Gate” means those portions of the Terminal individually comprised of a Passenger Loading Bridge, if any, a passenger hold room and associated portion of the Terminal Ramp Area.

“Gross Revenues” means the selling price, whether for cash or credit, of all alcoholic beverages or other beverages, and any related food service items sold at the Airline Club, but shall exclude any sales or other excise tax imposed upon the purchaser and collected by Airline as agent for the taxing body imposing the tax and billed to the purchaser as a separate item.

“Hazardous Substances” means any substance or material (including liquids, solids and gases) defined or designated as a hazardous waste, toxic substance, or other pollutant or contaminant by any Environmental Law.

“Initial Walk-Through” means a physical walk-through of the Premises by an authorized representative or consultant of Airline and the Authority prior to Airline’s initial occupancy (as of the Effective Date or later) of, use of, or operations at the Premises as further specified in Section 25.9.

“International Arrivals Facility” or “IAF” means the federal inspection services facility located in the Terminal.

“Joint Use Premises” means the Baggage Claim Areas and Baggage Claim Equipment and Baggage Make-up Equipment in the Terminal which, pursuant to ARTICLE 2 of each airline use and lease agreement, are leased for joint use to Airline and one or more other Air Carriers, subject to Section 3.1.4 and as more fully described in the Premises Notice.

“Landing Fees” means the fees described in ARTICLE 9.

“Majority-in-Interest” means Signatory Airlines that account for more than fifty percent (50%) in number of the Signatory Airlines and that also account for more than seventy-five percent (75%) of the Landing Fees paid by all Signatory Airlines, including Affiliates, at the Airport during the immediately preceding 12-month period.

“Maximum Gross Landed Weight” means the maximum landing weight at which each aircraft operated by Airline is certificated by the FAA.

“Net Remaining Revenues” means the amount of Net Revenues remaining after satisfying all debt service requirements including Debt Service and, Debt Service Coverage requirements, the O&M Reserve Fund requirements, the R&R Fund requirements, the payment of Capital Improvement Projects funded through the Airline Facilities Investment Fund, the Reliever Airport Support Costs, and Amortization Requirements.

“Net Revenues” means the amount of Airport System revenue remaining after the payment of all O&M Expenses.

“Non-Airline Airfield Revenues” means all revenues generated from use of or allocable to the Airfield other than Landing Fees.

“Non-Signatory Airline” means any Air Carrier that is not a Signatory Airline.

“NPDES” means National Pollutant Discharge Elimination System, as defined in the CWA.

“Operations and Maintenance Expenses” or “O&M Expenses” means operations and maintenance expenses of the Airport System.

“Operations and Maintenance Reserve Fund” or “O&M Reserve Fund” means a reserve fund established and maintained by the Authority of estimated O&M Expenses to be used by the Authority only in accordance with any applicable bond resolution. The amount of O&M Expenses maintained in the fund from Net Revenues will be equal to 2.25 months for Fiscal Year 2024, 2.5 months for Fiscal Year 2025, 2.75 months for Fiscal Year 2026, and 3.0 months for Fiscal Year 2027 and beyond.

“Outbound Bags” means bags and other items that are processed through and counted by the Baggage Make-up Equipment.

“Passenger Carrier” means an air carrier certificated by the Secretary of Transportation under 49 U.S.C. § 41102.

“Passenger Loading Bridge” means a passenger loading bridge and related equipment owned and maintained by the Authority.

“Passenger Facility Charges” or “PFCs” means charges authorized by 49 U.S.C. § 40117 and applicable implementing regulations adopted by the FAA, as they may be amended from time to time.

“Planned Uses” means commercial, industrial or aviation related land uses reasonably contemplated or anticipated by the Authority. For the avoidance of doubt, such uses shall not include child care, residential, general primary and secondary education facilities and health care uses.

“Preferential Use Gate” means a Gate assigned by the Authority to a Signatory Airline where that Signatory Airline has a scheduling preference over similar operations by another Scheduled Airline during applicable Periods of Use for Scheduled Operations, as further defined in ARTICLE 4.

“Preferential Use Gate At Risk” means a Preferential Use Gate assigned by the Authority to a Signatory Airline in accordance with Sections 4.2, 4.6 or 4.9 that is subject to recapture by the Authority upon thirty (30) days’ written notice in accordance with Section 4.5.

“Preferential Use Baggage Make-up Areas” means a Baggage Make-up Area assigned by the Authority as Preferential Use Premises to a Signatory Airline.

“Preferential Use Premises” means those areas designated as such in the Premises Notice that are within the Terminal, including Preferential Use Gates and Preferential Use Gates At Risk, Preferential Use Ticket Counters and Preferential Use Baggage Make-up Areas and to which Airline has a higher priority of use over all other Air Carriers and that Airline hereby agrees to lease from the Authority through the Term, subject to the terms and conditions of the this Agreement.

“Preferential Use Ticket Counter” means a Ticket Counter assigned by the Authority as Preferential Use Premises to a Signatory Airline.

“Premises” means any: (a) Exclusive Use Premises, (b) Preferential Use Premises; (c) Joint Use Premises; and (d) Common Use Premises; provided, however, that in the case of Common Use Premises, such areas will only constitute “Premises” during the period of time for which Airline has the right to use such areas.

“Premises Notice” means the notice described in ARTICLE 3.

“President and CEO” means the President and Chief Executive Officer of the Authority or his/her designee.

“Prior Airline Use and Lease Agreements” means any use or lease agreement between the Authority and Airline for the use of the Airfield or Terminal executed prior to the Effective Date.

“Public Areas” means sidewalks, corridors, lobbies, passageways, restrooms, elevators, escalators and other similar space made available by the Authority from time to time for use by passengers, Authority and Airline employees and other members of the public.

“Regulated Materials and Pollutants” means (a) any material that, because of its quantity, concentration or physical or chemical characteristics, has been determined by any applicable federal, State or local governmental authority to pose a hazard to human health or safety or to the air, water, soil or environment; and (b) any materials, substances, products, by products, waste, or other materials of any nature or kind whatsoever whose presence in and of itself or in combination with other materials, substances, products, by products, or waste may give rise to liability under any Environmental Law. “Regulated Materials and Pollutants” includes, without limitation, any material or substance identified, listed, or defined as a “hazardous waste,” “hazardous substance,” “pollutant,” “contaminant” or term of similar import, or which is otherwise regulated pursuant to Environmental Laws; any asbestos and asbestos- containing materials; petroleum, including crude oil or any fraction thereof; natural gas or natural gas liquids; polychlorinated biphenyls or lead-based paint.

“Regulated Waste Removal” has the meaning set forth in Section 25.8.

“Release” when used for Regulated Materials and Pollutants shall include any actual spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or on any property or the environment, and includes any threat of Release to the extent regulated under Environmental Laws.

“Reliever Airport Support Costs” means the costs of supporting John C. Tune Airport. Reliever Airport Support Costs shall be \$500,000 for the first Fiscal Year of the Term (FY2024) and shall increase each subsequent Fiscal Year by three percent (3%) as follows:

FY 2024	\$500,000
FY 2025	\$515,000
FY 2026	\$530,450
FY 2027	\$546,364
FY 2028	\$562,754
FY 2029	\$579,637
FY 2030	\$597,026
FY 2031	\$614,937
FY 2032*	\$633,385
FY 2033*	\$652,387

* If Term is extended in accordance with Section 1.1.

“Renewal and Replacement Fund” or “R&R Fund” means a reserve fund established by the Authority to pay for the renewal or replacement of any Airport assets to be used by the Authority only in accordance with any applicable bond resolution. The amounts to be maintained in the fund from Net Revenues will equal \$6.25MM for Fiscal Year 2024, \$7.5MM for Fiscal Year 2025, \$8.25MM for Fiscal Year 2026, and \$10MM for Fiscal Year 2027 and beyond.

“Rentable Space” means any areas in the Terminal that are available for lease or use on an exclusive, preferential, joint use or common use basis as designated by the President and CEO. Rentable Space as of the Effective Date is depicted in **Exhibit C**.

“Response” or “Respond” means action taken in compliance with Environmental Laws to correct, remove, remediate, clean-up, prevent, mitigate, treat, monitor, evaluate, investigate, assess or abate the Release of any Regulated Materials and Pollutants, or to prevent or abate any public nuisance.

“Security Checkpoint Area” means an area used for passenger security screening and associated queuing space as designated by the President and CEO.

“Signatory Airline” means any Air Carrier that has entered into an agreement with the Authority substantially similar to this Agreement.

“Signatory Airline Commitment” means (1) for any Passenger Carrier a commitment to pay, each Fiscal Year, Airline Rents, Fees and Charges, net of any revenue sharing, equal to at

least one percent (1%) of the Airline Rents, Fees and Charges, net of revenue sharing, paid by all Signatory Airlines that Fiscal Year; or (2) for any Cargo Carrier a commitment to pay, each Fiscal Year, Landing Fees and non-Terminal ramp parking charges equal to at least one percent (1%) of the Landing Fees paid by all Signatory Airlines for that Fiscal Year.

“Terminal” means Gates, Ticket Counters, Baggage Claim Areas, Baggage Make up Areas, Security Checkpoint Areas, office space, storage areas, concourses, lobbies, Airline Clubs, the IAB, employee break rooms and Public Areas located within the “drip-line” of the passenger terminal building at the Airport. For purposes of this definition, the “drip-line” means the footprint (improved or unimproved) inside the outer limits of the passenger terminal building, which in all cases should not extend beyond the roof-drip line as depicted in **Exhibit D** as of the Effective Date.

“Terminal Ramp Area” means the paved areas adjacent to the Terminal used by Passenger Carriers for parking of aircraft and ground service equipment as depicted in **Exhibit E** as of the Effective Date.

“Terminal Rental Rate” means the rate charged per square foot for use of space in the Terminal, as described in ARTICLE 9.

“Terminal Rents” means the rents charged by the Authority for Airline’s use of the Terminal, as described in Sections 9.3 through 9.7.

“Termination Damages” means, collectively, all unpaid Airline Rent, Fees and Charges and damages incurred by Authority due to Airline’s default of this Agreement under Section 22.1, including, but not limited to, attorneys’ fees and costs, that Authority is entitled to recover from Airline, as all further described in Section 22.2.

“Ticket Counter” means those areas made available by the Authority for use by Airline for ticketing passengers and similar activities, including ticketing area queuing space (measured 30 feet from the ticketing position), any kiosk space outside of the ticketing area queuing space and curbside check-in positions.

“Turn” means the active departure of an aircraft from a Gate. The movement of an empty aircraft to or from a Gate shall not constitute a “Turn.”

“Unimproved Space” means unenclosed space within the Terminal that is neither heated nor air-conditioned as depicted on Exhibit C.

“Utilization Deficiency” means Airline’s failure to meet the Average Gate Utilization Target over the relevant time period, as further described in Sections 4.2 and 4.6.

1.3 Exhibits.

Exhibit A: Illustrative Cost Center Areas

Exhibit B: Airport

Exhibit C: Rentable Space

Exhibit D: [Reserved]

Exhibit E: [Reserved]

Exhibit F: Premises Notice

Exhibit G: Gate Use, Assignment and Scheduling Procedure

Exhibit H: Affiliate Designation Letter

Exhibit I: Illustrative Calculations of Signatory Airline Rates and Charges

Exhibit J: Airline Activity Report

Exhibit K: Maintenance Matrix

Exhibit L: Capital Project Process

ARTICLE 2

USE OF THE AIRPORT

2.1 Grant of Rights to Use the Airport. The Authority grants to Airline the rights of occupancy and use in certain areas located within the Airport as provided in this Article, subject to the terms of this Agreement. Airline shall not use the Airfield or Terminal, and shall not cause or permit any Airline Entity to use the Airfield or Terminal, for any purpose other than as specified in this Agreement.

2.1.1 Rights to Use the Airfield.

The Authority grants to Airline a nonexclusive license to use the Airfield, in common with others and for the purposes specified in Section 2.2, subject at all times to the exclusive control and management by the Authority.

2.1.2 Rights to Use Public Areas.

The Authority grants to Airline a nonexclusive license to use the Public Areas within the Terminal, in common with others, subject at all times to the exclusive control and management by the Authority. The Authority shall have the right, in its sole and complete discretion, to relocate, change or discontinue the use of any portion of the Public Areas from time to time during the Term after reasonable consultation with affected Signatory Airlines and so long as reasonable access to the Premises is maintained for Airline, Airline's customers, and Airline's operation.

2.1.3 Rights to Use Premises.

The Authority grants to Airline the right to use, as applicable, the Premises as further defined and conditioned in Article 3 for the purposes specified in Section 2.3.

2.2 Permissible Uses of the Airfield.

Airline's use of the Airfield and related facilities shall be limited to take-off, landing, flying, taxiing, towing, maneuvering, parking, loading and unloading of Airline's aircraft by such vehicles, ground service equipment, or other equipment or means of conveyance as Airline may require, subject to the terms of this Agreement.

2.3 Permissible Uses of the Terminal.

Airline's use of the Terminal shall be limited to:

2.3.1 The operation of an Air Transportation Business for the carriage of persons, property, baggage, cargo, express and mail by means of aircraft.

2.3.2 Airline shall not conduct any non-Air Transportation Business on the Airport without the prior written consent of Authority. Airline is expressly prohibited from using the Premises for commercial advertising for any third party products or services, duty free sales, or retail operations, sales, and services, whether it is purported to be in addition to or in lieu of the uses expressed in this Section 2.3, without the prior written consent of Authority and shall not sell or offer for sale any product or service other than one directly related to its Air Transportation Business. For the avoidance of doubt, Airline may sell food and beverages in its Airline Club subject to the applicable requirements of this Agreement. Airline shall not place or allow any signs, posters, or advertising whatsoever on, within, or about the Airport (other than in its Exclusive Use Premises that is not able to be viewed by the traveling public) or the Terminal without the prior written approval of the President/CEO or her or his authorized representative; provided, however, that only corporate identifiers or "logos" of Airline (or its Affiliates) shall be permitted on the Terminal Ramp Area.

2.3.3 Airline's loading and unloading of persons, property, baggage, cargo, and express packages and mail at the Terminal by vehicles or other means of conveyance as Airline may require in the operation of an Air Transportation Business; provided that Airline may designate third party transportation providers licensed by the Authority to operate at the Airport to transport Airline's employees, passengers and their baggage, if such transportation is paid for, directly or indirectly, or arranged, by Airline; provided, further, that Airline shall not operate commercial ground transportation for the general public. If such transportation is not paid for or arranged by Airline, the Authority may charge operators of vehicles carrying passengers for hire reasonable fees for the privilege of entering upon the Airport, using the streets, highways and public roads within the Airport, soliciting passengers upon the Airport, and otherwise operating on the Airport.

2.3.4 Airline's hiring and training of personnel in the employ of or to be employed by Airline, and the training of Airline's contractors.

2.3.5 Airline's use, alone or with other Air Carriers, for any and all purposes in connection with or incidental to the operation of an Air Transportation Business, including, without limitation: the handling of reservations; the handling, ticketing and billing of passengers; providing sky cap services; the operation of break rooms for Airline's employees only and, to the extent permitted by law, the serving of food and beverages in such employee

break rooms; and the operation of one or more Airline Clubs and, to the extent permitted by law the serving of food and beverages in such Airline Clubs, subject to any agreement between Airline and Authority concerning any such Airline Clubs. Airline shall not otherwise be allowed to provide food or beverage in the Terminal without the written approval of the Authority, except that Airline may offer food and beverage and other amenities free of charge to passengers inconvenienced by flight delays.

2.4 Permissible Uses of Gates and the Terminal Ramp Area.

Subject to Article 4, Article 5 and Exhibit G, Airline's use of Gates and the Terminal Ramp Area shall be limited to:

2.4.1 The ticketing, boarding, deboarding and billing of passengers, the use of the passenger holding areas as waiting areas for passengers, the use of the Terminal Ramp Area while the Gate is used by Airline, and other uses, upon request to and approval in writing by the President and CEO which shall not be unreasonably withheld.

2.4.2 The operational staging of equipment for fueling, servicing, loading, or unloading and line maintenance of aircraft that can be completed during the Period of Use associated with a Scheduled Operation (as defined in Section 4.3.1); provided, however, that:

(a) Airline may park or store its ground service equipment on the Terminal Area Ramp at its Preferential Use Gate, subject to Section 4.3.

(b) Nothing in this subsection shall be implied or construed to grant to Airline the right to store or park equipment on the Terminal Ramp Area at a Common Use Gate other than as required for the regular servicing of aircraft parked at such Gate during Airline's use of such Gate; and

(c) In addition to the line maintenance permitted under subsection 2.4.2 above, at the Authority's sole discretion and so long as it does not interfere with another Passenger Carrier's Scheduled Operations, the Authority may permit Airline to perform emergency line maintenance of aircraft on the Terminal Ramp Area.

2.4.3 The servicing by Airline or others of Airline's aircraft, including Airline's servicing of its code-share partners and Affiliates, and other equipment by truck or otherwise, with gasoline, fuel, or other propellants or other supplies including food and beverages required by Airline.

2.4.4 The loading and unloading of any property, cargo, mail, and carriage of employees, in properly designated areas, by such motor vehicles or other means of conveyance as Airline may require in the operation of an Air Transportation Business.

2.4.5 The installation, maintenance and operation by Airline of aircraft air-conditioning equipment, auxiliary power, start-up and miscellaneous support equipment

reasonably necessary for Airline's operations and not otherwise provided by the Authority. Any such equipment not reasonably required shall be promptly removed by Airline.

2.4.6 Airline's provision, by its employees or others for whom Airline is responsible, to Airline's aircraft on the Terminal Ramp Area associated with Airline's Preferential Use Gates (including each of Airline's Affiliates on such Terminal Ramp Area) with supplies and services, including food and beverages and ground handling services required by Airline; provided, however, that Airline shall have the right to provide its own supplies and services, or to have such supplies and services provided by its wholly-owned or majority-owned subsidiary or by a third party (including one of the other Signatory Airlines). Airline may contract with another Signatory Airline or with one of Airline's Affiliates for the provision of supplies or services for Airline that Airline itself is permitted to provide under this Agreement without Airline entering into one or more additional agreements with the Authority, and without the Signatory Airline providing the supplies and services to Airline paying the fees to the Authority as may otherwise be required by the Airport Rules and Regulations. Additionally, Airline may contract with other third parties for the provision of supplies or services for Airline that Airline itself is permitted to provide under this Agreement; provided, however, that Airline shall ensure that any such third party providing such supplies or services for Airline shall first (a) obtain an operating permit or other type of written contract issued by the Authority authorizing the non-Signatory Airline third party to conduct the activities or provide the services to Airline, and (b) provide evidence of insurance required by the Authority, and (c) obtain all required security media in accordance with the Airport Rules and Regulations. Airline shall be jointly and severally liable for any obligations that any such third party provider owes to the Authority in connection with the third party's services for the Airline, including indemnification and environmental obligations.

2.5 Authority-Owned Equipment. The Authority grants to Airline a non-exclusive license to use, subject to the Authority's control and maintenance thereof in accordance with Article 13, the Authority-Owned Equipment in the ordinary course of its business at the Airport and otherwise in accordance with this Agreement. Subject to the Authority's maintenance obligations under Article 13, Airline agrees to accept and use the Authority-Owned Equipment in its "as is" condition, without any representations or warranties of any kind whatsoever, express or implied, from the Authority as to any matters concerning the Authority-Owned Equipment, and further agrees to assume all risk of loss, damage and injury arising out of, or alleged to have arisen out of, Airline's use of the Authority-Owned Equipment and Airline shall be solely responsible for the cost of (1) repairing any damage to Authority-Owned Equipment to the extent caused by Airline and (2) repairing any damage to the Terminal to the extent caused by Airline's use of Authority-Owned Equipment.

Removal of Disabled Aircraft and Equipment. As soon as reasonably possible after release from proper authorities, Airline shall remove from the Airport any disabled aircraft owned or operated by Airline, unless the President and CEO provides written authorization for Airline to place or store such disabled aircraft in an approved storage area reasonably designated by the President and CEO and upon such terms and conditions reasonably established by the Authority. In the event Airline shall fail to remove its disabled aircraft as soon as reasonably possible, the Authority may, but shall not be obligated to, cause the removal of such disabled aircraft after written notification and a reasonable period of time in which to remove the disabled aircraft. In

the event of an emergency that prevents airport operations, the Authority reserves the right to immediately move a disabled aircraft. Airline shall also, upon request by the Authority, promptly remove from the Airfield any equipment owned or operated by Airline or its Affiliate that is not, as determined by the Authority, regularly used in the maintenance and servicing of aircraft, at Airline's sole cost, or Authority may remove and dispose of the equipment. Airline shall pay to the Authority, upon receipt of an invoice, the costs incurred for any removal and disposal of aircraft or equipment, plus ten percent (10%). Nonpayment of such invoice, beyond any applicable notice and cure period, shall be deemed a default of this Agreement.

ARTICLE 3

AIRLINE'S PREMISES

3.1 Rights to Use Premises.

3.1.1 Premises Notice. On or before the Effective Date, the Authority will issue to Airline a Premises Notice, attached hereto as **Exhibit F** and incorporated herein by this reference, which will designate which areas of the Airport, if any, will be made available by the Authority for use by Airline as: (a) Exclusive Use Premises, (b) Preferential Use Premises; (c) Joint Use Premises; and (d) Common Use Premises. Airline acknowledges and agrees that the Premises Notice will be revised by the Authority and issued to Airline from time to time during the Term to reflect assignment and reallocation rights permitted pursuant to this Agreement. Such notices will be effective thirty (30) days from receipt unless otherwise provided for under this Agreement or agreed to in writing by the parties; provided, however, that in the event a Preferential Use Gate is recaptured in accordance with Sections 4.5 or 4.6, the notice will be effective upon issuance by the Authority. The parties agree that, upon issuance by the Authority, the revised Premises Notice shall be attached and incorporated to the Agreement and shall update and replace the last issued **Exhibit F** without further amendment of the Agreement.

3.1.2 Exclusive Use Premises. The Authority grants to Airline the exclusive right to use the Exclusive Use Premises, subject to Articles 2 through 5 of this Agreement, identified in the Premises Notice.

3.1.3 Preferential Use Premises. The Authority grants to Airline, subject to Articles 2 through 5 of this Agreement, the right to use, on a preferential use basis, the Preferential Use Premises identified in the Premises Notice.

3.1.4 Joint Use Premises. The Authority grants to Airline, subject to Articles 2 through 5 of this Agreement, the right to use, on a joint use basis, the Joint Use Premises identified in the Premises Notice; provided, however, that the Authority shall at all times have exclusive control and management of the Joint Use Premises, and shall have the right to revise the Joint Use Premises by sending to Airline a revised Premises Notice.

3.1.5 Common Use Premises. The Authority grants to Airline, subject to Articles 2 through 5 of this Agreement, the right to use, on a common use basis, the Common

Use Premises identified in the Premises Notice; provided, however, that Authority shall at all times have exclusive control and management of the Common Use Premises.

3.1.6 Condition of Premises. Except as otherwise expressly provided in this Agreement, Airline specifically acknowledges and agrees that the Authority is permitting Airline's use of the Premises on an "as is with all faults" basis, and that Airline is not relying on any representations or warranties of any kind whatsoever, express or implied, from the Authority, as to any matters concerning the Premises.

3.2 Assignment and Sublease of Premises.

3.2.1 Airline shall not assign, sublet, transfer, convey, sell, mortgage, pledge or encumber, in whole or in part, ("Transfer") this Agreement or the Premises, nor will Airline allow the use of such Premises by any other entity or person, without in each instance having first obtained the prior written consent of the Authority; *provided* that a sublease by Airline to an Affiliate shall not require the Authority's consent, but shall be required to meet the conditions of Section 3.2.2 and be subject to the requirements and obligations of Section 3.2.4. The consent of the Authority shall be required for any and each Transfer and such consent by the Authority shall not be construed as a waiver of the obligation to obtain consent from the Authority for any subsequent Transfer. Airline further agrees that this Agreement or any interest therein shall not be assignable or transferable by operation of law or by any process or proceeding of any court, or otherwise without the Authority's prior written consent, which consent shall not be unreasonably withheld. Airline further agrees that, if at any time during the Term, more than one-half (1/2) of the outstanding shares of any class of stock of Airline's corporation shall belong to any stockholder or group of stockholders that are immediate family members other than a stockholder or group of stockholders that are immediate family members who own more than one-half (1/2) of the outstanding shares of that class of stock at the time of the execution of this Agreement, such change in ownership of Airline's stock shall be deemed a Transfer of this Agreement (unless Airline is a corporation whose stock is listed on the New York Stock Exchange or other major stock exchange, in which case such an event shall not be deemed an assignment of this Agreement).

3.2.2 As a condition of the Authority's consent to any proposed Transfer, the proposed sub-lessee, assignee, user or other party shall execute a license agreement, sublease, or other written document in a form consistent with the terms and conditions of this Agreement acceptable to and approved by the Authority and shall require the sub-lessee or the assignee to be bound by all of the applicable terms and provisions of this Agreement. Any sublease or assignment under this Section 3.2.2 must (i) expressly name Authority as a third-party beneficiary of the sub-lessee's or the assignee's obligations under the sublease or assignment, and (ii) grant a direct right of enforcement to the Authority.

3.2.3 In the event Airline subleases all or any portion of its Premises, Airline shall charge the sub-lessee no more than one hundred fifteen percent (115%) of Airline's pro-rata share of the direct costs of Airline attributable to the space, including a reasonable allocation of tenant improvement costs, operations and maintenance costs and equipment costs for property and equipment owned by Airline.

3.2.4 Notwithstanding any Transfer, Airline shall remain responsible and fully liable for all of its obligations under this Agreement, including without limitation the payment of Airline Rents, Fees and Charges, unless expressly released in writing by Authority. Requests by Airline for consent under this Section 3.2 shall be made in writing by certified mail to Authority and shall include copies of the proposed Transfer documents. The Transfer documents shall completely disclose any and all considerations made or to be made to Airline for the Transfer.

3.3 Authority Rights to Reallocate and Relocate Airline Premises.

From time to time during the Term of this Agreement, part or all of the Premises may be required for implementation of improvements at the Airport. In said event, Authority may, in the sole discretion of the CEO and upon ninety (90) days' advance written notice, require the demolition or reconstruction of certain portions of the Premises, or the reallocation or relocation, in whole or part, of Airline from its Premises. In the event of any reallocation or relocation, Authority will provide, to the extent available and requested by Airline, a comparable location and facility in terms of size, condition and proximity to Airline's operations at the Airport. In the event of a partial reallocation or relocation, Authority shall, to the extent available and requested by Airline, provide a location adjacent to or within reasonable proximity to Airline's remaining Premises. Authority shall consult with Airline in advance regarding the exact number of square feet of Airline's Premises to be demolished, reconstructed, reallocated or relocated. The Premises Notice shall be revised immediately upon the completion of any reallocation or relocation from or modification to Airline's Premises and Authority shall reimburse Airline for Airline's costs to relocate to the new Premises and construct and install like-for-like improvements in its new Premises (the Authority will not reimburse Airline for upgrades in its new Premises); provided, however, that with respect to any Airline trade fixture and other movable property, if removal from the existing Premises and reinstallation at Airline's new Premises is possible and not unreasonable, Airline shall not be entitled to a new fixture or to new property. Airline shall, however, at Authority's cost and expense, remove all trade fixtures and other movable property of Airline from its existing Premises whether or not reinstallation is possible.

3.4 Airline Initiated Changes to the Premises.

3.4.1 Reallocations. If during the Term of this Agreement Airline requires a reallocation of some or all of Airline's Premises to facilitate its operations at the Airport, Airline may request such a reallocation by submitting a written request to the President and CEO, and the President and CEO may approve or deny any such request in the President and CEO's sole discretion; provided, however, that in determining whether to approve such a written request, the President and CEO shall give due consideration to (a) Airline's need to expand its Premises, including its historical, present and reasonably projected frequency of operations; (b) any planned or completed changes in the Terminal; (c) the need to address current or reasonably anticipated operational issues or facility imbalances; (d) the Authority's current or future business needs and requirements; (e) competing demands for use of the additional space sought by Airline; and (f) any other factors affecting the fair and open competition among Air Carriers operating or desiring to operate at the Airport.

3.4.2 Reductions. Airline may request a reduction in the Premises by submitting a written request to the President and CEO and the President and CEO may approve or deny any such request in the President and CEO's sole discretion.

3.4.3 Additions. If, during the Term, Airline requires additional Premises, Airline may request a change to the Premises by submitting a written request to the President and CEO, and the President and CEO may approve or deny any such request in the President and CEO's sole discretion after first giving due consideration to (a) Airline's need to expand its Premises, including its historical, present and reasonably projected frequency of operations; (b) any planned or completed changes in the Terminal; (c) the need to address current or reasonably anticipated operational issues or facility imbalances; (d) the Authority's current or future business needs and requirements; (e) competing demands for use of the additional space sought by Airline; and (f) any other factors directly affecting the fair and open competition among Air Carriers operating or desiring to operate at the Airport.

3.4.4 Costs. All costs associated with any reallocation, reduction or addition requested by Airline under this Section 3.4 including without limitation the costs of the Authority, shall be funded by Airline.

3.4.5 Premises Notice. A revised Premises Notice will be issued upon any change under this Section 3.4 to adjust the space and any changes to the rental amount.

3.5 Authority's Right of Entry. The Authority, its officers, employees, agents, representatives, contractors and service providers shall have the right during normal business hours and upon at least twenty-four (24) hours' advance written notice (or, in the case of an emergency or request by a governmental authority, at any time and upon only such notice as is practicable under the circumstances) to enter the Premises for the purposes of inspection, emergency repairs to utility systems, environmental testing, remedying health or safety issues, and for any other purpose necessary or incidental to or connected with the performance of the Authority's contractual obligations, exercise of its governmental functions, or its responsibilities as Airport proprietor. The Authority's activities may include, without limitation, erecting scaffolding, columns, and supports and/or using any necessary equipment. Any such entry and the resulting activities shall not be deemed to constitute an interference with possession of the Premises and shall be without abatement of rent; *provided*, however, the Authority shall use commercially reasonable efforts to ensure as little interruption to Airline's operations as possible. Furthermore, Airline shall not claim or be entitled to damages for loss of business or profits or any other injury or inconvenience resulting directly or indirectly from any such entry or activities; *provided*, however, the Authority shall repair any damage to the Premises or to Airline's property and indemnify and hold Airline harmless from any damage to person or property or injury to person caused by the Authority during such inspections, repairs, additions, modifications, and/or alterations. To the extent permitted under Applicable Laws, the Authority shall preserve the confidentiality of all confidential or privileged information obtained through such inspections, unless Airline has consented, in writing, to third-party disclosure or has publicly released such information. In the event such inspection shows that Airline is not substantially complying with such requirements, without limiting the Authority's ability to call a

default hereunder, the Authority may require that Airline reimburse the Authority for the reasonable costs of such inspection.

ARTICLE 4

ASSIGNMENT AND USE OF GATES

4.1 No Exclusive Use Gates.

All leased Gates within the Terminal will be Preferential Use Gates and subject to the terms of this Article. Airline's use of all Gates shall at all times be subject to the Authority's Gate Use, Assignment and Scheduling Procedure, as it may be modified from time to time by the Authority in accordance with the terms hereof. At least thirty (30) days prior to finalizing any such modifications, the Authority shall host a meeting with the Signatory Airlines to consult over the modifications and to consider the Signatory Airlines' comments and concerns, if any, regarding such modifications. The Authority shall then have the right, in its sole discretion, to finalize the modifications as initially proposed or make alterations based on the consultation. The Gate Use, Assignment and Scheduling Procedure in effect on the Effective Date is attached as **Exhibit G**. At no time shall the Gate Use, Assignment and Scheduling Procedure (or any modifications or amendments thereto) be inconsistent with the provisions of this Agreement.

4.2 Initial Allocation and Reallocation of Preferential Use Gates.

4.2.1 Airline has, by execution of this Agreement, accepted an initial assignment of Common Use Gates and Preferential Use Gates as set forth in the Premises Notice and listed on **Exhibit F** (the "Initial Gate Allocation").

4.2.2 By October 1, 2023, the Authority shall provide written notice to Airline of the reallocation of Preferential Use Gates to be effective November 1, 2023 (the "2023 Gate Reallocation") as follows:

(a) The Authority shall determine whether any Signatory Airline had a Utilization Deficiency during the six month period March 1, 2023-August 31, 2023 (the "Utilization Test Period") and the Authority will determine how many Gates would need to be recaptured from each Signatory Airline with a Utilization Deficiency in order for that Signatory Airline to have met the Average Gate Utilization Target during the Utilization Test Period ("Underused Gates").

(b) The Authority shall reserve Common Use Gates in amounts and locations determined by the Authority in its sole discretion; provided, however, that the Authority's right to reserve Common Use Gates in excess of the Initial Gate Allocation is limited to the number of Underused Gates. If more than one Signatory Airline has Underused Gates and the Authority elects to reserve Common Use Gates in excess of the Initial Gate Allocation, the Authority will determine, in the Authority's sole discretion, which Underused Gates to convert to Common Use Gates after considering the following factors: relative Average Gate Utilization, the location of the Underused Gates, the number of Preferential Use Gates currently leased by

Signatory Airlines with Underused Gates and other factors related to operational efficiency, maximizing gate utilization, and allowing new entry and growth at the Airport.

(c) The Authority will assign the remaining Gates as Preferential Use Gates. If an Airline did not have a Utilization Deficiency identified during the Utilization Test Period, then Airline shall retain at least the same number of Preferential Use Gates in the 2023 Gate Reallocation. If Airline has Underused Gates, the Authority shall have the option, in its sole discretion, to reserve them as Common Use Gates, reassign one or more of them to another Signatory Airline in accordance with Section 4.9, or redesignate one or more of them as a Preferential Use Gate at Risk of Airline. In the case of the Authority's redesignation of less than all of Airline's Preferential Use Gates, the Authority, after consultation with Airline regarding Airline's operational needs, shall designate which Preferential Use Gate(s) shall be subject to such redesignation.

(d) The October 1, 2023 notice to Airline issued by the Authority shall include a revised Premises Notice and **Exhibit F** reflecting the reallocation and redesignation of Gates under this Section 4.2, effective November 1, 2023.

4.3 Authority Scheduling Rights at Preferential Use Gates.

Airline and Authority acknowledge that the objective of the Authority is to offer Air Carriers desiring to serve the Airport access to the Airport and to provide adequate Gate positions and space in its facilities. The Authority intends to pursue the objective of achieving an optimum balance in the overall utilization of gates and other facilities to be achieved, if necessary, through sharing from time to time, of Gates subject to and in accordance with this Agreement.

In furthering the objectives of providing access to the Airport, including the accommodation of new entrants, the Authority seeks to (1) provide the Signatory Airlines with predictability and stability regarding the use of operational space at the Airport, (2) provide reasonable accommodation to airlines seeking to serve the Airport, and (3) achieve a reasonable balance in the overall utilization of the Terminal and Gates, taking into consideration possible disruption of existing Signatory Airline operations and maximizing convenience to passengers.

4.3.1 Definitions.

For the purposes of ARTICLE 4, the following terms shall have the following meanings:

“Period of Use” for a Scheduled Operation means:

(a) For arrivals of aircraft the Period of Use shall commence thirty (30) minutes prior to a scheduled arrival. The Period of Use shall terminate sixty (60) minutes after scheduled arrival or upon the completion of the deboarding process, whichever is the earlier to occur.

(b) For departures of aircraft the Period of Use shall commence sixty (60) minutes prior to a scheduled domestic departure and ninety (90) minutes prior to a scheduled international departure. The Period of Use for such an originating flight shall terminate upon the actual departure of the aircraft from the Gate or thirty (30)

minutes after scheduled departure time, whichever is the earliest to occur. The departure time shall be extended if the originating aircraft is being boarded and actively prepared for departure. In such instances, the extension shall extend only to the completion of the active boarding process.

There shall be no Period of Use for which Airline has a scheduling preference under this ARTICLE 4 with respect to any operation of Airline that occurs at the Airport pursuant to a published schedule that is not made available to the Authority by Airline within the time limits required for a Scheduled Operation.

“Requesting Airline” means a Scheduled Airline without adequate Gate access desirous of operating from the Airport.

“Scheduled Airline” means an Air Carrier performing scheduled passenger service operations at the Airport.

“Scheduled Operation” means a Scheduled Airline’s operation (arrival or departure) that occurs pursuant to a schedule that is published in the Official Airline Guide (OAG) or any successor publication and that is also made available to the Authority by the first day of the month for the succeeding ninety (90) days in a form prescribed by the Authority.

4.3.2 The Authority shall have the right, upon notice to and consultation with Airline, to schedule at a Preferential Use Gate arrivals and departures by a Requesting Airline at all periods of time other than Airline’s Periods of Use of that Preferential Use Gate if and only if no Common Use Gate option is available and the Requesting Airline cannot schedule the flight at its own Preferential Use Gate, if any. If more than one Signatory Airline can accommodate the Requesting Airline, the Authority will use the following factors to determine which Signatory Airline will provide the accommodation: relative Average Gate Utilization, the location of the available Preferential Use Gates, the number of Preferential Use Gates currently leased by Signatory Airlines and other factors related to operational efficiency, maximizing gate utilization, and allowing new entry and growth at the Airport. Absent good reason to do otherwise, the Authority shall allow Airline to select the specific Preferential Use Gate at which the accommodation will occur. In accommodating the Authority in its right to schedule such operations, Airline shall allow and provide for use of its facilities or equipment (not including ground service equipment or proprietary computer equipment) at the Preferential Use Gate, or permit use of Authority equipment and podiums, as may be required for the efficient use of the Preferential Use Gate by a Requesting Airline. If Airline’s off-schedule or irregular operations interfere with a Requesting Airline’s use of a Preferential Use Gate assigned to Airline, Airline shall work with and shall make commercially reasonable efforts to accommodate the Requesting Airline at another Gate.

4.3.3 The Authority, consistent with the priorities set forth in the Authority’s Gate Use, Assignment and Scheduling Procedure, as it may be amended from time to time by the Authority, will accommodate Requesting Airlines at Common Use Gates before scheduling Requesting Airline arrivals and departures at any Preferential Use Gates to the extent a Common Use Gate is available at the time requested.

4.3.4 A Requesting Airline shall be accommodated at Airline's Preferential Use Gate until the earliest to occur of:

- (a) the Requesting Airline discontinuing the flight(s) for which it sought accommodation; or
- (b) a Common Use Gate becoming available during a time that will accommodate the flight; or
- (c) Airline making a written request to the Authority that it is necessary to move the Requesting Airline's flight in order to schedule a new flight by Airline on its Preferential Use Gates and another Passenger Carrier can accommodate the Requesting Airline's flight and aircraft without, in the sole discretion of the Authority, unreasonably affecting the Requesting Airline's operations.

4.3.5 In the event that Airline is not actively using a Preferential Use Gate during the Period of Use for that Gate due to a cancellation or delay on the day of the Scheduled Operation and the Authority needs to utilize the Gate to manage irregular operations at the Airport, Airline agrees to cooperate with the Authority to allow the use of the Preferential Use Gate unless such use will result in the delay of one or more of Airline's flights.

4.4 Charges for Use of Gate by Another Carrier.

Any Requesting Airline that is accommodated at any of Airline's Preferential Use Gates shall be required to pay the Authority the same charges for use of the Gate that it would have been required to pay the Authority for use of an Common Use Gate. Airline may not demand any additional payments from the Requesting Airline on account of its use of the Gate. The Authority will on a monthly basis credit Airline with the full amount of any fees collected from Requesting Airlines for their use of Airline's Preferential Use Gates under this Section 4.4. By executing this Agreement, Airline agrees that if it is accommodated by another Signatory Airline under Section 4.3 that it hereby (a) indemnifies that Signatory Airline to the same extent that Airline indemnifies Authority under ARTICLE 15 of this Agreement, and (b) will include the Signatory Airline as an additional insured in accordance with ARTICLE 16. The Signatory Airline shall be considered a third-party beneficiary of the Agreement for the limited purpose of this Section 4.4.

4.5 Recapture of Preferential Use Gates at Risk. The Authority shall have the right to recapture any Preferential Use Gate At Risk assigned to Airline upon providing Airline with thirty (30) days advance written notice. Airline's surrender of any such Premises shall be subject to the terms of ARTICLE 23. Airline may request in writing to the Authority an extension on its removal obligation provided Airline can ensure any remaining Airline improvements will not prevent the Gate from being available to the Authority or to a Signatory Airline that has been assigned the Gate within thirty (30) days of the written notice to recapture. The Authority shall revise the Premises Notice issued to Airline to reflect the deletion of any Gates from the Premises as a result of the Authority's recapture thereof under this Section 4.5, and shall issue said revised Premises Notice to Airline with the written notice to recapture the Preferential Use Gate At Risk.

4.6 Recapture of Underutilized Preferential Use Gates and Designation of Preferential Use Gates At Risk. Airline acknowledges that the Authority has established an Average Gate Utilization target of six (6) daily Turns or nine hundred (900) aircraft scheduled seats (“Average Gate Utilization Target”). The activity of Airline’s Affiliates, if any, shall be counted towards Airline’s Average Gate Utilization. If Airline and its Affiliates, if any, fail to meet the Average Gate Utilization Target during the most recent six-month period (“Utilization Deficiency”), the Authority may, in its sole discretion and without any obligation to do so, issue notice to Airline of its intent to recapture Preferential Use Gates (“Initial Recapture Notice”). Upon the Authority’s delivery of the Initial Recapture Notice, Airline shall have an opportunity to cure the Utilization Deficiency. If Airline consistently meets the Average Gate Utilization Target for three (3) consecutive months after receipt of the Initial Recapture Notice (“Cure Period”), Airline’s Utilization Deficiency shall be deemed cured; provided, however, that Airline thereafter meets the Average Gate Utilization Target for a period of at least six (6) consecutive months following the Cure Period. If, following the expiration of the Cure Period, Airline has not cured the Utilization Deficiency, the Authority may, in its sole discretion and without any obligation to do so, issue to Airline a Final Recapture Notice. The Preferential Use Gates so recaptured will be that number of Gates needed to allow Airline to meet the Average Gate Utilization Target for the next three (3) consecutive months based on the data then available to the Authority (the “Underutilized Gates”). Prior to recapturing the Preferential Use Gate of any Signatory Airline, the Authority will install or otherwise make available, to the extent reasonably practicable, common use cabling and/or equipment at Common Use Gates, Preferential Use Gates and Preferential Use Gates at Risk that are sufficient to support the then-current Scheduled Operations of that Signatory Airline. The Authority shall have the right to select the number and location of the Preferential Use Gates where common use cabling and/or equipment may be installed. In the case of the Authority’s recapture of less than all of the Preferential Use Gates in the Premises, the Authority, subject to consultation with Airline regarding Airline’s operational needs, shall designate which Preferential Use Gate(s) shall be subject to such recapture and assignment. In lieu of recapturing the Underutilized Gates, the Authority may elect in its sole discretion to redesignate one or more of the Underutilized Gates as a Preferential Use Gate At Risk assigned to Airline. The Authority shall revise the Premises Notice issued to Airline to reflect the deletion or redesignation of any Gates from the Premises as a result of the Authority’s recapture thereof under this Section 4.6, and shall issue said revised Premises Notice to Airline promptly after the Authority’s delivery of the Final Recapture Notice.

4.7 Authority Right to Terminate Portions of Premises Associated with Recaptured Preferential Use Gates and Preferential Use Gates at Risk. If Airline’s Preferential Use Gates or Preferential Use Gates at Risk are reduced during the Term of this Agreement as provided in subsections 4.5 and 4.6, the Authority may terminate, after consultation with Airline, and upon thirty (30) days written notice, Airline’s right to use those portions of the Airline’s Premises, including but not limited to Preferential Use Ticket Counter and Preferential Use Baggage Make-up Areas, that are no longer necessary, in the President and CEO’s discretion, to support Airline’s operations at Airline’s remaining Preferential Use Gates. In such a situation, the Premises Notice that is issued by the President and CEO shall document the termination of any portion of Airline’s Premises under this section. Airline’s surrender of any such Premises shall be subject to the terms of Article 23 of this Agreement.

4.8 Authority’s Control of Common Use Gates.

The Authority shall retain exclusive control of the use of all Common Use Gates, subject to the Authority's Gate Use, Assignment and Scheduling Procedure.

4.9 Authority Prioritization to Lease an Available Gate

After the 2023 Gate Reallocation, any time the Authority determines in its sole discretion that a Gate is available for assignment as a Preferential Use Gate or a Preferential Use Gate At Risk and more than one Signatory Airline has requested a Preferential Use Gate or a Preferential Use Gate At Risk, the Authority will consider the following factors in determining which Signatory Airline will receive the Gate assignment:

- Whether the Signatory Airline meets the Average Gate Utilization Target for its Preferential Use Gates;
- Whether the Signatory Airline is assigned any Preferential Use Gates or Preferential Use Gates At Risk;
- Whether the Signatory Airline exceeds the Average Gate Utilization Target by an amount that could qualify for two or more additional Preferential Use Gates (for the purposes of this factor, the Signatory Airline's activity on Common Use Gates and the Preferential Use Gates of other Signatory Airlines should count in calculating its Average Gate Utilization);
- A Signatory Airline's incremental need for an additional Preferential Use Gate based on a presumption, for the purposes of this factor only, that the intended capacity of a Preferential Use Gate is either 6 Turns or 900 scheduled seats per day; and
- The Authority's discretion taking into consideration factors not otherwise contemplated.

ARTICLE 5

ASSIGNMENT AND USE OF TERMINAL FACILITIES OTHER THAN GATES

5.1 Priorities for Accommodation.

5.1.1 If the Authority receives a request for access to space in the Terminal (other than Gates, which are subject to the provisions of ARTICLE 4 of this Agreement) from any Air Carrier seeking to commence or expand Scheduled Operations at the Airport ("Space Requesting Airline"), the Authority shall, whenever possible, accommodate such a request by providing access to existing vacant space or Common Use Premises under the Authority's control.

5.1.2 If such vacant space or Common Use Space is unavailable or inadequate to meet the reasonable requirements of the Space Requesting Airline, as determined by the Authority, the Authority shall encourage Signatory Airlines voluntarily to accommodate the Space Requesting Airline, by subletting or otherwise making available for use by the Space Requesting Airline space within the Terminal that is subject to their exclusive or preferential use.

5.1.3 The Authority will notify all Signatory Airlines in writing when the Authority has determined that a Space Requesting Airline cannot be accommodated in vacant

space or Common Use Premises, and the Signatory Airlines will have fifteen (15) calendar days from the receipt of such notice to voluntarily agree to accommodate the Space Requesting Airline.

5.1.4 If a Space Requesting Airline is unable to meet its reasonable requirements, as determined by the Authority, by using vacant space or Common Use Premises made available by the Authority or by using space voluntarily made available by Signatory Airlines, the Authority shall have the right, upon thirty (30) calendar days' notice to Airline, to require Airline to accommodate the Space Requesting Airline in space designated by the Authority by allowing the Requesting Airline to use Airline's Preferential Use Premises, subject to Section 5.2, below, consistent with applicable policy, and based on principles of fairness to all Signatory Airlines and their operations; provided, however, that if the Space Requesting Airline is a Signatory Airline, the Space Requesting Airline must show, to the Authority's satisfaction, that it cannot reasonably accommodate its own expanded service within the Terminal space already subject to its exclusive or preferential use.

5.1.5 If the Authority is unable to meet the reasonable requirements of the Space Requesting Airline, as determined by the Authority, after requiring the Signatory Airlines, including Airline, to accommodate the Space Requesting Airline in their Preferential Use Premises, the Authority shall consider whether the reasonable requirements of the Requesting Airline could be met in a reasonable, cost-effective way by constructing temporary or permanent new facilities which the Space Requesting Airline must agree to lease for the duration of the Term of this Agreement. Only if all of these measures are inadequate to meet the reasonable requirements of the Space Requesting Airline, as determined by the Authority, may the Authority exercise its right to consolidate Airline's operations under Section 5.3, below.

5.2 Charges for Use of Facilities by Another Carrier.

Any Space Requesting Airline that is accommodated at any facilities (other than Gates) used by Airline on an exclusive or preferential use basis shall be required to pay the Authority the same charges for use of the space that it would have been required to pay the Authority for use of such a facility according to the rates and charges established by the Authority under ARTICLE 9. Airline shall not demand any additional payments from the Space Requesting Airline on account of its use of such a facility. By executing this Agreement, Airline agrees that if it is accommodated by another Signatory Airline under Section 5.1 that it hereby (a) indemnifies that Signatory Airline to the same extent that Airline indemnifies Authority under ARTICLE 15 of this Agreement, and (b) will include the Signatory Airline as an additional insured in accordance with ARTICLE 16. The Signatory Airline shall be considered a third-party beneficiary of the Agreement for the limited purpose of this Section 5.2.

5.3 Consolidation of Operations.

5.3.1 If the Authority is unable otherwise to meet the reasonable requirements of a Space Requesting Airline in accordance with the priorities established in Section 5.1, above, and the Authority determines that Airline is under-utilizing its Preferential Use Premises (other than Gates), based on the factors enumerated in this subsection 5.3.1 the Authority may, upon not less than thirty (30) days written notice to Airline, require Airline to vacate its under-utilized

Preferential Use Premises and consolidate its operations in its remaining Preferential Use Premises. The Authority's determination of whether an Airline is underutilizing its Preferential Use Premises (other than Gates) will take into account each Signatory Airline's (i) historical, current and reasonably projected frequency of operations, (ii) number of Enplaning Passengers, (iii) number of Preferential Gates, (iv) square feet of other Preferential Use Premises, and (v) need for hub connectivity, as well as the need for the Authority to manage aircraft and passenger activity at the Airport in order to correct an imbalanced use of Airport facilities or to minimize or to reduce congestion in the Terminal or at the curbside. Airline may request the Authority to reconsider its determination of under-utilization within fifteen (15) calendar days of receipt of the Authority's notice to consolidate and, if it does so, Airline shall provide reasonable documentation of its need for the Premises that are the subject of the notice. If the Authority, after reconsidering its determination, elects to proceed with the consolidation, the Authority shall give Airline not less than thirty (30) calendar days' notice to vacate such Premises. The Authority may either assign the vacated premises to the Requesting Airline on a preferential use basis, if the Requesting Airline is or becomes a Signatory Airline, or deem the vacated premises to become unleased space subject to the Authority's exclusive control and excluded from the Airline Rented Space Commitment.

5.3.2 The reasonable costs of relocating Airline's furniture, equipment and signage in connection with the consolidation of Airline's operations, if required by the Authority under this subsection, plus the reasonable costs of Airline's tenant improvements that cannot be relocated, when originally constructed with the Authority's consent, shall be paid by the Authority.

5.3.3 The Authority shall revise the Premises Notice issued to Airline under ARTICLE 3 of this Agreement to reflect any consolidation of Airline's operations required by the Authority under Section 5.3 and shall issue such a revised Premises Notice to Airline when any such consolidation takes effect.

ARTICLE 6

AFFILIATES

6.1 Designation of Affiliates and Airline Obligations. Subject to the provisions of this Article, Airline may designate one or more Affiliates to operate at the Airport. In the event Airline designates an Affiliate, the following provisions shall apply to Airline and the Affiliate.

6.1.1 Airline must first (i) designate the Affiliate on the form attached as **Exhibit H**; (ii) ensure that the Affiliate has entered into an operating agreement with the Authority; and (iii) confirm for the Authority in writing, using the form it uses to designate the Affiliate pursuant to clause (i), whether Airline will pay to the Authority or guarantee the Affiliate's payment of all Landing Fees, Terminal Rents and other charges due to the Authority on account of the Affiliate's use of any Airport facilities or services as an Affiliate of Airline.

6.1.2 Each Affiliate of Airline shall report and pay to the Authority, or Airline shall pay on its Affiliates' behalf, all PFCs that it collects on account of passengers at the Airport at which it is operating as an Affiliate of Airline. Airline shall either pay to the Authority or

guarantee payment to the Authority of all Landing Fees, Terminal Rents and other charges, and submit all activity reports, that are due to the Authority on account of the Affiliate's use of any Airport facilities or services as an Affiliate of Airline; provided, however, that both Airline and the Affiliate shall remain fully responsible and liable to the Authority for the payment of all Landing Fees, Terminal Rents and other charges (including PFCs), and the preparation of all activity reports, that are due to the Authority on account of the use of any Airport facilities or services by the Affiliate.

6.2 Rights of Affiliates. For so long as Airline and its Affiliates have complied with their payment and reporting obligations under Section 6.1, then:

6.2.1 Each Affiliate shall have the same rights as Airline to use Airline's Premises.

6.2.2 The Landing Fees, Terminal Rents and other charges due on account of each Affiliate's use of Airport facilities or services shall be calculated as if the Affiliate were a Signatory Airline; provided, however, in calculating Airline's Joint Use fees under Article 9, the Affiliate's passengers shall be treated as passengers of Airline and the Affiliate shall not be counted as a separate Signatory Airline for purposes of proration.

6.3 Multiple Affiliates. More than one Signatory Airline may from time to time designate the same Air Carrier as its Affiliate, and each such Signatory Airline shall only be responsible for such Air Carrier's operations as its Affiliate.

6.4 Termination of Affiliate. An Air Carrier's status as an Affiliate of Airline may be terminated by Airline upon not less than thirty (30) days written notice to the Authority. Airline's liability to the Authority for the payment of all Landing Fees, Terminal Rents and other charges (including PFCs), and the submission of all activity reports, that are due to the Authority on account of the use of any Airport facilities or services by the terminated Affiliate shall survive the termination of its Affiliate status; provided, however, that Airline shall only be responsible for such payments and reports as they relate to the terminated Affiliate's operations before its proper termination by Airline took effect.

6.5 Signatory Airline as Affiliate. If an Air Carrier operating as an Affiliate of Airline becomes a Signatory Airline, such Air Carrier must immediately terminate its status as an Affiliate of Airline.

ARTICLE 7

CAPITAL IMPROVEMENTS

7.1 Majority-in-Interest Review for Projects in the Airfield.

7.1.1 New Capital Improvement Projects. For each new Capital Improvement Project in the Airfield that the Authority seeks to fund through Airline Rents, Fees and Charges under Article 9 and that is not exempt from Majority-in-Interest review under subsection 7.1.3,

the Authority shall provide written notice for Majority-in-Interest review to all Signatory Airlines containing:

- (a) a description of the project;
- (b) drawings showing its location, to the extent available;
- (c) estimates of its total Capital Costs;
- (d) an explanation of the benefits it will provide;
- (e) a schedule for its implementation;
- (f) a summary of how the project will be funded; and
- (g) an estimate of the impact the project will have on the Landing Fees or other airline rates and charges to be paid by Signatory Airlines under Article 9.

Signatory Airlines representing a Majority-in-Interest may disapprove the Capital Improvement Project under review by providing their written disapproval of the Capital Improvement Project to the Authority within thirty (30) days of the Authority issuing the written notice.

Absent such disapproval, the Authority may proceed with the Capital Improvement Project.

The Authority may proceed with a disapproved Capital Improvement Project only if the Authority confirms in writing to all Signatory Airlines that the Authority will not fund the Capital Improvement Project through Airline Rates, Fees and Charges to be paid by Signatory Airlines under Article 9, the Capital Improvement Project is otherwise modified such that it is an Exempt Project, as defined in Section 7.1.3, or the Authority resubmits the Capital Improvement Project for review under this Section 7.1.1 and it is not disapproved.

Capital Improvement Projects outside of the Airfield shall not be subject to Majority-in-Interest review.

7.1.2 Cost Increases in Previously Reviewed Capital Improvement Projects in the Airfield. The Authority shall be required to submit for Majority-in-Interest review cost increases in Capital Improvement Projects submitted for review under Section 7.1.1 if (a) the estimated Capital Costs of the Capital Improvement Project will increase by 10% or more of the Authority's share of Capital Costs (net of PFCs, federal and state grants, and other funding sources that will not increase Airline Rents, Fees and Charges); and (b) the increased costs will be funded through Airline Rents, Fees and Charges to be paid by Signatory Airlines under Article 9. If Majority-in-Interest review is required, the Authority shall submit a written notice to all Signatory Airlines describing the amount of and basis for the estimated cost increase. Signatory Airlines representing a Majority-in-Interest may disapprove the cost increase by providing their written disapproval to the President and CEO within fifteen (15) days of the Authority's issuing the written notice. The Authority may proceed with a disapproved Capital Improvement Project only if the Authority confirms in writing to all Signatory Airlines that the Authority will not fund the Capital Improvement Project through Airline Rates, Fees and

Charges to be paid by Signatory Airlines under Article 9, the Capital Improvement Project is otherwise modified such that it is an Exempt Project or the Authority resubmits the Capital Improvement Project for review under this Section 7.1.1. and it is not disapproved. Absent such disapproval, the Authority may proceed with the Capital Improvement Project under the new cost estimate.

7.1.3 Exemptions from Majority-in-Interest Review. In addition to Capital Projects that are not in the Airfield, the following are exempt from Majority-in-Interest review (“Exempt Projects”):

- (a) Capital Improvement Projects that will not be funded through Airline Rents, Fees and Charges to be paid by Signatory Airlines under Article 9;
- (b) Capital Improvement Projects previously approved by a Majority-in-Interest under Prior Airline Use and Lease Agreements (subject to budget increases contemplated in Section 7.1.2. that are required to be submitted for approval);
- (c) Capital Improvement Projects with Capital Costs of less than \$2,000,000 of the Authority’s share (net of PFCs, federal and state grants, and other funding sources not impacting airline rates and charges) of Capital Costs;
- (d) Capital Improvement Projects required by a government agency with jurisdiction over the Airport;
- (e) Capital Improvement Projects of an emergency nature, which, if not made, would substantially impair the current operation of the Airport;
- (f) Capital Improvement Projects requested, funded, and paid for by an Air Carrier; or
- (g) Capital Improvement Projects made to satisfy judgments, comply with judicial or administrative orders, or comply with consent decrees against the Authority arising from or relating to its design, construction, ownership, maintenance or use of the Airport, provided that the Authority shall consult with Airline prior to making the determination to undertake such a Capital Improvement Project.

7.2 Capital Costs and Airline Rents, Fees and Charges.

The Capital Costs (including capitalized interest) of any Capital Improvement Project shall not be included in Airline Rents, Fees and Charges prior to its Date of Beneficial Occupancy; provided, however, that costs associated with preliminary design and environmental review may be recovered through Airline Rents, Fees and Charges prior to the Date of Beneficial Occupancy.

7.3 Capital Project Process.

The parties acknowledge an expanded airline technical representative (ATR) process that addresses how airline representatives have the opportunity to participate in the airport strategic planning process pertaining to future capital (technical) projects at the Airport. Airline

representatives are encouraged to provide estimated impacts that future capital projects may have on airline operations, airline costs, or airline customers. These impacts will be presented to the Authority in writing by either the Airline Technical Representative (ATR) or the Chair of the Airport Airline Affairs Committee (AAAC) prior to the start of design. The ATR may attend daily/weekly project meetings, a bi-weekly program/ATR coordination meeting, and a monthly airline technical committee meeting. If required, a monthly advisory meeting with the Chair of the AAAC will be scheduled. No supervisory or approval rights are provided to the Signatory Airlines; however, inputs, collaboration, progress updates, budget reports and discussions on concerns will be acknowledged by the Authority to the Signatory Airlines. An illustrative document summarizing the process is set forth in **Exhibit L**.

ARTICLE 8

AIRLINE REPRESENTATIONS AND WARRANTIES

Airline represents and warrants to the Authority that:

8.1 Corporate Structure. Airline (a) is a corporation, partnership or limited liability company duly organized or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, and (b) has all requisite power and authority to execute, deliver and perform its obligations under this Agreement.

8.2 Duly Authorized. The execution, delivery and performance by Airline of this Agreement has been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of Airline's organization documents, or (b) to Airline's knowledge, conflict with or result in any breach or contravention of any contractual obligation to which Airline is a party, or any order, injunction, writ or decree of any governmental authority or any arbitral award to which Airline or its property is subject.

8.3 Approvals Unnecessary. Except as otherwise required pursuant to Section 8.5, to Airline's knowledge, no approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any governmental authority or any other person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, Airline of this Agreement that has not been obtained.

8.4 Duly Executed. This Agreement has been duly executed and delivered by Airline. This Agreement constitutes a legal, valid and binding obligation of Airline, enforceable against Airline in accordance with its terms.

8.5 No Litigation. On the date it becomes a Signatory Airline, either (a) Airline is not the subject of a case or proceeding described in subsection 22.1.4, or (b) if Airline is the subject of a case or proceeding described in subsection 22.1.4, Airline has obtained entry in such case or proceeding of a final order in form reasonably satisfactory to the Authority as to which

the appeal period has expired authorizing Airline to execute, deliver and perform its obligations under this Agreement.

ARTICLE 9

CALCULATION OF AIRLINE RENTS, FEES AND CHARGES

9.1 Generally.

The Airline Rents, Fees and Charges to be charged by the Authority and paid by Airline (and by all other Signatory Airlines) for its use of the Airport from the Effective Date until the expiration of the Term or earlier termination of this Agreement shall be calculated using the rate-setting methods set forth in this Article 9. In calculating the revenue requirements used to derive each of these kinds of rates and charges, the Authority shall exclude any cost (net of the cost of collection) that (a) has been reimbursed or covered by government grants or PFC's, (b) has been reimbursed or covered by any insurance recovery, condemnation proceeds or other third-party payment, or (c) has been reimbursed or is required to be reimbursed to the Authority by an individual Airline in connection with projects or other costs and expenses undertaken by the Authority at the request and for the benefit of an individual Airline. Illustrative calculations displaying how rates and charges will be calculated under the methodology set forth in this Article 9 are attached as **Exhibit I**.

9.1.1 Airline Consultations on Proposed Airline Rents, Fees and Charges. No later than May 1 of each year during the Term, the President and CEO shall provide each Signatory Airline with a complete copy of the then proposed Airline Rents, Fees and Charges, calculated in accordance with this Article 9, for the succeeding Fiscal Year. The President and CEO shall conduct a consultation meeting with the Signatory Airlines concerning the then proposed Airline Rents, Fees and Charges. The Authority shall endeavor to provide the Signatory Airlines with the proposed Airline Rents, Fees and Charges at least three (3) days prior to the consultation meeting. No later than June 1 of each year, after giving due consideration to the comments provided by the AAAC, the President and CEO shall make any revisions to the proposed Airline Rents, Fees and Charges (calculated in accordance with this Article 9) as the President and CEO determines, in his or her sole discretion, to be warranted as a result of consultation with the AAAC or otherwise, and shall provide notice to each Air Carrier then currently operating scheduled passenger or cargo service at the Airport of the new Airline Rents, Fees and Charges to be effective on July 1.

9.2 Calculation of the Landing Fee. Each year during the Term the Authority shall calculate the estimated Landing Fee for the following Fiscal Year as follows:

9.2.1 The Airfield Requirement shall be computed as the sum of the following budgeted items:

- (a) O&M Expenses allocable to the Airfield; *plus*
- (b) Debt Service allocable to the Airfield; *plus*
- (c) Deposits to the Airline Facilities Investment Fund; *plus*

- (d) Debt Service Coverage requirements allocable to the Airfield; *plus*
- (e) the Reliever Airport Support Costs; *plus*
- (f) O&M Reserve Fund requirements allocable to the Airfield; *plus*
- (g) R&R Fund requirements allocable to the Airfield; *minus*
- (h) Non-Airline Airfield Revenues; *minus*
- (i) Landing Fees collected from Non-Signatory Airlines.

9.2.2 The estimated Landing Fee shall then be calculated by dividing the Airfield Requirement by the estimated total Maximum Gross Landed Weight (“MGLW”) in thousand pound units of Signatory Airlines for the following Fiscal Year; provided, however, that no Landing Fee shall be due in the event an aircraft departs from the Airport for another destination and is forced to return and land at the Airport because of meteorological conditions, or mechanical or operational problems, or for any similar emergency or precautionary reason and the MGLW of such landings shall be excluded from the calculation of the Landing Fee. In calculating the estimated Landing Fee, the Authority may use the most recent available historical MGLW or projections of MGLW that reflect reasonable Authority management judgment.

9.3 Calculation of the Terminal Rental Rate. Each year during the Term the Authority shall calculate the estimated Terminal Rental Rate for the following Fiscal Year as follows:

9.3.1 The Terminal Requirement shall be computed as the sum of the following budgeted items:

- (a) O&M Expenses allocable to the Terminal; *plus*
- (b) Debt Service allocable to the Terminal; *plus*
- (c) Amortization Requirements allocable to the Terminal; *plus*
- (d) Debt Service Coverage requirements allocable to the Terminal,
plus
- (e) O&M Reserve Fund requirements allocable to the Terminal, *plus*
- (f) R&R Fund requirements allocable to the Terminal.

9.3.2 The estimated Terminal Rental Rate shall then be calculated by dividing the Terminal Requirement by the estimated amount of Rentable Space for the following Fiscal Year.

9.3.3 The estimated Airline Terminal Requirement shall then be calculated by multiplying the estimated Terminal Rental Rate by the total amount of estimated Airline Rented Space, subject to Section 9.3.4. The Authority shall distribute the estimated Airline Terminal

Requirement into two cost groups: Airline Terminal Rental Rate and Satellite Concourse Rental Rate. The costs assigned to these two groups shall bear the following relativities to each other on a square-foot basis:

Airline Terminal Rental Rate	1.000
Satellite Concourse Rental Rate	0.975

For rate-setting purposes, the costs per square-foot in each group will be normalized so that the aggregate costs assigned to both groups will equal the Airline Terminal Requirement.

9.3.4 If in any Fiscal Year the Authority estimates that both (a) the Airline Rented Space Commitment will not be met and (b) the Coverage Policy Requirement will not be met, then the Authority may increase the Airline Terminal Requirement in Section 9.3.3 by the lesser of (i) the estimated amount necessary to meet the Coverage Policy Requirement or (ii) the Airline Rented Space Commitment minus estimated Airline Rented Space with the resulting amount of space multiplied by the Terminal Rental Rate.

9.4 Calculation of the Terminal Ramp Area Rate. Each year the Authority shall calculate the estimated Terminal Ramp Area Rate for the next Fiscal Year as follows:

- 9.4.1 The Terminal Ramp Area Requirement shall be computed as the sum of:
- (a) budgeted O&M Expenses allocable to the Terminal Ramp Area,
plus
 - (b) Debt Service allocable to the Terminal Ramp Area; *plus*
 - (c) Amortization Requirements allocable to the Terminal Ramp Area;
plus
 - (d) Debt Service Coverage requirements allocable to the Terminal Ramp Area, *plus*
 - (e) O&M Reserve Fund requirements allocable to the Terminal Ramp Area, *plus*
 - (f) R&R Fund requirements allocable to the Terminal Ramp Area.

9.4.2 The estimated Terminal Ramp Area Rate shall then be calculated by dividing the Terminal Ramp Area Requirement by the total square footage of the Terminal Ramp Area.

9.5 Calculation of Baggage Fees. Each year the Authority shall calculate the estimated Baggage Fees for the next Fiscal Year as follows:

9.5.1 The estimated Baggage Fee Requirement shall be computed as the sum of the following budgeted items:

(a) the product of (i) the Airline Terminal Rental Rate and (ii) the total square footage of the Baggage Claim Areas; *plus*

(b) O&M Expenses allocable to Baggage Claim Equipment and Baggage Make-up Equipment, *plus*

(c) Debt Service allocable to Baggage Claim Equipment and Baggage Make-up Equipment; *plus*

(d) Amortization Requirements allocable to Baggage Claim Equipment and Baggage Make-up Equipment; *plus*

(e) Debt Service Coverage requirements allocable to the Baggage Claim Equipment and Baggage Make-up Equipment, *plus*

(f) O&M Reserve Fund requirement allocable to the Baggage Claim Equipment and Baggage Make-up Equipment, *plus*

(g) R&R Fund requirement allocable to the Baggage Claim Equipment and Baggage Make-up Equipment; *minus*

(h) Baggage Fees paid by Non-Signatory Airlines.

9.5.2 Charges for the use of Baggage Claim Equipment, Baggage Make-up Equipment and the Baggage Claim Area shall be calculated by allocating twenty percent (20%) of the Baggage Fee Requirement equally among all Signatory Airlines with scheduled service, and allocating eighty percent (80%) of the Baggage Fee Requirement among the Signatory Airlines on the basis of their proportionate numbers of Outbound Bags during the Fiscal Year.

9.6 Calculation of Passenger Loading Bridge Fees. Each year the Authority shall calculate the estimated Passenger Loading Bridge Fee for the next Fiscal Year as follows:

9.6.1 The Passenger Loading Bridge Requirement shall be computed as the sum of the following budgeted items:

(a) O&M Expenses allocable to Passenger Loading Bridges, *plus*

(b) Debt Service allocable to Passenger Loading Bridges; *plus*

(c) Amortization Requirements allocable to Passenger Loading Bridges; *plus*

(d) Debt Service Coverage requirements allocable to Passenger Loading Bridges, *plus*

(e) O&M Reserve Fund requirements allocable to Passenger Loading Bridges, *plus*

(f) R&R Fund requirements allocable to Passenger Loading Bridges.

9.6.2 The estimated Passenger Loading Bridge Fee shall then be calculated by dividing the Passenger Loading Bridge Requirement by the total number of Passenger Loading Bridges.

9.7 Unimproved Space Rental Rate. The rental rate for Unimproved Space shall be \$4.25 (Four dollars and twenty-five cents) per square foot for the Term.

9.8 Other Charges. Each Fiscal Year the Authority shall publish a list of other charges, calculated on a reasonable and non-discriminatory basis, to be paid by Airline for the use of facilities at the Airport, including without limitation, fees for the use of Common Use Premises and any International Arrivals Facility and aircraft parking charges.

9.9 Authority Commitment to Cash Fund Projects. Over the Term, the Authority must use at least fifty million dollars (\$50,000,000) of Authority cash to fund Capital Improvement Projects in the Terminal, Terminal Ramp Area and Passenger Loading Bridges that would be considered for bond funding, including without limitation projects in BNA Vision 1.0, BNA Vision 2.0 or New Horizon as of the Effective Date as listed in **Exhibit I** (the Authority’s “Cash Funding Commitment”); provided, however, if annual Enplaned Passengers meet or exceed eleven million (11,000,000) by Fiscal Year 2027, the Authority’s Cash Funding Commitment will increase to seventy-five million dollars (\$75,000,000) over the Term. The Authority retains sole discretion to determine which Capital Improvement Project(s) listed in **Exhibit I** to fund and during which Fiscal Year(s) through the Cash Funding Commitment. The Authority shall have the right to recover the Cash Funding Commitment through Amortization Requirements allocated to appropriate cost centers.

9.10 Amortization Requirements. In addition to its right to recovery in Section 9.9, the Authority maintains the right to include Amortization Requirements in the calculation of Airline Rents, Fees and Charges as follows:

9.10.1 The Authority may include Amortization Requirements in the calculation of Airline Rents, Fees and Charges other than the Landing Fee for capital expenditures that may not be eligible for bond financing or, as determined in the sole discretion of the Authority, financially prudent for bond financing so long as the annual amount recovered through such Amortization Requirements does not exceed one million dollars (\$1,000,000) each Fiscal Year, subject to a three percent (3%) increase every Fiscal Year after Fiscal Year 2024 as follows:

2024	\$	1,000,000
2025	\$	1,030,000
2026	\$	1,060,900
2027	\$	1,092,727
2028	\$	1,125,509
2029	\$	1,159,274
2030	\$	1,194,052
2031	\$	1,229,874
2032*	\$	1,266,770
2033*	\$	1,304,773

* If Term is extended in accordance with Section 1.1.

9.11 Revenue Sharing Credits. Each year the Authority shall calculate the estimated total amount of Revenue Sharing Credits for the following Fiscal Year as follows:

9.11.1 The Authority will first calculate Net Remaining Revenues. The Authority will only share revenue with the Signatory Airlines if Net Remaining Revenues are positive.

9.11.2 The Authority will next calculate values for the following three budgeted components (the “Revenue Sharing Components”) in accordance with the table below: Percentage of Net Remaining Revenues, Percentage of in-Terminal concessions, and a fixed amount per Enplaned Passenger.

Components	2024	2025	2026	2027	2028	2029+
Percentage of Net Remaining Revenue	20%	20%	20%	20%	20%	20%
Percentage Share of in-Terminal Concessions	50%	45%	40%	35%	30%	25%
Revenue Share per Enplaned Passenger	\$1.00	\$0.90	\$0.80	\$0.70	\$0.60	\$0.50

9.11.3 The Authority will then determine the Revenue Sharing Credit Percentile as either (a) the 20th percentile or, starting in Fiscal Year 2024 and each Fiscal Year thereafter, if Enplaned Passenger growth increases by more than two and one half percent (2.5%) over the previous Fiscal Year, the Revenue Sharing Credit Percentile will increase by the percentage of annual Enplaned Passenger growth above two and one half percent (2.5%). For example, 10% enplanement growth over Fiscal Year 2024 would increase the percentile by 7.5%, resulting in a twenty-first and one half (21.5) percentile (20 multiplied by 1.075) applied in Fiscal Year 2025.

9.11.4 The Authority will then calculate the total amount of Revenue Sharing Credits by calculating the percentile of the Revenue Sharing Components using the Revenue Sharing Credit Percentile as the percentile as illustrated in **Exhibit I**. The Authority will calculate a Revenue Sharing Credit per Enplaned Passenger by dividing the total amount of Revenue Sharing Credits by the projected Enplaned Passengers for the Fiscal Year. Revenue Sharing Credits shall be paid from in-Terminal concessions revenue to the extent available. To the extent that in-Terminal concessions revenue are not available, the Authority shall fund the remainder of Revenue Sharing Credits from another source of funds determined by the President and CEO in their sole discretion, provided, however, that the use of such funds shall not increase Airline Rents, Fees and Charges.

9.11.5 Monthly, after receiving the Airline Activity Report, the Authority will provide a credit to Airline equal to the Airline's reported Enplaned Passengers multiplied by the Revenue Sharing Credit per Enplaned Passenger.

9.12 Non-Signatory Premium. Non-Signatory Airlines shall pay a twenty-five percent (25%) premium on all rates and charges set forth under this ARTICLE 9 and shall not receive any Revenue Sharing Credits under Section 9.11.

9.13 Mid-year Adjustments. If it appears to the Authority on the basis of information it is able to accumulate during the course of any Fiscal Year that the budgeted Capital Costs or O&M Expenses or projected levels of Airline activity it has used to calculate the Airline Rents, Fees and Charges and Revenue Sharing Credits set forth in this ARTICLE 9 are likely to vary significantly (higher or lower) from actual results, the Authority may, using current estimates and projections, recalculate the Airline Rents, Fees and Charges and Revenue Sharing Credits in accordance with this ARTICLE 9 at mid-year or at such other time during the Fiscal Year (a) as the need for such an adjustment becomes apparent to the Authority and (b) when the variance between the budgeted revenues from the Signatory Airlines and estimated actual results is expected to be ten percent (10%) or more. The Authority shall provide the AAAC with at least thirty (30) days advance written notice ("Mid-Year Adjustment Notice") of any adjustments to be made under this Section 9.13. The AAAC may, within fifteen (15) days of receipt of the Mid-Year Adjustment Notice, request a meeting with the Authority to review the information that the Authority used as the basis for an adjustment under this Section 9.13 and if the AAAC does so, the Authority shall meet with the AAAC within fifteen (15) days of the AAAC's request.

9.14 Annual Adjustments-to-Actual.

9.14.1 True-up of Airline Rents, Fees and Charges and Revenue Sharing Credits. Within sixty (60) days after completion of the audit for the preceding Fiscal Year, which audit Authority shall endeavor to have completed within 120 days of the end of such Fiscal Year, the Authority shall recalculate the Airline Rents, Fees and Charges and Revenue Sharing Credits as set forth in this ARTICLE 9 on the basis of actual costs, expenses, activity and other factors affecting the prescribed calculations and shall determine the amount of any overpayment (credit) or underpayment (debit) due to or from Airline.

9.14.2 Signatory Airline Commitment. Within sixty (60) days after completion of the audit for the preceding Fiscal Year, the Authority shall determine whether each Signatory Airline has met the Signatory Airline Commitment. For each Signatory Airline that does not meet the Signatory Airline Commitment, the Authority shall calculate the amount of any underpayment (debit) due to the Authority.

9.14.3 Combined Adjustments. For each Signatory Airline, the Authority shall combine the credits or debits calculated in accordance with Sections 9.14.1 and 9.14.2 and any resulting credit (on a combined basis) will be issued to Airline, and any resulting debit (on a combined basis) will be invoiced to and payable by Airline within thirty (30) days.

9.14.4 End of Term Adjustment. For the final Fiscal Year of the Term, the Authority shall make an adjustment-to-actual in accordance with this Section 9.14, and any resulting credit will be issued to Airline and any resulting debits will be invoiced to payable by Airline notwithstanding the termination of the Agreement.

9.15 Activity Reports.

9.15.1 Flight Information Management Systems. Airline shall provide the Authority with the information for the Authority's Multi-User Flight Information Displays ("MUFIDs"), Baggage Information Displays ("BIDs"), and any other necessary use by providing *real time* data output from Airline's internal flight information display system, computer reservations system, cargo load message transmission, ARINC or SITA transmissions, or other information systems (including commercial information systems) on a per flight basis. Airline flight information shall be in a format prescribed by the Authority and shall include, at least, the following information about Airline's operations and activities at the Airport: for each *arriving* flight: (a) flight number and Gate utilized, (b) aircraft registration number and aircraft type, (c) actual time of arrival at the Airport (wheels-on) and actual time of arrival at the Gate (aircraft parked at the Gate), (d) baggage claim number, (e) scheduled time of arrival, (f) estimated time of arrival, (g) aircraft parking position, (h) international or domestic flight indicator, (i) pre-cleared flight indicator, (j) code share information if applicable and (k) flight routing; for each *departing* flight: (a) flight number and Gate utilized, (b) aircraft registration number and aircraft type, (c) actual time of departure from Gate (aircraft pushback) and actual time of departure from Airport (wheels-off), (d) scheduled time of departure, (e) estimated time of departure, (f) aircraft parking position, (g) code share information if applicable and (h) flight routing.

9.15.2 Airline Reporting. Airline shall provide to the Authority, on or before the 10th day of each and every month, an accurate summary report of Airline's operations at the Airport during the preceding month ("Airline Activity Report"). Airline Activity Report shall be in a format attached as **Exhibit J**, or other format approved by the President and CEO, and shall include at least the following information: (a) Passenger Activity information to include: (i) Local, Transfer, and Charter Enplanements, both domestic and international (ii) deplanements and charter deplanements, both domestic and international; (b) Cargo Activity information to include enplaned and deplaned freight, cargo, and mail, both domestic and international.

9.15.3 Failure to Report. If Airline fails timely to furnish the Authority with any Activity Report under subsections 9.15.1 or 9.15.2, whichever may be applicable, Terminal Rents and any other charges due under this Agreement shall be determined by assuming that Airline's activity in any month for which Airline has failed to report its activity equaled Airline's maximum activity during any of the previous twelve (12) months for which Airline submitted a Monthly Activity Report to the Authority. Any necessary adjustments in Airline's charges shall be calculated after an accurate report is delivered to the Authority by Airline for the month in question. Resulting credits or debits shall be applied to the appropriate invoices in the next billing period.

9.16 Air Service Incentive Program. Notwithstanding any other provision in this Agreement and, in order to enhance and attract new air service to the Airport, the Authority reserves the right to adopt, implement and modify a program of air service incentives at the

Airport, consistent with applicable federal requirements, which may include rates and charges incentives and marketing support (“Air Service Incentive Program”). Any Air Service Incentive Program shall be offered to all eligible Air Carriers on a nondiscriminatory basis. The costs of the Air Service Incentive Program shall be borne by the Authority and shall not be recovered through any rates and charges levied under this Agreement. For the avoidance of doubt, MGLW and Deplaned Passengers for any flights operating under an incentive will be included in the calculation of Airline Rents, Fees and Charges to ensure that the costs associated with such activity are not borne by the Signatory Airlines.

ARTICLE 10

PAYMENTS

10.1 Payment of Airline Rents, Fees and Charges.

Airline shall pay to the Authority Airline Rents, Fees and Charges calculated in accordance with Article 9 as follows. Beginning on the Effective Date, Airline shall pay to the Authority on a monthly basis the Terminal Rents, Landing Fees and other fees established by the Authority in accordance with this Agreement.

10.1.1 All payments of Terminal Rents shall be made in advance no later than the first (1st) day of the month without awaiting an invoice from the Authority.

10.1.2 Authority shall cause Airline Landing Fees to be ready to view online through the customer portal by the third (3rd) business day of each and every month from landings captured by the PASSUR landing fee management system, or other automated landing fee management system. Airlines shall receive a landing fee invoice generated from the same data by the tenth (10th) business day of each month. Airline shall pay to the Authority the Landing Fees due for the preceding month by no later than the fifteenth (15th) calendar day of each and every month. Disputes to the landing fee invoice must be received in writing by the end of the month in which the invoice is received. Any dispute that cannot be resolved between the Airline and the President and CEO will be handled under the provisions of Section 10.1.5.

10.1.3 The Authority shall invoice Airline as of the twentieth (20th) day of each month for the actual rentals associated with Airline’s use of Common Use Premises, the International Arrival Facility, aircraft parking charges, and any other charges accrued during the prior month and not set forth in Section 10.1.1 or 10.1.2. Airline’s payment of this invoice shall be due and payable within fifteen (15) days of the Authority’s invoice date.

10.1.4 All payments to be received from this Agreement shall be made to the Authority at its Payment Address or at such other place as the President and CEO may from time to time designate in writing. All amounts shall be paid in lawful money of the United States, and all payments must be made by electronic funds transfer or check. All amounts paid shall be free from all claims, demands, set-offs or counterclaims of any kind. Any amounts owed under this Agreement that are not paid within five (5) business days of when due shall be subject to a service charge equal to the lesser of the rate of one and one-half percent (1½%) per month or the maximum rate permitted by law accrued from the due date. The Authority’s acceptance of any

payment under this Agreement shall not constitute a waiver of Airline's default on the overdue amount or prevent the Authority from exercising any of its rights and remedies under this Agreement.

10.1.5 If a dispute arises between the Authority and Airline with respect to any obligation or alleged obligation of the Airline to pay money to the Authority, the Airline shall pay the full amount, subject to the right of Airline to dispute the amount claimed in writing to the President and CEO. The payment under dispute by the Airline of the amount claimed by the Authority to be due shall not waive any of Airline's rights. If a court or other body having jurisdiction determines that all or any part of the disputed payment was not due, then the Authority shall promptly reimburse the Airline for any amount determined as not due with interest equal to the lesser of the rate of one and one-half percent (1½%) per month or the maximum rate permitted by law.

10.2 Passenger Facility Charges.

10.2.1 The Authority expressly reserves the right to impose passenger facility charges ("PFCs") in accordance with 49 U.S.C. § 40117 and applicable implementing regulations adopted by the FAA, 14 CFR Pt. 158, as they may be amended from time to time (the "PFC Regulations").

10.2.2 Airline shall hold in trust for the Authority the net principal amount of all PFCs that are collected by Airline or its agents on behalf of the Authority pursuant to the applicable provisions of 49 U.S.C. § 40117 and the PFC Regulations. For purposes of this Section 10.2, net principal amount shall mean the total principal amount of all PFCs that are collected by Airline or its agents on behalf of the Authority, reduced by any amount that Airline is permitted to retain pursuant to § 158.53(a) of and any other applicable provisions of the PFC Regulations. PFCs collected by Airline shall be remitted to the Authority at its Payment Address or at such other place as the President and CEO may from time to time designate in writing.

10.3 Payment of Airline Club Percentage Fees.

On or before the fifteenth (15th) day of each calendar month, Airline shall pay to the Authority the following percentage fees on the sale of all alcoholic beverages or other beverages, and any related food service items sold at or within the Airline Club: fifteen percent (15%) of the Gross Revenues received by Airline from all alcohol and twelve percent (12%) of the Gross Revenues received by Airline from all other (if any) food and beverage sales incurred during said preceding month; provided, however, that Airline's obligation to pay Airline Club percentage fees under this Section 10.3 shall only apply to the extent, if any, by which such percentage fees for any given month exceed the Terminal Rent owed by Airline for its lease of the Airline Club for that month. Airline shall submit to the Authority, together with the required payment, a detailed statement showing Gross Revenues received by Airline from all alcoholic beverages or other beverages, and any related food service items sold at or within the Airline Club during the preceding calendar month. The monthly statements shall show such reasonable detail and breakdown as may be required by the Authority.

ARTICLE 11

AUDIT

Airline shall maintain separate and accurate daily records of Airline's operations at the Airport for each calendar year during the Term for a period of five (5) years after the close of each such calendar year, provided, however, that in the event the Authority gives Airline written notice of a claim for payment under this Agreement, Airline shall retain all of its records relating to its daily operations at the Airport that might pertain to the claim until the claim has been finally resolved. This record-keeping obligation shall survive the expiration or termination of this Agreement. All such books and records, including current and detailed records of all receipts in connection with food and beverage items sold at the Airline Club which are material or relevant in computing and verifying the percentage fees provided for in Section 10.3, shall be kept in accordance with generally accepted accounting principles, consistently applied, showing in detail all business done or transacted in, on, about or from or pertaining to the Airport, and shall be sufficient to permit the Authority to calculate and verify the Landing Fees, Terminal Rents and other charges due under this Agreement. Upon the President and CEO's reasonable and advance written request, Airline shall make available to the Authority or its auditors during reasonable hours any and all books, records and accounts pertaining to its operations under this Agreement. If the requested books, records and accounts are not made available at the Airport, and the Authority or its auditors are required to travel elsewhere to review them, the Authority may require that Airline reimburse the Authority for the reasonable costs of such review of Airline's books, records and accounts, provided only if the Authority demonstrates an underpayment of five percent (5%) or more.

ARTICLE 12

PIPELINES AND UTILITIES

12.1 Utilities.

12.1.1 Airline shall be solely responsible for paying all utilities provided to Airline, its contractors, agents and employees at the Premises to the extent such utilities are metered or otherwise calculated to identify usage by Airline, its contractors, agents and employees at the Premises, provided that such metering or calculation is applied to Air Carriers on a non-discriminatory basis throughout the Airport.

12.1.2 Subject to Section 12.5, the Authority shall provide or cause to be provided the following utility services to the Premises, in a manner determined in the Authority's sole discretion: water, electricity, gas, fire suppression systems, sewage outlets, heating, ventilation and air conditioning. The Authority shall determine the points in the Premises where utility services will be made available to Airline. If Airline desires to change such points of service, and the Authority agrees, in its sole discretion, to such change, the Authority shall complete such change, and the expense of making such change shall be at Airline's sole cost and expense. Any additional utility services requested by Airline and not otherwise provided by the Authority shall be provided only with the Authority's prior written approval in accordance with the Airport Rules and Regulations, shall be obtained and paid for at Airline's sole cost and

expense, and shall be subject to applicable fees and charges imposed separately by utility providers.

12.2 Authority's Reservations and Right to Relocate Lines.

12.2.1 Unless otherwise specifically set forth in this Agreement, the Authority reserves and retains the right, with reasonable advance written notice to Airline (other than in the case of an emergency, in which case no notice to Airline is required), to construct, reconstruct, install, repair, remove, renew, operate and use pipelines, sewer or drain lines, other utility lines, copper wire, fiber-optic or high-speed wireless networks, antennae, utility poles, light fixtures, other fixtures or appurtenances, roadways and other structures for Airport purposes anywhere within the Airport, provided that Authority shall use commercially reasonable efforts to complete such activities in a manner that reasonably minimizes materially adverse impacts on Airline's use and occupancy of the Premises and operations at the Airport.

12.2.2 If any pipeline, utility line or appurtenance installed by Airline is so located that it shall be necessary, as determined by the Authority in its sole discretion, to change, alter, relocate or reconstruct it to allow the Authority, or an independent party through an arrangement with the Authority, to install sewer or drain lines or other utility lines, such change, alteration, relocation or reconstruction shall be made by Airline, as requested by the Authority, or, at Airline's election, shall be made by the Authority, in each case at the Authority's sole cost and expense. If Airline elects to have the Authority perform the change, alteration, relocation or reconstruction requested by the Authority, the Authority shall indemnify and hold Airline harmless from all Claims and costs for bodily injury or property damage caused by the Authority's performance of such change, alteration, relocation or reconstruction, except to the extent such Claims and costs arise out of or relate to the negligence or willful misconduct of Airline.

12.3 Telecommunications Services and Television.

The Authority shall offer telecommunication services including, but not limited to, internet connectivity, telephone, and television at a reasonable cost to Airline. Airline is not required to use the Authority offered telecommunication services. Airline shall arrange to have all telecommunications services that it intends to use at the Airport delivered to a minimum point of entry (MPOE). From the MPOE, the Authority shall, at Airline's sole cost, provide the telecommunications infrastructure to deliver Airline's telecommunications services to Airline's Exclusive Use Premises. The Authority shall, subject to Section 12.5 maintain and repair any telecommunications infrastructure installed under this Section 12.3. Airline acknowledges and agrees that, once it has had an opportunity to inspect the telecommunications infrastructure installed by Authority, it shall accept the telecommunications infrastructure without any representation or warranty by the Authority with respect to the telecommunications infrastructure and without any obligation on the part of the Authority to modify or alter the telecommunications infrastructure. Further, once Airline has had an opportunity to inspect the telecommunications infrastructure installed by Authority to ensure that it is functional, Airline will accept the telecommunications infrastructure in its AS-IS, WHERE-IS condition WITH ALL FAULTS, and except as otherwise explicitly provided for in this Agreement, Airline shall not make any repairs,

modifications, alterations, replacements or improvements to the telecommunications infrastructure.

12.4 Airline's Acts.

Airline shall not do or permit to be done anything that may interfere with the effectiveness or accessibility of any drainage and sewerage system, water system, ventilation, air-conditioning and heating systems, communications system, wifi systems, key card access systems, elevators and escalators, electrical system, fire-protection system, sprinkler system, alarm system, fire hydrants, hoses, or other utility or other systems, if any, installed or located on, under, in or adjacent to the Premises now or in the future.

12.5 Airline's Waiver. Except where, and to the extent, caused by a willful and wanton act of the Authority, Airline expressly waives any and all Claims against Authority for damages arising or resulting from failures or interruptions of utility or telecommunications infrastructure or services or any failure of performance by a third party providing utility or telecommunications infrastructure or services to the Premises, including without limitation electricity, gas, water, plumbing, sewage, telephone, communications, heat, ventilation, air conditioning or telecommunications infrastructure or services of any kind or for the failure or interruption of any public or passenger conveniences. Subject to the foregoing, Authority shall make commercially reasonable efforts to provide or cause to be provided to Airline utilities, telecommunications infrastructure and other services in accordance with this Article 12; provided, however, if Authority makes such commercially reasonable efforts and Authority fails to provide or cause to be provided any such utilities, telecommunications infrastructure or other services, said failure shall not constitute a constructive eviction. In no event shall Authority be liable to Airline for indirect or consequential damages under this Article 12.

ARTICLE 13

DEVELOPMENT, MAINTENANCE AND REPAIR OF AIRPORT

13.1 Authority Right to Alter Airport.

Subject to the terms and all of Airline's rights under this Agreement, Airline acknowledges and agrees that the Authority shall have the right at all times to change, alter, expand or contract the Airport and that the Authority has made no representations, warranties or covenants to Airline regarding the design, construction, pedestrian traffic, or views of the Airport.

13.2 Maintenance and Repair Obligations of Authority.

13.2.1 General Provision. Except as otherwise expressly provided herein and subject to Section 13.2.8, Authority shall furnish all structural maintenance to all Authority-owned facilities.

13.2.2 Exclusive Use Space. Authority shall provide maintenance and operation of all Authority-owned equipment and systems, outside window and exterior building structure cleaning, use reasonable efforts to furnish sufficient heat and air conditioning through its

installed systems in those areas so equipped for such services and furnish electrical power for interior area lighting in the Exclusive Use Space (depicted in **Exhibit K**).

13.2.3 Preferential Use Space. Authority shall perform maintenance and operation of Authority-owned equipment, furnishings and systems; and provide area lighting (except in Baggage Make-up Areas), janitorial, including trash removal (except in Baggage Make-up Areas), pest control (except in Baggage Make-up Areas), and heating and air conditioning in the Preferential Use Space (depicted in **Exhibit K**).

13.2.4 Joint Use Space. Authority shall perform maintenance and operation of Authority-owned equipment and systems; and provide area lighting, janitorial, pest control, heating and air conditioning in the Joint Use Space (depicted in **Exhibit K**).

13.2.5 Preferential Use Terminal Ramp Area. Authority shall maintain the concrete infrastructure and structural integrity of the Preferential Use Terminal Ramp Area, maintain ramp area lighting, and shall perform all aircraft parking position painting based on aircraft parking plans provided by Airline.

13.2.6 Passenger Loading Bridges, Baggage Claim Equipment and Baggage Make-up Equipment. Authority shall provide maintenance (including routine and corrective maintenance), lighting, janitorial, pest control, and exterior equipment cleaning for all Authority-owned Passenger Loading Bridges, Baggage Claim Equipment and Baggage Make-up Equipment (depicted in **Exhibit K**).

13.2.7 Public Areas of the Terminal. Except as may otherwise be provided herein, Authority will operate, maintain and keep in neat, clean, safe, sanitary, sightly and operable condition and repair the public areas of the Terminal (except for those areas therein leased to others for their exclusive use or preferential use) and all additions, improvements and facilities now or hereafter owned by Authority, at or in connection with the Terminal and for use in common by all airlines and the public, excepting any improvements or facilities constructed or installed by Airline, either individually or jointly with others and those that Airline has agreed under the provisions hereof to operate or maintain as aforesaid (depicted in **Exhibit K**). Except as otherwise provided herein, Authority will keep the roof, structure and utility systems of the Terminal in good repair. Authority will keep the public areas in and around the Terminal adequately supplied, equipped and furnished to accommodate the public using same and will operate and maintain directional signs in said public areas, including by way of example, but not by way of limitation, signs indicating the location in the Terminal of public facilities provided by Authority on the Airport. Authority will use reasonable efforts to provide (1) sufficient heat and air conditioning to those areas on the Airport equipped for such service; (2) illumination and drinking water in the public areas in the Terminal; (3) adequate lighting for the public vehicular parking facilities; and (4) such janitorial and cleaning services as necessary to keep the public areas and public use restrooms of the Terminal and areas adjacent thereto in a neat, clean, safe, sanitary, sightly and operable condition at all times.

13.2.8 Except where, and to the extent, caused by a willful and wanton act of the Authority, the Authority shall not be liable to Airline for failure to furnish all or any services to be provided by the Authority under this Article 13, whether due to mechanical breakdown or any

other causes, and Airline expressly waives all claims against the Authority for damages arising or resulting from any such failure. In no event shall Authority be liable to Airline for indirect or consequential damages under this Article 13.

13.3 Maintenance and Repair Obligations of Airline.

13.3.1 General Provision. Except as otherwise expressly provided herein, Airline specifically acknowledges and agrees that the Authority is permitting the use of the Premises by Airline on an “as is with all faults” basis and that Airline is not relying on any representations or warranties of any kind whatsoever, express or implied, from the Authority, as to any matters concerning the Premises.

13.3.2 Exclusive Use Space. Airline shall provide all maintenance, depicted in **Exhibit K**, in the Exclusive Use Space not otherwise provided by Authority under Section 13.2.2 hereof. Airline shall furnish all janitorial services, pest control, all maintenance and operation of Airline-owned improvements, furnishings and systems in the Exclusive Use Space. Airline shall provide electrical re-lamping, all decorating and redecorating when required and maintenance for plumbing lines within the Exclusive Use Space or otherwise accessible and controlled by Airline from its Exclusive Use Space. Airline shall maintain the Exclusive Use Space in a neat, clean, safe, sanitary, sightly and operable condition, nor allow accumulation of trash or debris.

13.3.3 Preferential Use Space. Airline shall furnish all maintenance and operation of Airline-installed improvements, furnishings and systems in the Preferential Use Space (depicted in **Exhibit K**) not otherwise provided by Authority under Section 13.2.3 hereof. Airline will conduct its operation in a neat, clean, safe, sanitary, and sightly way.

13.3.4 Joint Use Space. Airline shall furnish all maintenance and operation of Airline-installed improvements and systems in the Joint Use Space (depicted in **Exhibit K**) not otherwise provided by Authority under Section 13.2.4 hereof. Airline will conduct its operation in a neat, clean, safe, sanitary, and sightly way.

13.3.5 Preferential Use Terminal Ramp Area. Airline shall perform or cause to be performed such cleaning of the Preferential Use Terminal Ramp Area leased to Airline as shall be necessary to keep said area in a clean, neat and orderly condition and free of foreign objects, and shall periodically on an as-needed basis remove grease, oil, and fuel spills caused by an Airline Entity with ramp scrubbing equipment. Airline shall not add any markings on the pavement without the written consent of the President and CEO, not to be unreasonably withheld.

13.3.6 Passenger Loading Bridges. Airline will conduct its operation in a neat, clean, safe, sanitary, and sightly way. Airline shall not modify or attach personal property or signage to Authority-owned Passenger Loading Bridges without the advance written approval of the President and CEO (which approval may be withheld at President and CEO’s sole discretion).

13.3.7 Baggage Claim Equipment and Baggage Make-up Equipment. Airline shall not modify or attach personal property or signage to Authority-owned Baggage Claim

Equipment and Baggage Make-up Equipment without the advance written approval of the President and CEO (which approval may be withheld at President and CEO's sole discretion).

13.3.8 Airline-Constructed Improvements. Airline shall cause all improvements and facilities, and additions thereto, constructed or installed by Airline and not otherwise conveyed to the Authority, either alone or in conjunction with other airline tenants, and those constructed or installed by Authority in Airline's Exclusive Use Premises and Preferential Use Premises, and all vehicles and equipment operated by Airline on the Airport to be kept and maintained in a safe condition and in good repair (except those repairs and maintenance undertaken by Authority in Section 13.2 hereof) in accordance with uniform standards applicable to all Airport tenants as established from time to time by the President and CEO. Airline shall keep the Exclusive Use Premises and Preferential Use Premises and improvements thereon in a neat, clean, safe, sanitary, and sightly way.

13.3.9 Performance by Authority Upon Failure of Airline to Maintain. In the event Airline fails within thirty (30) days after written notice from Authority to perform any obligation required under this ARTICLE 13 to be performed by Airline, Authority may, after reasonable advance notice for entry to Exclusive Use Premises, enter the Premises involved, without such entrance causing or constituting a termination of this Agreement or an interference with the possession of said Premises by Airline, and do all things reasonably necessary to perform such obligation. President and CEO may charge Airline the reasonable cost and expense of performing such obligation and Airline agrees to pay to Authority upon demand such charge in addition to any other amounts payable by Airline hereunder; provided, however, that if Airline's failure to perform any such obligation endangers the safety of the public, the employees or property of Authority, or other tenants of the Airport and President and CEO so states in its notice to Airline, Authority may perform such obligation of Airline at any time after the giving of such notice and coordinating with Airline to the extent reasonably practicable and Authority may charge to Airline the reasonable cost and expense of such performance which Airline shall pay as aforesaid.

13.4 Airline Improvements.

13.4.1 General Provision. Airline shall make no alterations or improvements upon the Premises or install fixtures without first completing an Airport Improvement Request (AIR) and obtaining the written consent of the Authority. In no event may Airline make any alterations or improvements to any Common Use Premises or Joint Use Premises. Airline shall comply with the requirements of the Authority, including without limitation those set forth in the Airport Rules and Regulations, applicable to such alterations, improvements, installations and other work undertaken by Airline, as such requirements may be amended by the Authority from time to time, and which requirements are hereby incorporated into and made a part of this Agreement. In the event any alterations or improvements shall be made to the Premises or fixtures (other than trade fixtures) shall be installed by Airline, they shall at once become part of the realty and become the property of the Authority. Moveable furniture, equipment, personal property and all trade fixtures shall be and remain the property of Airline, subject to Section 13.4.2 and Airline, at its expense, upon the expiration or prior termination of this Agreement, shall promptly remove any such furniture and trade fixtures and, at the Authority's request, shall restore the Premises to its condition prior to the installation of any such property.

13.4.2 Removal of Airline Improvements on Expiration or Earlier Termination of Agreement. Any structures, installations, improvements of any kind, machines, equipment (including telecommunications equipment), and baggage handling systems placed on the Premises by Airline, including without limitation, walls, partitions, ceilings, built-in counters and cabinets, carpeting, and permanently attached electrical installations and lighting fixtures (“Airline Improvements”), shall be removed by Airline, if requested by the Authority at the Authority’s sole option (unless the parties had previously agreed in writing that removal would not be required), within thirty (30) days after the expiration or earlier termination of this Agreement. Airline further agrees to repair any and all damage occasioned by the removal of Airline Improvements. In the event of termination by either Airline or the Authority, Airline and the Authority shall meet, if practicable, within ten (10) days of issuance of the termination notice to determine which Airline Improvements, if any, the Authority shall request to be removed. The Authority shall provide Airline written notice of its determination within ten (10) days of such meeting. If no such meeting occurs, the Authority shall provide Airline written notice of any request to remove Airline Improvements prior to the date of expiration or earlier termination of this Agreement.

13.4.3 Authority’s Option. If the Authority exercises its option to request removal of Airline Improvements under Section 13.4.2, and Airline fails or refuses to undertake the requested removal within thirty (30) days after the expiration or earlier termination of this Agreement, the Authority may: (1) consider the property abandoned and take ownership of the Airline Improvements without cost to the Authority and without any payment to Airline, or (2) remove or cause the removal of the Airline Improvements at the sole expense of Airline and Airline shall reimburse the Authority within thirty (30) days of receiving an invoice for the cost of any such removal and related repairs to the Premises, if any, including administrative costs of ten percent (10%).

13.4.4 Rent. During any period of time after the expiration or earlier termination of this Agreement that Airline undertakes the removal of Airline Improvements, Airline shall pay applicable Airline Rents, Fees and Charges to Authority, prorated daily.

13.4.6 Visual Artists Rights Act. With respect to construction or installation of any improvements at the Premises that might implicate the requirements of the federal Visual Artists Rights Act of 1990, 17 U.S.C. §§ 106A and 113, as they may be amended from time to time (“VARA”), Airline agrees that it shall not (i) hire any artist or permit any sublessee to hire any artist for the purpose of installing or incorporating any work of art into or at the Premises, or (ii) permit the installation or incorporation of any work of art into or at the Premises, without the prior written approval of the President and CEO. Airline shall provide such reasonable documentation as the Authority may request in connection with any such approval, and the approval of the Authority may be conditioned upon the execution by the artist of a waiver of the provisions of the VARA, in form and substance acceptable to the President and CEO.

13.5 Damage or Destruction.

13.5.1 Damage. If any portion of the Terminal in which Airline occupies Premises under this Agreement is damaged by fire, earthquake or other casualty, but is not rendered unfit for use by Airline, the damage shall be repaired by the Authority, as soon as is

practicable under the circumstances. If the damage renders the Premises unfit for use by Airline, and if the damage is repairable using reasonable diligence within four months from the date of the occurrence, the Premises shall be repaired by the Authority.

13.5.2 Destruction. If any portion of the Terminal in which Airline occupies Premises under this Agreement is completely destroyed by fire, earthquake or other casualty, or damaged to such extent that such damage cannot be repaired within four months from the date of the occurrence, the Authority or such Airline shall have the option to terminate this Agreement to the extent that it shall apply to the destroyed Premises. In addition, the Authority shall within thirty (30) days of a fire, earthquake or other casualty, provide written notice to Airline that it intends to (i) terminate the Agreement or (ii) repair or reconstruct the Premises. If the Authority elects to repair or reconstruct the Premises, it shall begin any work necessary to do so and shall use commercially reasonable efforts to provide Airline with temporary substitute space while the repairs are being completed if Airline does not elect to terminate this Agreement to the extent that it shall apply to the destroyed Premises. If a party elects to terminate this Agreement, such termination shall be effective as to the Premises, sixty (60) days after the occurrence of the damage. Without limiting the foregoing, if the Authority terminates this Agreement to the extent that it shall apply to the destroyed Premises, the Authority shall use reasonable efforts to provide Airline with substitute space for the remaining Term if requested by Airline.

13.5.3 Rent Abatement. For the period from the occurrence of any damage to the Premises to the date of completion of the repairs to the Premises (or to the date of termination of the Agreement as to such portions of the Premises if the Authority shall elect not to restore them), the rental allocable to the particular Premises involved shall be abated in the same proportion as the unusable portion of the Premises bears to the whole, or, if the damage or destruction has rendered the entire Premises unusable, said rental shall be abated entirely, and upon termination of the Agreement as to such damaged or destroyed Premises, Airline shall have no further obligation to pay the rental allocable thereto. The costs assigned to such unusable space, to the extent not covered by insurance, may be recovered by the Authority as a cost allocable to the Terminal. The Authority may charge a reasonable rental for any temporary substitute space it furnishes, but not more than the rent Airline was paying for the damaged or destroyed Premises. In the event that the Authority shall elect to terminate the Agreement as to the portion of the Premises damaged or destroyed as provided above, and in the event the loss of use thereof by Airline will have a substantial adverse effect on Airline's use of the remainder of the Premises and its business and operations at the Airport in the opinion of the Airline, Airline may within thirty (30) days after receipt of the Authority's notice of termination, terminate this Agreement in its entirety by giving the Authority written notice thereof.

ARTICLE 14

COMPLIANCE WITH LAW

14.1 General Laws.

Airline shall comply with all Applicable Laws.

14.2 Airport Rules and Regulations.

The use by Airline of the areas and facilities described herein and the rights and privileges granted Airline pursuant to this Agreement shall at all times be subject to the Airport Rules and Regulations. Airline covenants and agrees that it will not violate or permit any Airline Entity to violate any such Airport Rules and Regulations. The Authority may prescribe civil penalties and injunctive remedies for violations thereof, and the same may be applied to Airline for violations by Airline or any Airline Entity. Airline may contest in good faith any Applicable Law, Airport Rules and Regulations or any other rule or regulation of the Authority without being considered in breach of this Agreement so long as such contest is diligently commenced and prosecuted by Airline. The Authority shall provide at least thirty (30) days' advance notice of any new or amended Airport Rules and Regulations affecting Airline.

14.3 Licenses, Certificates and Authorizations.

Airline shall obtain, at Airline's sole expense, all licenses, certificates, permits and other authorizations that are now or hereafter required by Applicable Laws or the Airport Rules and Regulations for Airline's operations at the Airport, Airline's use of the Premises and all other areas of the Airport, and Airline's exercise of any rights under this Agreement.

ARTICLE 15

INDEMNIFICATION

15.1 Airline agrees to defend, indemnify and hold harmless the Authority Indemnified Parties from and against any and all Claims, including payments of claims of liability resulting from any injury or death of any person or damage to or destruction of any property, arising out of or relating to:

- (a) the tortious acts or omissions of Airline or Airline Entities;
- (b) Airline's or Airline Entities' use or occupancy of the Airport and the Premises;
- (c) the violation by Airline of this Agreement or of any law, ordinance, regulation or court order affecting the Airport; or
- (d) suits of whatever kind or nature alleging violations of any federal, state, or municipal laws, statutes, resolutions, or regulations as a result of any actions taken by Airline or Airline Entities, or Airline's failure to comply with obligations imposed upon Airline or its Airline Entities, pursuant to this Agreement;

and Airline will, at its own cost and expense, defend all such claims, demands and suits, whether frivolous or not. To the extent Authority Indemnified Parties reasonably expend any cost and expense, including attorney fees, in investigating or responding to such claims, demands and suits, Airline will reimburse the Authority Indemnified Parties for all such costs and expense, subject to Section 15.7.

15.2 Without limiting the foregoing, Airline also agrees to defend, indemnify and hold harmless the Authority Indemnified Parties from and against any and all claims or liability for compensation under any workers' compensation statute arising out of the injury or death of any employee of Airline. Airline shall require its subtenants and Contractors to maintain in effect at all times workers' compensation insurance as required by law; provided, however, that the indemnification obligations of this Article 15 shall not be limited in any way by any limitation on the amount or type of damages or compensation benefits payable by or for Airline under applicable worker's or workmen's compensation, benefit, or disability laws. Airline expressly waives any immunity Airline might have under such laws solely for claims covered under Airline's indemnification obligations in this Article 15. For the avoidance of doubt, such waiver of immunity shall not apply to claims filed by Airline's employees against the Airline. By agreeing to enter into this Agreement, Airline acknowledges that the foregoing waiver has been mutually negotiated by the parties.

15.3 Without limiting the foregoing, Airline shall cause any Contractor to agree to protect, defend, indemnify and hold the Authority Indemnified Parties free and harmless from and against any and all claims, damages, demands, and causes of action of all kinds including claims of property damage, injury or death, in consequence of granting the relevant contract or arising out of or relates to the Contractor's performance under this Agreement except for matters shown by final judgment to have been caused by or attributable to the negligence of any Authority Indemnified Party to the extent not prohibited by TCA § 62-6-123. The indemnification provided herein shall be effective to the maximum extent permitted by applicable statutes. To the extent Contractor fails to defend any and all claims, demands or suits against the Authority Indemnified Parties including claims by any employee, Contractors, agents or servants of Contractor even though the claimant may allege that an Authority Indemnified Party is or was in charge of the work or that there was negligence on the part of an Authority Indemnified Party, Airline shall be responsible for such defense. To the extent Authority Indemnified Parties reasonably expend any cost and expense, including attorney fees, in investigating or responding to such claims, demands and suits, Airline will reimburse the Authority Indemnified Parties for all such costs and expense, subject to Section 15.7. "Injury" or "damage," as such words are used in this Article 15 shall be construed to include injury, death or damage consequent upon the failure of or use or misuse by Contractor, its subcontractors, agents, servants or employees, of any scaffolding, hoist, cranes, stays, ladders, supports, rigging, blocking or any and all other kinds of items of equipment, whether or not the same be owned, furnished or loaned by the Authority. Notwithstanding Airline's obligation to cause any Contractor to agree to the requirements set forth in this Section 15.3 Airline's failure to cause Contractor to do so shall not constitute a breach hereof, provided that Airline performs all such actions Contractor would have been required to perform under this Section 15.3, including indemnifying and defending the Authority, itself.

15.4 The Authority shall notify Airline as soon as practicable of each Claim in respect of which indemnity may be sought by the Authority against Airline hereunder, setting forth the particulars of such Claim, and shall furnish Airline with a copy of all judicial filings and legal process and any correspondence received by the Authority related thereto.

15.5 The Authority shall be invited to attend and participate in all meetings (including those related to settlement) and to appear and participate in all judicial proceedings

related to any Claim against the Authority, provided that the Authority shall bear the costs of its participation to the extent such participation is not in furtherance of the Authority's defense of any such Claim. The Authority shall approve the terms of any settlement which requires the Authority to perform or refrain from performing any action, provided that such approval will not be unreasonably withheld if a settlement includes a full and unconditional release for Authority Indemnified Parties.

15.6 Without limiting the generality of any other provision hereof, Airline shall reimburse the Authority for the cost of any and all reasonable attorneys' fees and investigation expenses and any other reasonable costs incurred by the Authority in the investigation defense and handling of said suits and claims and in enforcing the provisions of this Agreement.

15.7 Notwithstanding the provisions of this Article 15, in the event that the Authority and Airline mutually agree or a court of competent jurisdiction determines by a final order that (a) a Authority Indemnified Party's negligence is at least fifty-one (51%), or (b) a Authority Indemnified Party's willful and wanton misconduct is any percentage, of the total fault which proximately caused the Claims, Airline's obligation to indemnify the Authority for amounts to be paid in connection with the Claims shall be limited to the amount attributable to Airline's and its Airline Entities' proportionate share of the total fault which proximately caused the Claims. The Authority and Airline agree, however, that this Section 15.7 is not intended to obviate or lessen in any way Airline's duty to defend the Authority Indemnified Parties; provided, however, that to the extent the Authority and Airline mutually agree or a court of competent jurisdiction rules that the Claims were the result of the sole negligent act or omission or the willful and wanton misconduct of a Authority Indemnified Party, the Authority shall reimburse Airline for its proportionate share of the costs of defense, including, but not limited to, attorneys' fees and court costs. For the avoidance of doubt, the Authority shall reimburse Airline for all defense costs Airline incurred with respect to defending the Authority Indemnified Parties against Claims to the extent that the Authority and Airline mutually agree or a court of competent jurisdiction rules that such Claims were the result of the sole negligent act or omission of a Authority Indemnified Party.

15.8 Notwithstanding the provisions of this Article 15, Airline's indemnification obligations for Environmental Claims are set forth in Section 25.7.

15.9 The foregoing express obligation of indemnification shall not be construed to negate or abridge any other obligation of indemnification running to the Authority or an Authority Indemnified Party that would exist at common law or under other provisions of this Agreement, and the extent of the obligation of indemnification shall not be limited by any provision of insurance undertaken in accordance with this Agreement.

15.10 Subject to Section 15.7, Airline shall be liable for any loss or damage to any personal property or equipment of Airline, its agents, servants, employees, officials, or independent contractors.

15.11 Airline waives the right of contribution against the Authority Indemnified Parties, subject to Section 15.7, and subrogation against the Authority Indemnified Parties.

15.12 In the event that Airline is accommodated by another Signatory Airline pursuant to Article 5, Airline's indemnification obligations under this Article 15 to the Authority and Authority Indemnified Parties shall also apply to the accommodating Signatory Airline to the extent of Airline's use of the accommodating Signatory Airline's space.

15.13 This Article 15 shall survive expiration or early termination of this Agreement. Airline understands and agrees that any insurance protection furnished by Airline pursuant to Article 16 shall in no way limit Airline's responsibility to indemnify and hold harmless the Authority under the provisions of this Agreement.

ARTICLE 16

INSURANCE

16.1 Insurance Coverage Required. Airline shall procure and maintain at all times, at Airline's own expense, the types of insurance specified below, with insurance companies having an AM Best rating of "A-" or better, financial size rating of VII or better; or for those insurance companies not subject to AM Best's rating (a) an equivalent financial strength rating from S&P or (b) as determined by the Authority in its sole discretion, a similar nationally or internationally recognized reputation and responsibility, or as reasonably approved by the Authority, covering all operations under this Agreement performed by Airline. The kinds and amounts of insurance required are as follows:

(a) Workers' Compensation and Employer's Liability Insurance. Workers' Compensation Insurance, as prescribed by Applicable Law, covering all employees who are to provide a service under this Agreement with statutory limits. Such insurance shall include Employer's Liability Insurance coverage with limits of not less than \$1,000,000 each accident; \$1,000,000 disease-policy limit; \$1,000,000 disease-each employee. Coverage shall include all other states endorsement and voluntary compensation endorsement and shall be underwritten by an insurer licensed and admitted in the State of Tennessee.

(b) Commercial General/Airline Liability Insurance (Primary and Umbrella). Commercial General/Airline Liability Insurance or equivalent coverage with limits of not less than \$750,000,000 per occurrence and in the aggregate including war risks and allied perils, for Air Carriers using passenger aircrafts with 100 seats or more and \$500,000,000 per occurrence and in the aggregate including war risks and allied perils, for Air Carriers using passenger aircrafts with less than 100 seats for bodily injury (including death), personal injury, property damage liability, and aircraft liability (including passengers), including a \$25,000,000 sublimit for personal injury to non-passengers. Such insurance shall include but not be limited to: all premises and operations, products/completed operations, airline general liability and aviation liability (including terrorism), liability for any auto (owned, non-owned and hired) including liability for vehicles on the restricted access area of the Airport, including but not limited to baggage tugs, aircraft pushback tugs, air stair trucks, maintenance vehicles, deicing trucks and belt loaders, mobile equipment, hangar keepers liability, and cargo liability, for all perils including but not limited to explosion, collapse, underground, war risk and allied perils, separation of insureds, defense, independent contractors (if commercially available), liquor

liability (with standard sublimits) and blanket contractual liability (not to include Endorsement CG 21 39 or equivalent).

The Authority shall be listed as an additional insured on the policy and coverage shall be at least as broad as that afforded the named insured. Also, in the event that a Signatory Airline accommodates Airline pursuant to Article 4 or Article 5, such Signatory Airline shall be named as an additional insured on the policy and coverage shall be at least as broad as that afforded the named insured. The additional insured coverage shall not have any limiting endorsement or language under the policy such as but not limited to, Airline's sole negligence or the Authority vicarious liability. Airline's insurance shall contain an endorsement declaring Airline's policy as primary and without right of contribution by any other insurance or self-insurance maintained by the Authority or subrogation against the Authority.

To the extent Airline relies on excess or umbrella insurance to satisfy the requirements of this Section (b), any such policy shall follow form and be no less broad than the underlying policy, shall cover the term of underlying policy without interruption, and shall include a drop down provision with no gap in policy limits.

(c) Automobile Liability Insurance (Primary and Umbrella). When any motor vehicles are used in connection with work to be performed by or on behalf of Airline, Airline shall provide Automobile Liability Insurance with limits of not less than \$10,000,000 per occurrence combined single limit, for bodily injury and property damage for any auto including owned, non-owned or hired autos; provided, however, that Airline may reduce the foregoing amount to \$1,000,000 per occurrence combined single limit so long as Airline's Commercial General/Airline Liability Insurance or equivalent coverage includes excess auto liability. The Authority and any Signatory Airline accommodating Airline pursuant to Sections 4.3 or 5.1 shall be listed as an additional insured on a primary, non-contributory with waiver of subrogation basis.

(d) All Risk Builders Risk Insurance. When Airline undertakes any construction at the Airport, including improvements, betterments or repairs, Airline shall provide or cause its construction Contractor to provide All Risk Blanket Builder's Risk Insurance to cover the materials, equipment, machinery and fixtures that are or will be part of the permanent facility. Coverage extensions shall include, but not be limited to, boiler and machinery, earthquake, water damage and flood. Builder's Risk must include damage to existing property and the Authority shall be a named insured and loss payee as respects the interests of Authority.

(e) All Risk Property Insurance. All Risk Property Insurance shall be maintained at replacement cost valuation basis covering all loss, damage, or destruction for Airline's improvements and betterments on the Premises and personal property in Airline's care, custody and control at the Airport. Coverage shall include but not limited to boiler and machinery, earthquake, flood, sprinkler leakage, debris removal and business interruption and extra expense. Property insurance program should contain ISO endorsement 15 03 Business Income Landlord as Additional Insured. The Authority and any Signatory Airline accommodating Airline pursuant to Sections 4.3 or 5.1 shall be named as a loss payee, as their interests may appear. Airline shall be responsible for all loss or damage to personal property owned, rented or used by Airline.

(f) Professional Liability. When any architects, engineers, project managers, construction managers or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors or omissions shall be maintained by such architects, engineers, project managers, construction managers, general contractor or other professional consultants with limits of not less than \$2,000,000; provided, however, that design and construction architects, engineers, project managers, construction managers or other professional consultants who perform work with respect to any construction project undertaken by Airline pursuant to this Agreement the cost of which is in excess of \$50,000,000 shall be maintained with limits of not less than \$5,000,000. When policies are renewed or replaced, the policy retroactive date shall coincide with, or precede, start of work on the contract. A claims made policy that is not renewed or replaced shall have an extended reporting period of at least two (2) years and contain a retroactive provision commensurate with the date of the Airline's first contract with the Authority.

(g) Pollution Liability Insurance. Pollution Liability Insurance shall be provided covering bodily injury, property damage, clean-up and other losses caused by pollution conditions or incidents including any Release, Discharge, or Disposal of Regulated Materials and Pollutants with limits of not less than \$10,000,000 per pollution condition or loss and \$10,000,000 annual aggregate. Coverage shall include but not be limited to: response to and remediation of new, preexisting, known and unknown on-site and off-site pollution conditions and incidents, emergency response costs, repairs, removals, abatement, corrective actions, transportation, contractual liability and defense. When policies are renewed, the policy retroactive date shall coincide with, or precede, Airline's first contract with the Authority. A claims-made policy which is not renewed or replaced shall have an extended reporting period of at least two (2) years. The Authority and any Signatory Airline accommodating Airline pursuant to Sections 4.3 or 5.1 is to be named in the policy as an additional insured.

Coverage shall also include but not be limited to (a) underground and above ground storage tank(s) owned or operated by Airline or its Airline Entities including any on site integral piping or dispensing equipment at the Airport, (b) any structural controls (above-ground or below-ground) used to treat sanitary sewer waste and storm water runoff operated by Airline or Airline Entities on the Premises, as set forth in Article 25 (Environmental Article), (c) deicing operations, (d) extraction of wastes, and (e) liability assumed under contract pertaining to (items a-d).

As an alternative to obtaining Pollution Liability Insurance, Airline may provide for reasonable limits of self-insurance as agreed with the Authority against the environmental risks that would be covered by a third-party insurer providing Pollution Liability Insurance. If Airline self-insures against such environmental risks, Airline shall make available its financial statement on-line. All amounts paid to the Authority by Airline on account of any self-insurance program shall be deemed insurance proceeds for purposes of this Agreement.

16.2 Additional Requirements

16.2.1 Evidence of Insurance. Airline will furnish the Authority and any Signatory Airline accommodating Airline pursuant to Sections 4.3 or 5.1, with original Certificates of Insurance (or copies thereof) and the additional insured endorsements attached or otherwise evidenced in the Certificates of Insurance where applicable evidencing the coverage

required to be in force on the date of this Agreement, as well as renewal Certificates of Insurance and additional insured endorsements, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. Airline shall submit evidence prior to the Effective Date. The receipt of a certificate or other insurance evidence does not constitute an agreement by the Authority that the insurance coverage required in this Agreement has been fully met or the insurance policies indicated on the certificate or other evidence of insurance provided are in compliance with all the Agreement requirements. Failure of the Authority to obtain certificates or any other insurance evidence from Airline showing compliance with these requirements of the Agreement is not a waiver by the Authority of any requirements for Airline to obtain and maintain the specified coverages. Airline shall advise all insurers of the Agreement provisions regarding insurance. The Authority in no way warrants that the insurance required herein is sufficient to protect Airline for liabilities that may arise from or relate to the Agreement. Airline agrees to allow Authority to inspect, at Airline's headquarters, any insurance policies required of Airline under this Agreement upon reasonable notice to Airlines if reasonably necessary in Authority's capacity as an additional insured (or if Authority was required to be an additional insured hereunder and Airline failed to include Authority as an additional insured, in connection with a claim against Authority); provided, however, that an Airline representative shall have the right to be present at such inspection and neither Authority nor its employees, contractors, or representatives, may take any photographs, make any copies, or otherwise reproduce, in whole or in part, any portion of the policies nor shall such persons or entities disclose the contents thereof outside of Authority unless such disclosure is required due to pursuit of a claim by or against Authority under such insurance in its capacity as an additional insured. Authority and Airline understand and agree that Authority is obligated to protect trade secret data in accordance with the Authority and further, that Authority shall give Airline reasonable opportunity to demonstrate the trade secret status of any data relating to Airline's insurance, and to procure a court order protecting the same, prior to Authority's release of the same.

16.2.2 Failure to Maintain Insurance. The insurance hereinbefore specified shall be carried during the term of this Agreement. Failure to carry or keep such insurance in force shall constitute a violation of the Agreement and an Event of Default under Section 22.1. To the extent there is such a failure, the Authority shall provide written notice thereof and Airline shall have fifteen (15) business days to cure such failure, after which the Authority may exercise any remedy in ARTICLE 22 or any other remedies under this Agreement until proper evidence of insurance is provided.

16.2.3 Notice of Cancellation, Material Change and Non-Renewal. Airline shall provide for thirty (30) days' advance notice to the Authority in the event coverage required in this Agreement (except coverage for war and allied peril risk for which Airline shall provide seven (7) days' advance notice or such other period as may be agreed by the Authority and Airline) has substantially changed, canceled, or non-renewed. Upon the earlier of Airline's receipt of a cancellation notice for non-payment of premium or Airline's knowledge thereof, Airline shall provide immediate notice to the Authority of such cancellation or impending cancellation with Airline's written plan for curing such non-payment and preventing non-payment of premiums thereafter.

16.2.4 Insurance Required of Contractors, Affiliates and Sublessees. In each contract with any Contractor, Affiliate or sublessee, Airline shall require such Contractor, Affiliate or Sublessee to obtain insurance coverages to adequately cover risks associated with any such Contractor, Affiliate or sublessee that are reasonably appropriate in their limits and other terms and conditions to the nature of the contract and standard in the industry within which such Contractors, Affiliate or sublessee practices. Such coverages shall insure the interests of the Authority, its employees, elected officials, agents and representatives including naming the Authority as an additional insured on an additional insured form acceptable to the Authority. Airline is also responsible for ensuring that each Contractor, Affiliate and sublessee has complied with the coverage and terms and conditions outlined in this Section 16.2. When requested by the Authority, Airline shall provide, or cause to be provided, to the Authority certificates of insurance and copies of additional insured endorsements or such other evidence of insurance, acceptable in form and content to the Authority. The Authority reserves the right to inspect complete, certified policy copies (or electronic copies thereof) of any required insurance at a mutually agreed to location within the State of Tennessee within ten (10) days of the Authority's written request. Failure of any Contractor, Affiliate or Sublessee to comply with required coverage and terms and condition outlined herein will not limit Airline's liability or responsibility hereunder.

16.2.5 No Limitation as to Airline's Liabilities. Airline expressly understands and agrees that any insurance coverages and limits furnished by Airline shall in no way limit Airline's liabilities and responsibilities specified within this Agreement or by Applicable Law.

16.2.6 Waiver of Subrogation. Airline waives and shall cause its insurers to waive, and Airline shall cause each of its Contractors, Affiliate and sublessees and each of Contractor's, Affiliate's and sublessor's insurers to waive, their respective rights of subrogation against the Authority Indemnified Parties for recovery of damages to the extent these damages are covered by the following insurance obtained by Airline pursuant to this Agreement: (1) Worker's Compensation and Employer's Liability Insurance; (2) All Risk Blanket Builder's Risk Insurance; and (3) All Risk Property Insurance. With respect to the waiver of subrogation for Worker's Compensation and Employer's Liability Insurance, Airline shall obtain an endorsement equivalent to WC 00 03 13 to effect such waiver.

In the event the insurers of Airline, or the insurers of any Contractor, Affiliate or sublessee, should seek to pursue contribution or a subrogation claim against the Authority, Airline shall be responsible to pay all cost of defending such claims, including actual attorneys' fees of counsel of the Authority's choosing, subject to Section 15.7.

16.2.7 Airline Insurance Primary. Airline expressly understands and agrees that any insurance maintained by the Authority shall apply in excess of and not contribute with insurance provided by Airline under this Agreement. All insurance policies required of Airline under this Agreement shall be endorsed to state that Airline's insurance policy is primary and not contributory with any insurance carried by the Authority.

16.2.8 Insurance Limits maintained by Airline. If Airline maintains higher limits than the minimum required herein, the Authority requires and shall be entitled to coverage for the higher limits maintained by Airline. Any available insurance proceeds in excess of the

specified minimum limits of insurance and coverage shall be available to the Authority, as their interest may appear.

16.2.9 Joint Venture or Limited Liability Company. If Airline is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

16.2.10 Other Insurance obtained by Airline. If Airline desires additional coverages, Airline shall be responsible for the acquisition and cost.

16.2.11 Self-Insurance of Airline. Airline may not self-insure any portion of any limit of primary coverage required hereunder unless specifically permitted under this Article 16 or otherwise approved in writing by the Authority. It is understood that in any instance in which Airline is permitted to and chooses to self-insure a portion of the limit of primary coverage required hereunder, Airline, as a self-insurer, has the same duties and obligations to the Authority (*e.g.* obligation to provide a defense for covered claims) and to the Authority's liability insurer(s) as a primary liability insurer has to excess insureds and excess insurers under a standard ISO policy form even though Airline's self-insurance is not on a standard ISO form. For purposes of this subsection, self-insurance shall not be construed to include deductibles that apply on a per-occurrence basis, or the use of Airline's captive insurer that maintains capital surplus equivalent to AM Best IV and in good standing with its regulators.

16.2.12 Defense Costs. Defense costs shall be included in all insurance policies required under this Article 16 but defense costs shall not erode the limits of liability of any of the insurance policies.

16.2.13 Authority's Right to Modify. The Authority maintains the right, based on commercially reasonable insurance standards, to modify, delete, alter or change the requirements set forth under this Article 16 with thirty (30) days' prior written notice to Airline.

ARTICLE 17

[INTENTIONALLY OMITTED]

ARTICLE 18

INCREASE IN COST OF INSURANCE

Airline shall not use the Premises in any manner not contemplated by this Agreement so as to increase the existing rates of insurance applicable to the buildings or structures of which the Premises are a part. If it nevertheless does so, then, at the option of the Authority, the full amount of any resulting increase in premiums paid by the Authority with respect to the buildings or structures of which the Premises are a part, and to the extent allocable to the Term, shall be paid by Airline to the Authority. Conversely, the Authority shall not use the Public Areas in any manner not contemplated by this Agreement so as to increase the existing rates of insurance applicable to Airline's Premises. If it nevertheless does so, then, at the option of Airline, the full amount of any

resulting increase in premiums paid by Airline with respect to the buildings or structures of which the Premises are a part, and to the extent allocable to the Term, shall be paid by Authority to Airline.

ARTICLE 19

CIVIL RIGHTS AND NON-DISCRIMINATION

19.1 General Civil Rights Provisions. Airline agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. If Airline transfers its obligation to another, the transferee is obligated in the same manner as Airline.

This provision obligates Airline for the period during which the property is owned, used or possessed by Airline and the Airport remains obligated to the Federal Aviation Administration. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

19.2 Compliance with Nondiscrimination Requirements. During the performance of this Agreement, Airline, for itself, its assignees, and successors in interest (hereinafter referred to as “Airline”) agrees as follows.

19.2.1 Compliance with Regulations: Airline (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Agreement.

19.2.2 Nondiscrimination: Airline, with regard to the work performed by it during the Agreement, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Airline will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the Agreement covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

19.2.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding, or negotiation made by Airline for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by Airline of Airline’s obligations under this Agreement and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

19.2.4 Information and Reports: Airline will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by Authority or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of Airline is in the exclusive possession of another who fails or refuses to furnish the information, Airline will so certify to Authority or the Federal Aviation

Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

19.2.5 Sanctions for Noncompliance: In the event of Airline's noncompliance with the nondiscrimination provisions of this contract, the Authority will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

- (a) Withholding payments to Airline under the Agreement until Airline complies; and/or
- (b) Cancelling, terminating, or suspending the Agreement, in whole or in part.

19.2.6 Incorporation of Provisions: Airline will include the provisions of paragraphs 19.2.1 through 19.2.6 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. Airline will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Airline becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Airline may request Authority to enter into any litigation to protect the interests of the Authority. In addition, Airline may request the United States to enter into the litigation to protect the interests of the United States.

19.3 Title VI Clauses for Transfer of Real Property Acquired or Improved Under the Airport Improvement Program.

19.3.1 Airline, for himself/herself, his/her heirs, personal representatives, 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:

- (a) In the event facilities are constructed, maintained, or otherwise operated on the property described in this Agreement for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, Airline will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Pertinent List of Nondiscrimination Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

19.3.2 With respect to this Agreement, in the event of breach of any of the above Nondiscrimination covenants, the Authority will have the right to terminate this Agreement and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if this Agreement had never been made or issued.

19.4 Clauses for Construction/Use/Access to Real Property Acquired Under the Activity, Facility or Program.

19.4.1 Airline, for himself/herself, his/her heirs, personal representatives, 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 (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Airline will use the premises in compliance with all other requirements imposed by or pursuant to the List of Nondiscrimination Acts and Authorities.

19.4.2 With respect to this Agreement, in the event of breach of any of the above nondiscrimination covenants, Authority will have the right to terminate the lease and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if this Agreement had never been made or issued.

19.5 Title VI List of Pertinent Nondiscrimination Acts and Authorities.

19.5.1 During the performance of this Agreement, Airline, for itself, its assignees, and successors in interest (hereinafter referred to as the “Airline”) agrees to comply with the following nondiscrimination statutes and authorities; including but not limited to:

(a) Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq.*, 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);

(b) 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);

(c) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

(d) Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq.*), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27;

(e) The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq.*) (prohibits discrimination on the basis of age);

(f) Airport and Airway Improvement Act of 1982 (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

(g) The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age

Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

(h) Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 USC §§ 12131 – 12189) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;

(i) The Federal Aviation Administration’s Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

(j) Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

(k) Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

(l) Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC 1681 et seq).

19.6 Affirmative Action. Airline covenants that it will comply with applicable statutes, executive orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap, be excluded from participating in any activity conducted with or benefiting from federal assistance. This paragraph obligates Airline or its transferee for the period during which federal assistance is extended to the airport program, except where federal assistance is to provide, or is in the form of, personal property or real property or interests therein or structures or improvements thereon. In these cases, this paragraph obligates the party or any transferee for the longer of the following periods: (i) the period during which the property is used by the sponsor or any transferee for a purpose for which federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (ii) the period during which the airport sponsor or any transferee retains ownership or possession of the property.

ARTICLE 20

ADDITIONAL FEDERAL OBLIGATIONS

20.1 Subordination to Agreements with the United States.

This Agreement is subject and subordinate to the provisions of any agreement heretofore or hereafter made between Authority and the United States, including without limitation the terms of any “Sponsor’s Grant Assurances” or like agreement, the execution of which is required to enable or permit the transfer of rights or property to Authority for airport purposes, or the expenditure of federal grant funds for Airport improvement, maintenance, or development. Airline shall reasonably abide by the requirements of agreements entered into between Authority and the United States and shall consent to amendments and modifications of this Agreement if required by such agreements or if required as a condition of Authority’s entry into such agreements.

20.2 Passenger Facility Charges.

20.2.1 Authority expressly reserves the right to impose and use PFCs in accordance with 49 U.S.C. § 40117 and the PFC Regulations.

20.2.2 Airline shall hold in trust for Authority the net principal amount of all PFCs that are collected by Airline or its agents on behalf of Authority pursuant to the applicable provisions of 49 U.S.C. § 40117 and the PFC Regulations. For purposes of this Section 20.2, net principal amount shall mean the total principal amount of all PFCs that are collected by Airline or its agents on behalf of Authority, reduced by any amount that Airline is permitted to retain pursuant to the PFC Regulations. PFCs collected by Airline shall be remitted to Authority at its Payment Address, or at such other place as the President/CEO may from time to time designate in writing.

20.3 PFC Act and Assurances.

20.3.1 Notwithstanding anything to the contrary in this Agreement, no provision of this Agreement shall impair the authority of Authority to impose a Passenger Facility Charge or to use the Passenger Facility Charge revenue as and to the extent provided in the Aviation Safety and Capacity Expansion Act of 1990, 49 U.S.C. § 40117 (the “PFC Act”).

20.3.2 Airline acknowledges that Authority has given to the United States of America, acting by and through the FAA, certain assurances set forth in the PFC Act and implementing regulations at 14 C.F.R. Part 158 (“PFC Assurances”), and Airline agrees that this Agreement shall be subordinate and subject to the PFC Assurances.

20.3.3 In the event that the FAA or its successors require any modifications or changes in this Agreement as a condition precedent to the collection of PFCs or otherwise complying with the PFC Act, Airline shall not withhold its consent to such amendments, modifications, revisions, supplements or deletions of any of the terms, conditions or requirements of this Agreement as may reasonably be required to collect PFCs or comply with the PFC Act. Authority agrees to provide Airline with advance written notice of any provisions that would adversely modify material terms of this Agreement.

20.4 Security and Payment of Fines for Violation of Federal Regulations

20.4.1 Airline acknowledges that security is of primary importance at the Airport and that security requirements are likely to change during the Term. Airline, its officers, employees, representatives, agents, servants, subtenants, consultants, contractors, successors, assigns and suppliers and those under its control, shall comply with security measures (a) required of Airline by the FAA or the TSA or by the Authority in accordance with applicable requirements of the FAA or the TSA or their authorized successor(s) or (b) contained in any Airport master security plan approved by the FAA or the TSA or their authorized successor(s). Airline shall comply, at its own expense, with the TSA's security requirements applicable to Airline at the Airport including, but not limited to, employee security training, badging, criminal background checks, access control, screening and inspections. Airline shall cooperate with the TSA on all security matters.

20.4.2 Compliance with such security measures and requirements shall not relieve Airline of its responsibility for maintaining proper security for the above-noted items, nor shall it be construed as limiting in any manner Airline's obligations with respect to all Applicable Laws and its duty to undertake reasonable action to establish and maintain secure conditions at and around the Premises. To comply with any applicable TSA requirements for areas under Airline's exclusive control, Airline hereby agrees to execute a reasonable exclusive area agreement pursuant to 49 C.F.R. 1542.111 with the Authority in form and substance which is reasonably acceptable to the parties. Airline accepts security responsibility to use commercially reasonable efforts to prevent unauthorized access to or from the Premises. Airline shall be responsible for preventing unauthorized persons from gaining access to the restricted areas of the Airport through the Premises during times and to the extent that Airline has control of the Premises.

20.4.3 Airline understands and agrees that security requirements may affect Airline's Air Transportation Business operations and costs. Airline shall be strictly liable for the payment of any fines assessed by the Authority or the payment of (or reimbursement of Authority for any payments of) any civil penalties assessed against Authority or Airline relating to security and resulting from the negligence or intentional acts of omission or commission of Airline's officers, employees, representatives, agents, servants, subtenants, consultants, contractors, successors, assigns and suppliers and those under its control, and Airline shall be solely and fully responsible for any and all breaches of security and the consequences thereof resulting from the negligence or intentional acts of omission or commission of its officers, employees, representatives, agents, servants, subtenants, consultants, contractors, successors, assigns and suppliers and those under its control; provided, however, that Airline shall have the right to contest, protest, or negotiate any such fines or civil penalties.

20.4.4 The Authority may impose and Airline agrees to pay a reasonable non-discriminatory cost-based user fee, if any, for the privilege of using identification cards or badges to gain access to the Airport security access control system.

20.5 No Exclusive Rights.

Nothing contained in this Agreement shall be deemed to grant to Airline any exclusive right or privilege within the meaning of 49 U.S.C. § 40103(e) with respect to activity on the Airport, except that, subject to the terms and provisions of this Agreement, Airline shall have the right to exclusive possession of any Exclusive Use Premises made available to Airline under this Agreement.

20.6 Right to Develop Airport.

Subject to the terms hereof, Authority reserves the right to further develop or improve the Airport as it sees fit, regardless of the desires or view of Airline and without interference or hindrance.

20.7 Right of Flight.

There is hereby reserved to Authority, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from, or operation on the Airport.

20.8 14 C.F.R Part 77, Obstructions in Navigable Airspace.

Airline agrees to comply with the applicable notification and review requirements covered in 14 Code of Federal Regulations (“C.F.R.”) Part 77 of the Federal Aviation Regulations, in the event future construction of a building is planned for the Premises covered by this Agreement, or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.

20.9 No Obstructions.

Airline, by accepting this Agreement, expressly agrees for itself, its successors, and assigns that it will not erect nor permit the erection of any structure or object nor permit the growth of any tree on the land rented hereunder above the mean sea level elevation of zero (0) feet for the Airfield, and fifty (50) feet for all other areas covered by this Agreement without Authority’s written consent. In the event the aforesaid covenants are breached, Authority reserves the right to enter upon the land covered by this Agreement and to remove the offending structure or object or cut the offending tree, all of which shall be at the expense of Airline.

20.10 War or National Emergency.

This Agreement shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of the Airport or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency.

20.11 No Interference with Airport Operations.

Airline by accepting this Agreement agrees for itself, its successors, and assigns that it will not do or permit to be done by its officers, agents, employees, contractors or invitees, any act or omission which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard, or unreasonably interfere with the conduct of business by another airline, tenant or contractor of Authority, or unreasonably interfere with the performance of their duties by the staff of Authority or by the staff of the FAA, the TSA or any other agency of the U. S. Government, or of the contractors thereof. In the event this covenant is breached, Authority reserves the right, in addition to any other rights or remedies under this Agreement or in law or equity, to enter upon the Premises and cause the abatement of such interference at the expense of Airline.

20.12 SEC Rule 15c2-12.

Airline, upon Authority's request, shall provide to Authority such information as Authority may reasonably request in writing to comply with Authority's continuing disclosure requirements under SEC Rule 15c2-12, as it may be amended from time to time, provided, however, that Airline may, in lieu of providing the requested information, direct Authority to an Airline or SEC website where the requested information is then currently available.

20.13 Americans with Disabilities Act ("ADA") and Air Carrier Access Act ("ACAA").

Airline acknowledges that, pursuant to the Americans with Disabilities Act, 42 U.S.C. Sections 12101 et seq., as amended and supplemented (ADA) and the Air Carrier Access Act, 49 U.S.C. Section 41705, as amended and supplemented (ACAA), to the extent applicable to Airline, programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. To the extent the ADA or the ACAA is so applicable: (a) Airline shall provide the services specified in this Agreement in a manner that complies with the ADA or the ACAA, as applicable, and any and all other applicable federal, State and local disability rights legislation, other Applicable Laws related to disability rights; and (b) Airline agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement; and (c) Airline further agrees that any violation of this prohibition on the part of Airline, its employees, agents or assigns shall constitute a material breach of this Agreement.

ARTICLE 21

SECURITY DEPOSIT

If, at any time during the Term, Airline shall fail duly and timely to pay any Landing Fees, Terminal Rent or any other rate or charge due under this Agreement, and such failure continues for more than five (5) days from the date payment was due to the Authority, the Authority shall have the right to impose the security deposit requirements of this Article 21 by providing Airline with written notice thereof. In such event, Airline shall obtain and deliver to the Authority at the address set forth in Section 1.1, a Security Deposit equal to three months of Landing Fees and

Terminal Fees as estimated by the Authority. The Security Deposit shall be made by irrevocable letter of credit, surety bond or other instrument acceptable to the Authority no later than thirty (30) calendar days after Airline's receipt of the Authority's notice imposing the Security Deposit requirement, and shall remain in place at all times throughout the remainder of Term and throughout any holdover period. The Authority shall not pay interest on the Security Deposit, and the Authority shall not be required to keep the Security Deposit separate from its other accounts. No trust relationship is created with respect to the Security Deposit. If Airline's Security Deposit is in the form of a letter of credit, and unless said letter of credit is automatically renewing, Airline shall, at least thirty (30) days prior to the maturity date of the letter of credit (or any replacement letter of credit) then held by the Authority, deliver to the Authority a replacement letter of credit that has a maturity date no earlier than the next anniversary of the Effective Date or one (1) year from its date of delivery to the Authority, whichever is later.

The Authority may apply all or part of the Security Deposit to any unpaid sums due under this Agreement. If the Authority depletes the Security Deposit in this way, Airline shall restore the Security Deposit within ten (10) days after Airline's receipt of the Authority's written request to do so. Notwithstanding the foregoing, if the Authority depletes the Security Deposit and an unpaid sum remains due under this Agreement, the Authority shall have the right to recover the total of such unpaid sum through the fees and charges mechanism set forth in Article 9; provided, however, that this shall not release nor in any way affect Airline's liability for such unpaid sums.

Should Airline comply with all of the terms, covenants and conditions of this Agreement and promptly pay all sums payable by Airline to the Authority hereunder, the Security Deposit or the remaining proceeds therefrom, as applicable, shall be returned to Airline within thirty (30) days after the expiration or earlier termination of the Term, less any portion thereof that may have been used by the Authority to cure an Event of Default. The Authority's rights under this Article 21 shall be in addition to all other rights and remedies provided to the Authority under this Agreement or by Applicable Laws.

ARTICLE 22

DEFAULT AND TERMINATION

22.1 Airline Defaults. The occurrence of any one or more of the following events shall constitute a breach of this Agreement and an Event of Default under this Agreement:

22.1.1 Airline shall fail duly and timely to pay any Landing Fees, Terminal Rent or any other rate or charge due under this Agreement, when due to Authority, and such failure shall continue for five (5) days beyond Airline's receipt, pursuant to Section 26.22, of a written notice of such breach or default from President and CEO. Notwithstanding the foregoing, in the event there occur two (2) defaults in the payment of Landing Fees, Terminal Rent or other rate or charge due under this Agreement in any consecutive twelve (12) month period, thereafter Airline shall not be entitled to, and Authority shall have no obligation to give, notice of any further payment defaults. In such event, there shall be deemed to occur an "Event of Default" immediately upon Airline's failure timely to pay Landing Fees, Terminal Rent or other payment due under this Agreement.

22.1.2 Airline shall fail duly and timely to remit to the Authority passenger facility charges (“PFCs”) collected by Airline from its passengers in accordance with 49 U.S.C. § 40117 and applicable implementing regulations adopted by the FAA, 14 CFR Pt. 158, as they may be amended from time to time.

22.1.3 Airline shall become insolvent (as such term is defined under Section 101 of the Federal Bankruptcy Code); or shall fail to pay its debts generally as they mature; or shall take the benefit of any present or future federal or state insolvency statute; or shall make a general assignment for the benefit of creditors.

22.1.4 Airline shall file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement of its indebtedness under the Federal Bankruptcy Code or under any other law or statute of the United States or of any state thereof; or consent to the appointment of a receiver, trustee, custodian, liquidator or other similar official, of all or substantially all of its property; or an order for relief shall be entered by or against Airline under any chapter of the Federal Bankruptcy Code.

22.1.5 By order or decree of a court, Airline shall be adjudged bankrupt or an order shall be made approving a petition filed by any of its creditors or by any of its stockholders, seeking its reorganization or the restructuring of its indebtedness under the Federal Bankruptcy Code or under any other law or statute of the United States or any state thereof and such order or decree shall not be stayed or vacated within sixty (60) days of its issuance.

22.1.6 A petition under any chapter of the Federal Bankruptcy Code or an action under any federal or state insolvency law or statute shall be filed against Airline and shall not be dismissed or stayed within sixty (60) days after the filing thereof.

22.1.7 By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer, a receiver, trustee, custodian, liquidator or other similar official shall take possession or control of all or substantially all of the property of Airline and such possession or control shall continue in effect for a period of sixty (60) days.

22.1.8 Airline shall become a corporation in dissolution.

22.1.9 The letting, license or other interest of or rights of Airline hereunder shall be transferred to, pass to or devolve upon, by operation of law or otherwise, any other person, firm, corporation or other entity, by, in connection with or as a result of any bankruptcy, insolvency, trusteeship, liquidation or other proceedings or occurrence described in Sections 22.1.3 through 22.1.8.

22.1.10 There shall occur a transfer subject to Section 3.2 without the prior approval of the Authority, to the extent Authority’s approval is required thereunder.

22.1.11 Airline shall abandon, desert, or vacate the Premises.

22.1.12 Any lien shall be filed against the Premises as a result of an act or omission of Airline, and shall not be discharged or bonded over within sixty (60) days after receipt of notice by Airline.

22.1.13 Airline shall fail to obtain and maintain the insurance required by this Agreement, or provide copies of the policies or certificates to Authority as required, subject to any notice and cure rights under Article 16.

22.1.14 Airline shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Agreement, and such failure shall continue for a period of more than thirty (30) days after delivery by President and CEO of a written notice of such failure or if satisfaction of such obligation requires activity over a period of time, if Airline fails to commence the cure of such failure within thirty (30) days after receipt of such notice, or thereafter fails to diligently prosecute such cure, or fails to actually cause such cure within thirty (30) days after the giving of such notice.

22.2 Authority Remedies.

22.2.1 General Remedies – Applicable to All Portions of the Premises.

(a) Whenever any Event of Default shall occur (other than a default pursuant to subsection 22.1.3 upon which termination of this Agreement, at the Authority's option, shall be effective immediately without further notice), this Agreement and all of Airline's rights thereunder shall terminate if the written notice of Event of Default so provides. The Authority shall be entitled to recover from Airline all Termination Damages, together with interest on all Termination Damages at the rate of 18% per annum, or the maximum rate permitted by Applicable Law, whichever is lower, from the date such Termination Damages are incurred by the Authority.

(b) In addition to Termination Damages, and notwithstanding termination, Airline's liability for all rent and fees which, but for termination of the Agreement, would have become due over the remainder of the Agreement ("Future Charges") shall not be extinguished and Airline agrees that the Authority shall be entitled, upon termination for default, to collect as additional damages a Rental Deficiency. As used in this subsection 22.2.1, a "Rental Deficiency" shall mean: an amount or amounts equal to Future Charges less the amount or amounts of rental, if any, which the Authority shall receive during the remainder of the Term from others to whom the Premises may be rented, in which case such Rental Deficiency shall be computed and payable in monthly installments, in advance, on the first day of each calendar month following termination of the Agreement and continuing until the date of which the Term would have expired but for such termination, and any suit or action brought to collect any portion of Rental Deficiency attributable to any particular month or months, shall not in any manner prejudice the Authority's right to collect any portion of Rental Deficiency by a similar proceeding.

(c) The Authority's action pursuant to this subsection 22.2.1 shall not in any way limit the Authority in the pursuit of any other additional right or remedy available to the Authority in law or in equity by reason of Airline's default.

22.2.2 Additional Remedies for Exclusive Use Premises and Preferential Use Premises.

(a) Whenever any Event of Default shall occur (other than a default pursuant to subsection 22.1.3 upon which termination of this Agreement, at the Authority's option, shall be effective without further notice), this Agreement and all of Airline's rights thereunder shall terminate if written notice of the Event of Default so provides. In the event such Event of Default involves Exclusive Use Premises or Preferential Use Premises, in addition to those remedies for an Event of Default set forth in subsection 22.2.1, above, upon termination the Authority may re-enter and take exclusive possession of any such Exclusive Use Premises and Preferential Use Premises and remove all persons and property from such Exclusive Use Premises and Preferential Use Premises, without the Authority being liable to Airline for damage or loss thereby sustained by Airline. The Authority shall be entitled to recover from Airline, in addition to Termination Damages and a Rental Deficiency Additional Termination Damages, together with interest on all Additional Termination Damages at the rate of 18% per annum, or the maximum rate permitted by Applicable Law, whichever is lower, from the date such Additional Termination Damages are incurred by the Authority. Airline shall have no right to or claim upon any improvements that may have been previously installed by Airline in or on the Exclusive Use Premises or the Preferential Use Premises.

(b) If this Agreement terminates as a result of an Event of Default by Airline, the Authority shall use reasonable efforts to relet the Exclusive Use Premises and Preferential Use Premises or any part thereof, alone or together with other Exclusive Use Premises and Preferential Use Premises, for such term or terms and for such use or uses as the Authority in its sole discretion may determine. Airline's obligations hereunder shall not be discharged by reason or failure of Authority to relet the Exclusive Use Premises or Preferential Use Premises.

(c) The Authority's actions pursuant to this subsection 22.2.2 shall not in any way limit the Authority in pursuant of any other additional right of remedy available to the Authority in law or in equity by reason of Airline's default.

22.3 Termination. This Agreement may be terminated in advance of its Expiration Date in the following events:

22.3.1 In the event that any federal, state or local government or agency or instrumentality thereof shall, by condemnation or deed or conveyance in lieu thereof, take title, possession or the right to possession of the Premises or any substantial portion of the Premises, the Authority may, at its option, terminate this Agreement as of the date of such taking; or

22.3.2 In the event that any court having jurisdiction in the matter shall render a decision which has become final and which will permanently or for a substantial period of time prevent the performance by the Authority of any of its material obligations under this Agreement, then either party hereto may terminate this Agreement by written notice. This right of termination shall be and remain effective whether or not the Authority, by taking affirmative

action or by inaction, could have prevented the rendering of the decision or could have caused the decision to be vacated before it became final.

22.3.3 In the event of termination of this Agreement under any of the above subsections, all rights and obligations of the parties (with the exception of any undischarged rights and obligations that accrued prior to the effective date of such termination) shall terminate, and if Airline is not in material default under any of the provisions of this Agreement on the effective date of termination, any rent prepaid by Airline shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Airline.

22.4 Authority's Right to Perform. All agreements and obligations to be performed by Airline under any of the terms of this Agreement shall be at its sole cost and expense and without any abatement of Terminal Rents or Landing Fees. If Airline shall fail to make any payment or perform any act on its part to be performed hereunder and such failure shall continue for ten (10) days, after notice thereof by Authority, Authority may, but shall not be obligated to do so, and without waiving or releasing Airline from any obligations of Airline, make any such payment or perform any such other act on Airline's part to be made or performed as provided in this Agreement. All sums so paid by Authority and all necessary incidental costs shall be deemed additional rent hereunder and shall be payable to Authority on demand, and Authority shall have (in addition to any other right or remedy of Authority) the same rights and remedies in the event of the nonpayment thereof by Airline as in the case of default by Airline in the payment of Terminal Rents or Landing Fees.

22.5 Rights Related to Termination. In the event of any termination by the Authority based on an Event of Default, all rights, powers and privileges of Airline under this Agreement shall cease, and Airline shall immediately vacate any portions of the Premises occupied by it under this Agreement. Airline shall have no claim of any kind whatsoever against the Authority by reason of such termination or by reason of any act by the Authority related to such termination.

22.6 Bankruptcy.

In no event shall this Agreement or any rights or privileges hereunder be an asset of Airline under any bankruptcy, insolvency or reorganization proceedings. To the extent consistent with and permitted under the United States Bankruptcy Code or similar debtor relief laws, if Airline seeks protection under the United States Bankruptcy Code or similar debtor relief laws, or is currently operating under the protection of the United States Bankruptcy Code or other similar debtor relief laws, Airline will comply with every provision of this Agreement as and when required under this Agreement, including without limitation performing any required remediation relating to any environmental matter pursuant to Airline's obligations under Article 25 which arose prior to or arises during the course of Airline's bankruptcy case. No Air Carrier will be allowed to assume this Agreement without performing any required remediation as part of the cure of any Event of Default under this Agreement.

ARTICLE 23

SURRENDER OF POSSESSION

Airline agrees to yield and deliver to Authority possession of the Premises or applicable portion thereof as a result of: (i) the termination of this Agreement; (ii) the partial termination of Premises under Section **Error! Reference source not found.**; (iii) the reallocation or recapture of Premises under ARTICLE 4 or ARTICLE 5; or (iv) the termination of any holdover period. Upon surrender, all Premises shall be in good condition in accordance with Airline's obligations under this Agreement, except for damage or loss due to reasonable wear and tear, fire or other casualty, or other cause beyond Airline's control, and Airline shall have the right for thirty (30) days after the surrender of said Premises to remove all Airline furniture, equipment and trade fixtures; subject, however, to any valid lien which Authority may have thereon for unpaid rentals or fees (provided that Authority waives any right it has to lien Airline's aircraft). Such removal shall not damage the Premises. If damage results from such removal, Airline shall restore the Premises to as good condition as they were prior to removal, normal wear and tear excepted. If Airline fails to remove any Airline furniture, equipment or trade fixture within thirty (30) days after the surrender of its Premises, the Authority may remove such furniture, equipment or trade fixture at Airline's sole cost. Airline shall reimburse the Authority within thirty (30) days of receiving an invoice for the cost of any such removal and related repairs to the Premises, if any, including administrative costs of ten percent (10%).

ARTICLE 24

HOLDING OVER

In the event Airline holds over, refuses, or fails to give up the possession of the Premises at the expiration or termination of this Agreement, or the relevant portion of Premises in the event of expiration or termination of the lease for said portion, without written consent of the Authority, Airline shall have only the status of a tenant at sufferance and no periodic tenancy will be deemed to have been created. Airline shall pay reasonable rentals, rates, and charges as then prescribed by the Authority and such rentals, rates, and charges may be different from those prescribed during the Term. Rent shall be paid on a pro rata basis for the period of time that Airline is in a hold over status. Further, in the event that Airline holds over, and if the Authority shall desire to regain possession of the Premises, then the Authority may re-enter and take possession of the Premises with at least thirty (30) days' prior written notice. Furthermore, if the Authority so elects, it may accept rent and concurrently commence legal proceedings to regain possession of the Premises.

ARTICLE 25

ENVIRONMENTAL STANDARDS

25.1 Airline Representations, Warranties, and Covenants

Airline represents, warrants, and covenants the following with respect to its use of the Airport pursuant to this Agreement:

25.1.1 Airline has obtained and throughout the Term shall regularly maintain and timely update all applicable licenses, permits, registrations and other authorizations and approvals required under Environmental Laws, and shall provide any notices required under Environmental Laws, for conducting its operations at the Airport during the Term. Airline shall ensure that Airline Entities obtain, maintain and update all applicable licenses, permits, registrations and other authorizations required by Environmental Laws pertaining to its and their use of and operations at the Airport.

25.1.2 Airline shall comply, and shall ensure that Airline Entities comply, with all applicable Environmental Laws pertaining to its and their use of, and operations at, the Airport.

25.1.3 Airline shall not conduct its operations at the Airport during the Term in such a manner so as to cause, unlawfully allow or contribute to, and shall ensure that Airline Entities do not conduct their operations at the Airport during the Term in such a manner so as to cause, unlawfully allow or contribute to:

(a) any Release of any Regulated Materials and Pollutants at the Airport, unless authorized by Environmental Laws;

(b) any violation of any applicable Environmental Laws as a result, in whole or in part, of the use by or operations of Airline or Airline Entities at the Airport;

(c) any Release in violation of any applicable Environmental Laws which is a contributing cause of the Authority exceeding any terms, conditions or effluent limits of any NPDES permit or individual storm water discharge permit issued to the Authority, Multi-Sector General Permit, Municipal Separate Storm Sewer System permit, or any applicable federal or State of Tennessee effluent limitation guideline;

(d) any Release to soil or waters at, or underlying the Airport, or waters adjacent to the Airport in violation of any applicable Environmental Laws; or

(e) any emissions to the air in violation of any applicable Environmental Laws that results in an exceedance of an applicable emission standard at the Airport or of any terms or conditions of any of Airline's air permits.

25.1.4 Airline shall, and shall ensure that Airline Entities, handle, use, store, dispose of, transport, or otherwise manage, any Regulated Materials and Pollutants at the Airport during the Term in a lawful manner. Without limiting the foregoing, Airline shall not conduct and shall ensure that Airline Entities do not conduct any operations or activities involving the use or application of ethylene glycol, propylene glycol, or any other substance in de-icing or anti-icing at any location at the Airport except in accordance with all applicable Environmental Laws and in compliance with any de-icing policies and practices as may be adopted by the Authority after consultation with Airline.

25.1.5 Airline shall be, and shall ensure that Airline Entities are, responsible for the proper transportation and disposal of all Regulated Materials and Pollutants generated by Airline or Airline Entities, or resulting from Airline's use, activities and operations, at the

Airport during the Term, including those activities and operations conducted by Airline Entities. In such cases, in the event a signature as “Generator” is required on waste manifests, waste profile sheets or generator’s certifications of non-special waste, Airline shall ensure that either Airline or the appropriate Airline Entity signs such documents as a Generator, provided such designation is in accordance with applicable Environmental Laws. Airline shall be responsible for the proper removal, transportation, and disposal of Regulated Materials and Pollutants confiscated by the Transportation Security Administration, but only with respect to such Regulated Materials and Pollutants obtained from Airline’s passengers’ checked baggage.

25.1.6 Airline shall be, and shall ensure that Airline Entities are, responsible for the maintenance of any structural controls (above-ground or below-ground), as defined below, used to treat sanitary sewer waste and storm water runoff operated by Airline or Airline Entities on the Premises during the Term. Maintenance frequencies for any such structural controls shall be established by Airline in a reasonable manner in accordance with industry standards and applicable Environmental Laws to ensure effective operation of such controls and to prevent failures of such controls that could result in the Release of Regulated Materials and Pollutants in violation of any applicable Environmental Laws. Airline shall ensure that environmental records required to be kept in accordance with Environmental Laws, including any applicable Storm Water Pollution Prevention Plan (SWPPP), are maintained to the extent required by Environmental Laws and made available to the Authority upon request. Structural controls to be maintained by Airline may include, but are not limited to: oil/water separators (both storm and sanitary sewer), grease traps, sand traps, diversion valves, shut-off valves, storm sewer drain filters, trench drains. Airline shall remove and properly dispose of any Regulated Materials and Pollutants in said designated structural controls maintained by Airline prior to vacating the Premises, except when such equipment itself and any Regulated Materials and Pollutants contained therein are removed from the Airport.

25.1.7 Airline shall be, and shall ensure that Airline Entities are, responsible for the maintenance of any air pollution control equipment required by any applicable Environmental Laws operated by Airline or Airline Entities on the Premises during the Term. Maintenance frequencies for any such air pollution control equipment shall be established by Airline in a reasonable manner in accordance with industry standards, the provisions of applicable air permits and applicable Environmental Laws to ensure effective operation of such equipment and to prevent failures of such equipment that could result in the emission of pollutants in violation of any applicable Environmental Laws. Airline shall ensure that environmental records required are maintained in accordance with Environmental Laws and made available to the Authority upon reasonable advance written notice to Airline. Airline shall remove and properly dispose of any Regulated Materials and Pollutants in such air pollution control equipment operated by Airline prior to vacating the Premises, except when such equipment itself and any Regulated Materials and Pollutants contained therein are removed from the Airport.

25.1.8 If Airline or Airline Entities cause, unlawfully allow or contribute to a Release of a Regulated Materials and Pollutants at the Airport that is in violation of any applicable Environmental Laws or that is above any applicable reportable quantity, emission standard or effluent guideline set forth in any applicable Environmental Laws, Airline shall report such Release to the appropriate governmental authorities in compliance with applicable

Environmental Laws and not otherwise covered by an Environmental Law exemption. Airline shall ensure that Airline Entities report any Release that is in violation of any applicable Environmental Laws or that is above any applicable reportable quantity, emission standard or effluent guideline set forth in any applicable Environmental Laws to the appropriate governmental authorities, in compliance with applicable Environmental Laws, if the operations of the Airline Entity cause, unlawfully allow or contribute to a Release of a Regulated Materials and Pollutants that is in violation of any applicable Environmental Laws or that is above any reportable quantity set forth in any applicable Environmental Laws

25.1.9 Airline acknowledges that the Authority is subject to certain NPDES permits, state and federal storm water regulations and federal and state effluent limitation guidelines for operations at the Airport. Airline shall conduct operations and activities at the Airport, including but not limited to de-icing, anti-icing, and construction, and shall ensure that Airline Entities conduct operations and activities at the Airport in compliance with applicable Environmental Laws. Airline acknowledges that its reasonable cooperation is necessary to ensure Airport's compliance with any applicable NPDES storm water permits and effluent limitation guidelines under Environmental Laws. Airline further acknowledges that reasonable cooperation may include the preparation and submittal of a written site-specific SWPPP by Airline or an Airline Entity at the request of the Authority. Airline shall not seek NPDES coverage under a separate mechanism unless so directed by the Authority or if Environmental Laws require separate coverage. Airline further acknowledges that any effluent limitation guidelines in any NPDES storm water discharge permit issued to the Authority and timely provided to Airline are incorporated by reference into this Agreement to the extent such guidelines affect Airline's operations at or use of the Airport or operations or activities conducted on its behalf at the Airport. The Authority shall provide advance notice to Airline of and a reasonable opportunity to comment on, and shall otherwise endeavor to negotiate reasonable and cost effective terms and conditions of, any permits issued to the Authority which may affect Airline's operations at or use of the Airport or operations or activities conducted on its behalf at the Airport, or which may necessitate Airline's reasonable cooperation to assure the Authority's compliance therewith.

25.1.10 Airline and each Airline Entity shall be responsible for preparation and implementation of any Spill Prevention, Control, and Countermeasures (SPCC) Plans and/or Facility Response Plan (FRP) in accordance with 40 CFR Part 112, as applicable to the Airline's or Airline Entity's use of the Premises or Airport.

25.1.11 Airline and Airline Entities shall cooperate with the Authority, as reasonably requested from time to time by the Authority, to ensure that Airline's and Airline Entities' operations at, or use of, the Airport will not unreasonably interfere with the Authority's implementation of any wildlife hazard management plan to reduce wildlife hazards at the Airport.

25.1.12 Any fixed tanks, pumps, chemical or Regulated Materials and Pollutants containers, pipelines, lines, and equipment or other such fixtures installed by or on behalf of Airline or an Airline Entity shall remain the property of Airline or the Airline Entity, and ownership of, or responsibility for, such equipment shall not pass to the Authority, except

pursuant to the agreement of the Authority and Airline or Airline Entity. No such equipment shall be installed without the written consent of the Authority.

25.1.13 Airline understands and acknowledges that the Authority's future capital projects at the Airport may require review or approval by the FAA, other federal agencies, state agencies and local agencies pursuant to various requirements imposed upon the Airport or the Authority. If requested by the Authority, Airline shall, and shall cause Airline Entities to, reasonably cooperate with the Authority in its preparation of such submittals as are required of the Authority by FAA, other federal agencies, state agencies and local agencies, in connection with Airline's future capital projects or in connection with the Authority's capital projects at the Airport which benefit Airline.

25.1.14 Airline, prior to vacating or surrendering any portion of its Premises for any reason, shall:

(a) with respect to any Regulated Materials and Pollutants on the Premises for which it is responsible under Section 25.4, Airline shall demonstrate compliance with Section 25.5 and all other provisions of this Article;

(b) remove and dispose of any and all trash, debris, or garbage generated by Airline or Airline Entities;

(c) remove any and all above-ground containers and non-permanent structural controls owned by Airline or Airline Entities, including, but not limited to, removable filters, grates and above-ground tanks located on Airline's Premises, unless Airline and the Authority agree otherwise; and

(d) comply with applicable Environmental Laws regarding the closing or removal from service of any underground or aboveground tanks, vessels, and containers operated or owned by Airline or Airline Entities and located on Airline's Premises, provided, however, that Airline shall have no such obligation with respect to any airport hydrant fuel system maintained by an airport fueling consortium.

25.2 Right of Entry to Perform Environmental Inspections and Sampling

25.2.1 The Authority and its contractors and other agents shall have the full right to enter any part of the Premises, at all reasonable times (subject to the requirements for advance written notice as provided below) and in the Authority's sole discretion, for the purpose of conducting an environmental inspection, assessment, investigation, or compliance audit of Airline's operations thereon, or any other party's use and operations, including operations of Airline Entities. As needed following an unauthorized Release of Regulated Materials or Pollutants, or other reasonable basis, the Authority and its authorized agents may, at the Authority's expense, take samples and perform tests, including but not limited to soil borings, ground water monitoring, and collection of samples of air, soil, surface water and ground water. The results of such shall be shared with the Airline or Airline Entities upon written request. In order to minimize undue interference with Airline's operations, the Authority will provide seventy-two (72) hours' advance written notice of any Authority-initiated inspection, assessment, investigation, or compliance audit of Airline's operations thereon, or any other party's use and

operations, including operations of any Airline Entity or intrusive Authority sampling to Airline, except in emergencies, when advance notice shall not be required. Airline or its designees shall have the right to accompany the Authority when any such inspection or sampling is performed, provided that the Authority is not required to unreasonably delay its inspection or sampling to enable Airline to be present. Airline shall have the right to obtain, at Airline's expense, split samples and the Authority shall promptly provide copies of all analytical results of such sampling, including any non-privileged reports upon request.

25.2.2 Airline shall cooperate, and shall ensure that Airline Entities cooperate, in allowing prompt, reasonable access to the Authority to conduct such inspection, assessment, audit, sampling, or tests. In the exercise of its rights under this Section 25.2, the Authority shall not unreasonably interfere with the authorized use and occupancy of the Premises by Airline or Airline Entities. Airline remains solely responsible for its environmental, health, and safety compliance, notwithstanding any the Authority inspection, audit, or assessment.

25.2.3 Airline shall be provided the opportunity to review and comment on the report of the audit results prior to finalization. In the event a compliance audit shall disclose any violation of Environmental Laws by Airline or an Airline Entity, Airline shall pay all reasonable costs associated with the compliance audit. Airline shall promptly correct any deficiencies resulting from its non-compliance as identified in the final audit report.

25.3 Information to be Provided to the Authority

25.3.1 If Airline or an Airline Entity receives any written notice, citation, order, warning, complaint, claim or demand from a government entity regarding Airline's or an Airline Entity's use of, or operations at, the Premises during the Term or other property at the Airport used by Airline pursuant to this Agreement that is not legally privileged, made confidential by Applicable Laws, or protected as trade secrets:

- (a) concerning any alleged Release of a Regulated Materials and Pollutants by Airline or by Airline Entities;
- (b) alleging Environmental Damages attributable to Airline or any Airline Entity or alleging that Airline or any Airline Entity is, or may be, in violation of any Environmental Laws; or
- (c) asserting that Airline or any Airline Entity is liable for the cost of investigation or remediation of a Release;

Airline shall promptly, but not later than five (5) business days after Airline's or an Airline Entity's receipt, inform the Authority in writing of same, including a copy of such notice received by Airline.

25.3.2 Unless waived by the Authority in writing, Airline shall simultaneously provide to the Authority copies of an Airline or an Airline Entity's submittals of any non-privileged reports or notices required under Environmental Laws to any governmental agency regarding:

(a) Airline's or Airline Entities' alleged failure to comply with any Environmental Laws at the Premises or other property at the Airport used by Airline pursuant to this Agreement, or

(b) any Release arising out of the Airline or Airline Entities' past or present operations at or use of the Premises or other property at the Airport used by Airline or Airline Entities pursuant to this Agreement.

25.3.3 In connection with any matter arising under Section 25.3.1 above, Airline shall make available, within ten (10) business days of Airline's receipt of the Authority's written request, subject to document retention requirements provided by Applicable Laws, the non-privileged documents that Airline has submitted to any governmental agency pertaining to the environmental compliance status with respect to such matter of Airline's or an Airline Entity's operations at or use of the Premises or other property at Airport used pursuant to this Agreement by Airline or an Airline Entity, including without limitation any and all non-privileged records, permits, permit applications, test results, sample results, written or electronic documentation, studies, or other documentation regarding environmental conditions or relating to the presence, use, storage, control, disposal, or treatment of any Regulated Materials and Pollutants by Airline or Airline Entities at the Airport.

25.3.4 Within 30 days of request from the Authority, Airline shall provide the Authority with (a) a copy of any application filed within the previous 12-month period from the date of the request for a permit, if required, for use or storage of Regulated Materials and Pollutants on the Airport from any governmental agency responsible for enforcement of applicable Environmental Laws; and (b) a copy of any permit received from such agency in response to such application; and (c) any reports made within the previous 12-month period from the date of the request by Airline or Airline Entity to any environmental agency arising out of or in connection with any Regulated Materials and Pollutants or pursuant to any Environmental Laws or permits on or about the Premises.

25.4 Airline's Environmental Response and Compliance Obligations

25.4.1 Without limiting the indemnity obligations of Section 25.7, if, during the Term, Airline or any Airline Entity causes, unlawfully allows or contributes to a Release of Regulated Materials and Pollutants that is in violation of any applicable Environmental Laws or that is above any applicable reportable quantity, emission standard or effluent guideline set forth in applicable Environmental Laws, at any portion of the Airport or adjacent waters, in connection with their operations at the Premises or at other property at the Airport used by Airline pursuant to this Agreement, Airline shall perform or shall cause to be performed, consistent with the provisions of Section 25.5, the following:

(a) notify the Authority of such Release as required by and in accordance with the applicable Airport Rules and Regulations and applicable Environmental Laws;

(b) report such Release to appropriate governmental agencies as required by and in accordance with applicable Environmental Laws;

(c) promptly Respond to the Release of a Regulated Materials and Pollutants, as required by applicable Environmental Laws;

(d) promptly take all further actions required under Environmental Laws to abate any threat to human health or the environment;

(e) promptly undertake any further removals, remediation, or corrective actions as are required by Environmental Laws or a governmental agency exercising its authorized regulatory jurisdiction under Environmental Laws, to remedy any such Release of a Regulated Materials and Pollutants, and any resulting impacts; and

(f) if applicable, and to the extent feasible, promptly obtain documentation of the approval of the closure of the Response to such Release from the governmental agency(ies) with regulatory jurisdiction as such may be issued under Environmental Laws, and provide such documentation to the Authority.

25.4.2 Any Response, remedial or other activity undertaken by Airline under this Article shall not be construed to impair Airline's rights, if any, to seek contribution or indemnity from any person, consistent with the terms and limitations of this Agreement, including Section 25.7, below.

25.4.3 Airline shall not be responsible under this Section 25.4 for a Release to the extent caused by another Air Carrier that the Authority has compelled Airline to accommodate pursuant to Section(s) 4.3 and 5.1.

25.5 Investigation, Remediation, or Corrective Action Process

25.5.1 Before commencing any subsurface soil, surface water, storm water, or groundwater investigations, removals, remediation, or corrective actions that Airline or an Airline Entity are required to perform at the Airport under this Agreement or applicable Environmental Regulations, including any such actions mandated in Section 25.4, and except for immediate removal actions required by Environmental Laws and otherwise undertaken pursuant to Section 25.4, Airline shall promptly provide any proposed plans for such investigations, removals, remediation, or corrective actions to the Authority for approval in accordance with applicable Environmental Laws, which approval shall not be unreasonably withheld, delayed or conditioned. The work shall be performed in a diligent manner consistent with the time(s) prescribed by Environmental Laws and relevant governmental authorities and at Airline's expense, and the Authority shall have the right to review and inspect all such work at any time using consultants and representatives of the Authority's choice, at the Authority's expense. Specific cleanup levels for any environmental removals, remediation or corrective actions shall comply with applicable Environmental Laws, with remediation standards being applied to such actions consistent with the use of the Airport for such purposes, including Planned Uses. Airline may also utilize institutional controls and other engineered barriers as part of any removals, remediation or corrective actions to the extent authorized by Environmental Laws and approved by the Authority in writing, which shall not be unreasonably withheld, delayed or conditioned. Airline shall, at Airline's own cost and expense, have all tests performed, and reports and studies prepared, and shall provide such information to any governmental agency as may be required by

applicable Environmental Laws, with a copy simultaneously provided to the Authority. This obligation includes but is not limited to any requirements for a site characterization, site assessment, remediation objectives report, remedial action plan, and remedial action completion report that may be necessary to comply with applicable Environmental Laws.

25.5.2 If during the Term the Authority's Planned Uses of any portion of the Premises or Airport for which Airline has conducted investigations, removals, remediation, or corrective actions and which, pursuant to Environmental Laws, require additional investigations, removals, remediation, or corrective actions to accommodate Planned Uses, the costs of any such additional investigations, removals, remediation, or corrective actions necessary to make such portion of the Premises or Airport suitable for any such Planned Uses shall be included in Airfield Cost Center and recovered through the Landing Fee.

25.6 The Authority's Rights to Ensure Airline's Compliance with Environmental Response and Compliance Obligations.

25.6.1 If, as is reasonably determined by the Authority, Airline or any Airline Entities or any third party under their direction or control:

(a) do not take appropriate Response actions required by applicable Environmental Laws in response to a Release for which it is responsible under Section 25.4, within the time(s) prescribed by such Environmental Laws and relevant governmental authorities; or

(b) do not perform or complete reporting, notifications, investigations, removals, remediation, corrective actions, or closure actions for which it is required under Section 25.4 within the time(s) prescribed by applicable Environmental Laws and relevant governmental authorities, or within the time reasonably necessary to enable the Authority to meet its obligations under Environmental Laws, then the Authority shall first provide reasonable advance written notice to Airline of Airline's failure to comply with such obligations and a reasonable opportunity for Airline to cure such failure to comply by Airline initiating or recommencing any such actions consistent with required schedules (including exercising its legal right to reasonably and in good faith challenge such alleged obligation to comply), but in any event not less than forty-five (45) days, except in emergency circumstances in which such advance notice is not possible, then the Authority or its authorized contractor, in addition to its rights and remedies described elsewhere in this Agreement and otherwise available at law, in equity, or otherwise, may, at its election, upon reasonable notice, enter the affected area, and take whatever action the Authority reasonably deems necessary to meet Airline's obligations under Environmental Laws, within the time required under such Environmental Laws, consistent with the requirements of Section 25.4. In addition to notice and opportunity to cure as set forth in this Section 25.6.1, the Authority shall provide Airline with its plan to perform such work for Airline's review and comment at least seven (7) business days before the commencement of such work, which comments shall be reasonably considered by the Authority, except in emergency circumstances where such advance notice is not possible. Such action taken by the Authority consistent with the requirements of this Agreement shall be at Airline's expense plus administrative expenses of the greater of Five Hundred Dollars (\$500.00) or fifteen percent (15%) of all costs incurred by the Authority, including but not limited to reasonable attorneys'

and consultants' fees and expenses, monetary fines and penalties, litigation costs or costs incurred in anticipation of litigation, expert witness fees, and expenses of investigation, removal, remediation, or other required plan, report, or Response action performed in accordance with applicable Environmental Laws.

25.6.2 In the event that (a) a Release in violation of Environmental Laws which occurred prior to the Effective Date is encountered in any portion of the Airfield or Premises or (b) the Authority cannot identify with commercially reasonable effort any of the parties causing, unlawfully allowing, contributing to or responsible for a Release at or from the Airport requiring the completion of appropriate Response actions as provided in Section 25.4.1, then the Authority may take actions to report, repair, contain, investigate, remove, correct or remediate such Release. The costs incurred by the Authority to undertake such work, shall be allocated by the Authority to the Airfield and recovered through the Landing Fee.

25.6.3 Nothing in this Section 25.6 is intended or shall be construed so as to prevent the Authority or Airline from exercising, in their reasonable discretion, any rights granted or available elsewhere in this Article, in this Agreement, or by law, including without limitation the Authority's right to require Airline to take actions to report, repair, contain, investigate, remove, correct or remediate a Release that is subject to Section 25.6.2 or seek contribution from Airline or an Airline Entity for any activities undertaken by the Authority under Section 25.6.2, or Airline's right to challenge any request by any government authority or the Authority to perform any of the actions identified in this Article under applicable Environmental Laws. Additionally, nothing in this Agreement shall relieve Airline or the Authority of any obligations, or operate as a waiver by Airline or the Authority of any respective rights, under any other past, current or future agreement between Airline and the Authority except that Airline shall have no right to recover from the Authority any costs incurred by the Authority and recovered from Airline through Landing Fees under Section 25.6.2. To the extent that the Authority obtains a contribution from Airline for costs that were recovered under Section 25.6.2, the Authority will apply the contribution to the Airfield so that it is a credit against Landing Fees.

25.6.4 Nothing in this Agreement shall limit any of the responsibilities or obligations of BNA Fuel Company LLC or any other airline consortium, or any other third party leasing any portion of the Fuel System at the Airport, including without limitation any responsibilities or obligations to undertake a Response.

25.7 Environmental Indemnification and Reimbursement.

25.7.1 Notwithstanding any other provision to the contrary, Airline agrees to indemnify, defend, and hold harmless the Authority, its past and present elected and appointed officials, officers, agents and employees ("Environmental Indemnitees"), from and against any and all Environmental Damages resulting from:

(a) the breach by Airline of any representation or warranty made in this Article; or

(b) the failure of Airline to meet its obligations under this Article, whether caused or unlawfully allowed by Airline, an Airline Entity, or any other third party under Airline's direction or control; or

(c) documented loss by any Environmental Indemnitee(s) from any Environmental Damages, to the extent caused, unlawfully allowed or contributed to by the unauthorized Release of a Regulated Materials and Pollutants by Airline or by an Airline Entity or the failure of Airline or any Airline Entity to comply with applicable Environmental Laws in connection with the operations of Airline or Airline Entities at the Airport used by Airline pursuant to this Agreement, during the Term; in each case, except to the extent arising out of the sole active negligence or willful misconduct of the Environmental Indemnitees.

25.7.2 The Authority shall provide Airline with prompt notice of any Environmental Damages to allow Airline the opportunity to properly and effectively respond to or otherwise defend such Environmental Damages. Airline shall, at its own cost and expense, defend all Environmental Damages whether frivolous or not. In the event the Authority undertakes any action, including, but not limited to, investigations, removals, remediation, or corrective actions with respect to any Environmental Damages in response to the failure of Airline to defend such Environmental Damages as required under this Agreement, Airline shall reimburse the Authority, upon written demand by the Authority, for all reasonable and documented costs that the Authority incurs in association with such action, including but not limited to consultants' fees, contractors' fees, reasonable attorneys' fees and expenses of investigation, removal, Response, remediation, or corrective action.

25.7.3 Except to the extent arising out of the sole active negligence or willful misconduct of the Environmental Indemnitees, Airline waives the right of contribution and subrogation against the Environmental Indemnitees in connection with Environmental Damages set forth in Sections 25.7.1 and 25.7.2, above.

25.7.4 Regardless of the date of termination of this Agreement, the indemnifying party's representations, obligations and liabilities under this Article shall continue as long as the Environmental Indemnitees bears any liability or responsibility under this Article or the Environmental Laws.

25.7.5 Any claims for environmental matters shall be subject to this Section 25.7 and shall not be subject to the general indemnity provisions of Article 15.

25.8 Environmental Disclosures. Airline hereby acknowledges that excavation of soils from the Premises could result in exportation, off-site treatment or disposal of a regulated waste requiring appropriate characterization, handling, transport and disposal (together "Regulated Waste Removal"). The Authority takes no responsibility and assumes no liability whatsoever for Regulated Waste Removal associated with any project undertaken by Airline or an Airline Entity. Accordingly, Airline hereby waives any Claim, or potential Claim, it may have against the Authority to recover costs or expenses arising out of or associated with Regulated Waste Removal associated with any activities at the Airport undertaken by Airline and agrees to indemnify, defend and hold harmless the Authority from and against any and all Claims, liabilities, losses, damages, costs, and expenses arising from, out of, or in any way

related to Regulated Waste Removal associated with any project undertaken by Airline or an Airline Entity. The Authority accepts no liability or responsibility for ensuring that Airline's or Airline Entity's workers, including without limitation those conducting testing, construction and maintenance activities on the Premises, are satisfactorily protected from residual contaminants in accordance with 29 Code of Federal Regulations Part 1926 (Safety and Health Regulations for Construction). Airline hereby waives any Claim, or potential Claim, it may have against the Authority to recover any damages, losses, costs and expenses related to worker exposure or alleged exposure to any residual Regulated Materials and Pollutants contamination at the Premises and agrees to indemnify, defend and hold harmless the Authority from and against any and all such Claims, liabilities, losses, damages, costs, and expenses resulting from Airline or Airline Entity's Regulated Waste Removal.

25.9 Initial Walk-Through. Prior to Airline's initial occupancy (as of the Effective Date or later) of, use of, or operations at the Premises, the Authority shall have the opportunity to perform, at its own expense, an Initial Walk-Through of the Premises regarding the environmental condition of the Premises and their state of compliance with Environmental Laws and produce an Initial Walk-Through report. The Authority shall provide Airline with an opportunity to participate in any such Initial Walk-Through and review and comment upon the conclusions and findings of the Initial Walk-Through report.

25.10 Concluding Environmental Site Inspection. At least ninety (90) days prior to vacating or surrendering the Premises or any portion of them for any reason, Airline shall provide the Authority with access to perform a Concluding Walk-Through in order to determine the environmental condition of the Premises or that part of the Premises being vacated, and their state of compliance with the requirements of Section 25.1.14. The Authority shall provide Airline with an opportunity to participate in the Concluding Walk-Through. If the Concluding Walk-Through reveals that Airline has not removed all trash, containers, tanks, structures, debris, residue, and other items and materials for which Airline or anyone operating on its behalf is responsible as required by Section 25.1.14, or has otherwise failed to comply with the requirements of Section 25.1.14, the Authority will share its Concluding Walk-Through report and any relevant photographs with Airline. Airline will remove or correct any items to the extent not in compliance with the requirements of this Agreement within five (5) business days of receipt of said report and photographs or such longer period of time as reasonably requested by Airline to perform the corrective actions but no longer than six (6) months. Airline shall leave facilities and equipment being surrendered or vacated by Airline in a state of good repair. However, tanks, structures and other items and materials owned by Airline may revert to the Authority upon agreement of Airline with the Authority accepting such tanks, structures and other items and materials in an "as is, where is" condition.

25.11 Sustainability. Airline and the Authority agree that protection of the environment is a mutual goal. Airline agrees to cooperate to the extent reasonably possible with the Authority in the development of programs to address issues of climate change, air emissions, pollution, traffic congestion, water quality and recycling. Airline will consider deploying new technologies or best practices which are mutually beneficial in improving environmental stewardship. Subject to FAA policies, pilot discretion, Airline discretion, and aircraft manufacturing specifications related to safety and operational requirements, Airline agrees to:

25.11.1 Connect to fixed ground power and preconditioned air units as soon as practical upon arrival at a Gate, if available;

25.11.2 Collaborate with the Authority in recycling;

25.11.3 Work with Authority to update Airline's list of equipment on an annual basis; and

25.11.4 Utilize 400 Hz power where available.

25.12 Release of Hazardous Substances Claims Against Authority. Airline releases, acquits and forever discharges the Authority from any and all claims, actions, causes of action, demands, rights, damages, costs, including but not limited to loss of use, lost profits, or expenses, which Airline may now have, or which may hereafter accrue on account of or in any way growing out of all known and unknown, foreseen and unforeseen bodily and personal injuries and property damage, and the consequences thereof resulting or arising out of the presence or cleanup of any Hazardous Substance on Airline Premises or the Airport, but only to the extent the presence of such Hazardous Substance was not caused by or did not result from the negligence, violations of Environmental Laws, willful misconduct, acts or omissions of the Authority, the Authority's officers, agents, employees, contractors, subcontractors, permittees or invitees (excluding Airline's passengers). This release shall not apply to any claims for contribution that Airline may have against the Authority in the event that Airline incurs any cost in undertaking any cleanup of a Hazardous Substance from the Premises or the Airport ordered by a governmental agency, to the extent that the cleanup order and costs result from a Release of a Hazardous Substance for which Airline is not responsible and liable under this Agreement.

25.13 Survival of Environmental Provisions.

Unless specifically stated elsewhere herein, the provisions of this Article, including the representations, warranties, covenants and indemnities of Airline, are intended to and shall survive termination of this Agreement.

ARTICLE 26

MISCELLANEOUS PROVISIONS

26.1 No Personal Liability.

No director, officer, agent or employee of either party shall be charged personally or contractually liable by or to the other party under any term or provision of this Agreement or because of any breach of this Agreement or because of their execution or attempted execution of this Agreement.

26.2 Governing Law.

This Agreement shall be deemed to have been made in, and be construed in accordance with the laws of, the State of Tennessee.

26.3 Venue.

The Parties agree that the sole venue for judicial enforcement of this Agreement shall be in Davidson County Circuit Court or United States District Court for the Middle District of Tennessee.

26.4 Time of the Essence.

Time is of the essence of this Agreement and of each and all of its terms, conditions, covenants and provisions.

26.5 Counting Days. Any reference in this Agreement to a number of days shall mean calendar days unless otherwise stated.

26.6 Acceptance of Payments.

The subsequent acceptance of payments hereunder by Authority from Airline shall not be deemed to be a waiver of any preceding breach by Airline of any term, covenant, or condition of this Agreement, other than the failure of Airline to pay the particular fees or rent so accepted, regardless of Authority's knowledge of such preceding breach at the time of acceptance of such landing fees and/or rent.

26.7 Relationship of Parties.

Nothing in this Agreement shall be deemed or construed by Authority or Airline, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship between Authority and Airline. No provision in this Agreement, including without limitation the method of computing Airline Rents, Fees and Charges and no act of Authority or Airline create a relationship other than the relationship of landlord and tenant.

26.8 No Waiver.

No waiver of default of any of the terms, covenants and conditions of this Agreement to be performed, kept and observed by the other party shall be construed as, or operate as, a waiver of any subsequent default of any of the terms, covenants or conditions of this Agreement to be performed, kept and observed by the other party.

26.9 No Exclusive Remedy.

No remedy provided by this Agreement shall be deemed to be exclusive.

26.10 Force Majeure.

Neither the Authority nor Airline shall be deemed in violation of this Agreement if it is prevented from performing any of its obligations under this Agreement by reason of strikes, boycotts, labor disputes subject to the provisions of Section 26.23, embargoes, shortages of material, acts of terrorism, riots, rebellion, sabotage, natural disaster, world-wide pandemic declared by the Centers of Disease Control or a successor agency, or any other casualty which is

not within its control; provided, however, that these provisions shall not excuse Airline from payment of the Airline Rates, Fees and Charges specified in ARTICLE 9 except as otherwise allowed under Section 13.5.3.

26.11 Severability.

It is the intention of the parties hereto that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid. If any provision of this Agreement shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or of any constitution, statute, ordinance, rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part hereof.

26.12 Headings.

The headings of the several sections of this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provisions of this Agreement, and shall not be construed to affect in any manner the terms and provisions, of or the interpretation or construction, of this Agreement.

26.13 Withholding Required Approvals.

Except as otherwise provided in this Agreement, whenever the approval or consent of the Authority or Airline is required by this Agreement, no such approval or consent shall be unreasonably refused, withheld, conditioned, or delayed.

26.14 Successors and Assigns.

All of the terms, provisions, covenants, stipulations, conditions and considerations in this Agreement shall extend to and bind the legal representatives, successors, and assigns of each party to this Agreement.

26.15 Taxes.

Airline recognizes and understands that this Agreement may create a possessory interest subject to property taxation, including state leasehold tax, and that Airline may be subject to the payment of property taxes levied on such interest. Airline shall be liable for, and shall pay throughout the Term, all taxes payable for, or on account of, the activities conducted by Airline on the Airport and all taxes on the personal property of Airline on the Premises and any taxes on the Premises or on any property interest created by this Agreement and any taxes levied in lieu of a tax on any such property interest and any taxes levied on, or measured by, the Terminal Rents and other charges payable under this Agreement, whether imposed on Airline or on the Authority.

Airline shall reimburse the Authority for all such taxes paid or payable by the Authority. With respect to any such taxes payable by the Authority that are levied on, or measured by, the Terminal Rents or other charges payable under this Agreement, Airline shall pay to the Authority with each payment an amount equal to the tax levied on, or measured by, that particular payment. All other tax amounts for which the Authority is or will be entitled to reimbursement from Airline shall be payable by Airline to the Authority at least fifteen (15) days prior to the due dates of the respective tax amounts involved, provided that Airline shall be entitled to a minimum of fifteen (15) days written notice of the amounts payable by it. Notwithstanding the foregoing, Airline may pay such taxes and assessments under protest and without liability, cost, or expense to the Authority, may contest the validity or amount thereof provided that all statutory requirements are met by Airline.

26.16 Exhibits.

All exhibits referred to in this Agreement and which may, from time to time, be referred to in any duly executed amendment to this Agreement are (and with respect to future amendments, shall be) by such reference incorporated in this Agreement and shall be deemed a part of this Agreement as fully as if set forth within it.

26.17 Entire Agreement.

This Agreement supersedes all Prior Airline Use and Lease Agreements, if any, between Airline and the Authority and by executing this Agreement, Airline and the Authority terminate all Prior Airline Use and Lease Agreements; provided, however, that any approvals obtained from either party under the provisions of Prior Airline Use and Lease Agreements shall survive its termination along with any other provisions that, by the terms of the Prior Airline Use and Lease Agreements, survive the termination of the agreements. The parties intend that this Agreement shall be the final expression of their agreement with respect to its subject matter and may not be contradicted by evidence of any prior or contemporaneous written or oral agreements or understandings. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts of the Agreement) may be introduced in any judicial, administrative or other legal proceeding involving this Agreement.

26.18 Amendments.

Except as specifically provided herein, neither this Agreement, nor any of its term or provisions, may be changed, waived, discharged or terminated, except by a written instrument signed by the party against which the enforcement of the change, waiver, discharge or termination is sought.

26.19 No Third-Party Beneficiaries.

There are no third-party beneficiaries to this Agreement.

26.20 Attorneys' Fees.

In the event that either party shall be required to bring any action to enforce any of the provisions of this Agreement, or shall be required to defend any action brought by the other party

with respect to this Agreement, and in the further event that one party shall substantially prevail in such action, the losing party shall pay all of the prevailing party's reasonable costs and reasonable attorneys' fees as determined by the court. In the event the Authority or Airline is represented by in-house attorneys in such action, such attorneys' fees shall be computed at hourly rates charged by attorneys of comparable experience in private practice in Nashville; provided, however, that Airlines shall only be required to pay to the Authority the difference between the total attorneys' fees owed by Airline and the amount direct billed to the Authority by its in-house counsel.

26.21 Liens and Encumbrances.

Airline shall keep the Premises free and clear of any liens and encumbrances arising or growing out of Airline's use and occupancy of the Premises or activities at the Airport. Airline agrees to fully indemnify and defend the Authority in connection with any such liens filed against the Premises. At the Authority's request, Airline shall furnish the Authority with written proof of payment of any item that would or might constitute the basis for such a lien on the Premises if not paid or with proof that the Airline has posted any required bond or collateral while it disputes such lien.

26.22 Notices.

All notices and payments under this Agreement may be delivered, mailed or emailed. If delivered by messenger or courier (including overnight air courier), they shall be deemed delivered when received at the street addresses listed in ARTICLE 1. If mailed, they shall be sent to the Authority's Address and Airline's Address as provided in ARTICLE 1, respectively, or to such other respective addresses as either party may from time to time designate in writing. If emailed, they shall be deemed delivered upon sending. Any notice that is provided by email shall also be delivered or mailed; provided, however, that the notice shall be deemed delivered upon sending the email. All notices and payments mailed by regular post (including first class) shall be deemed to have been given on the third business day following the date of mailing, if properly mailed and addressed. Notices and payments sent by certified or registered mail shall be deemed to have been given on the third business day following the date of mailing, if properly mailed and addressed. For all types of mail, the postmark affixed by the United States Postal Service shall be conclusive evidence of the date of mailing.

26.23 Labor Disputes.

Airline agrees to use its commercially reasonable efforts to avoid disruption to the Authority, its tenants or members of the public, arising from labor disputes involving Airline, and in the event of a strike, picketing, demonstration or other labor difficulty involving Airline, to use its good offices, including the utilization of available legal remedies, to minimize or eliminate any disruption to the Authority, its tenants or members of the public, arising from such strike, picketing, demonstration or other labor difficulty.

26.24 Agreement Not to Grant More Favorable Terms.

During the Term, the Authority agrees not to enter into any lease, contract or other agreement with any other Air Carrier conducting operations at the Airport that contains rates, charges or terms more favorable to such Air Carrier than the rates, charges or terms Airline has

agreed to under this Agreement, unless the Authority also makes those more favorable rates, charges or terms available to Airline. The provisions of this Section 26.24 shall in no way limit, impair or interfere with the Authority's ability to charge or establish such rates and charges as the Authority may deem applicable when entering into any lease, contract or other agreement with any party that is not an Air Carrier.

26.25 Irrevocable Election Not to Claim Depreciation or an Investment Credit.

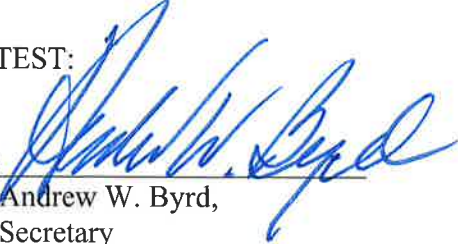
Pursuant to Internal Revenue Code Section 142(b)(1)(B)(i), Airline hereby makes an irrevocable election, which shall be binding on the Airline and all successors in interest under this Agreement, not to claim depreciation or an investment credit with respect to any property leased hereunder.


IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the Effective Date.

**METROPOLITAN NASHVILLE AIRPORT
AUTHORITY**


a public corporation

ATTEST:

By: 
Andrew W. Byrd,
Secretary

By: 
Joycelyn A. Stevenson, Esq.,
Chair

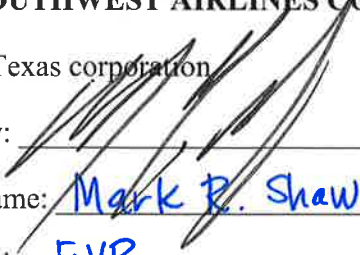
APPROVED AS TO
FORM AND LEGALITY:

By: 
Neale R. Bedrock, Esq.
Executive Vice President
General Counsel &
Chief Compliance Officer

By: 
Douglas E. Kreulen
President and Chief Executive Officer

SOUTHWEST AIRLINES CO.

a Texas corporation

By: 
Name: Mark R. Shaw
Title: EVP

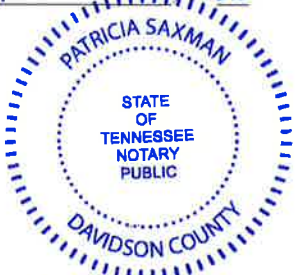
STATE OF TENNESSEE)

) ss.

COUNTY OF DAVIDSON)

I certify that I know or have satisfactory evidence that Douglas E. Kremen is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the President/CEO of the METROPOLITAN NASHVILLE AIRPORT AUTHORITY, a public corporation of the State of Tennessee, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

SUBSCRIBED AND SWORN to before me this 19th day of April, 2023.



Patricia Saxman

Notary Public in and for the State of Tennessee, residing at: Davidson County

My Commission Expires: January 4, 2027

STATE OF Texas)

) ss.

COUNTY OF Dallas)

I certify that I know or have satisfactory evidence that Mark Shew is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the EVP of Southwest Airlines Co. corporation, of the State of Texas, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

SUBSCRIBED AND SWORN to before me this 21 day of March, 2023.

Teri Lambert

Notary Public in and for the State of Texas, residing at: _____

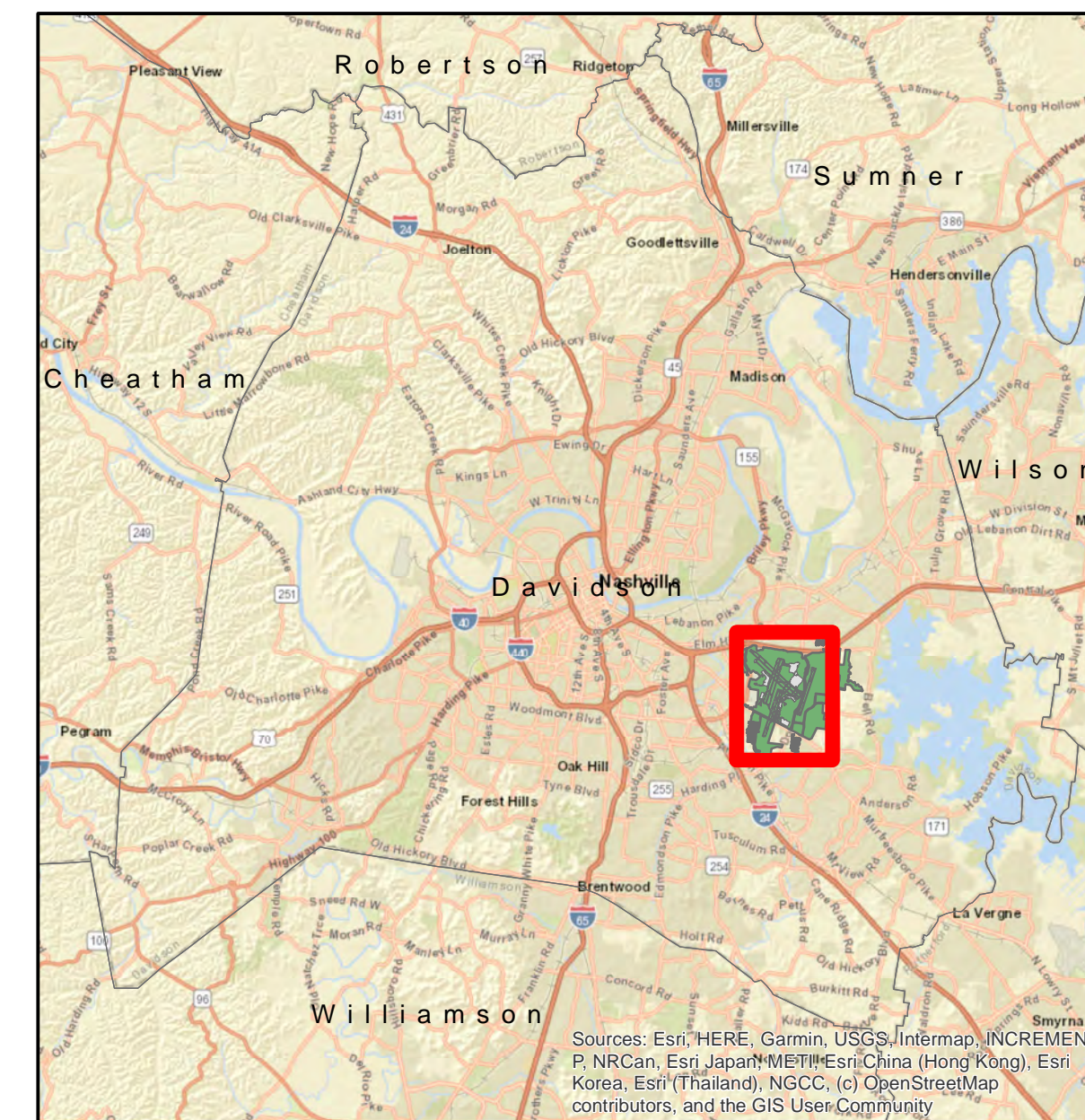
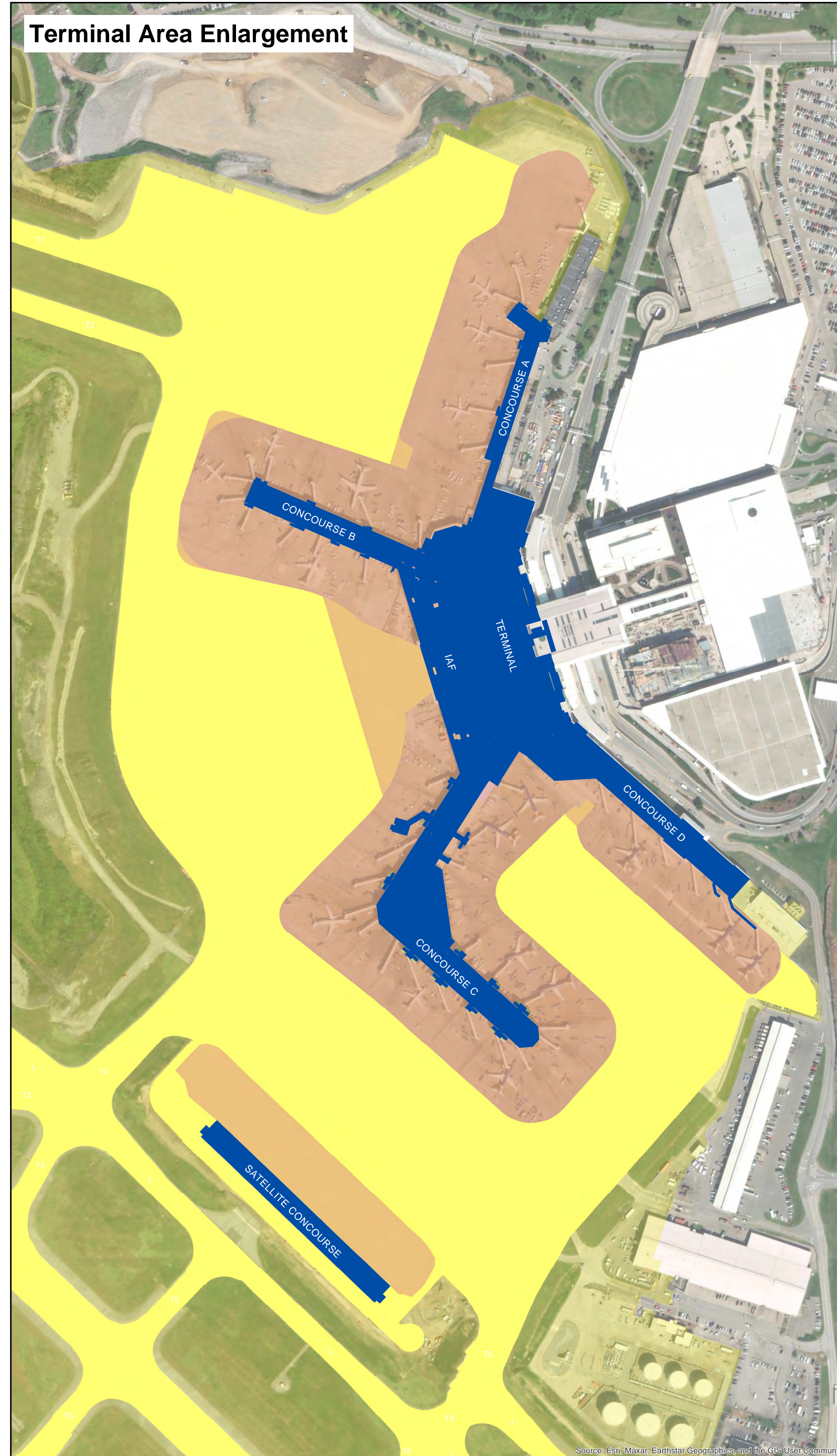
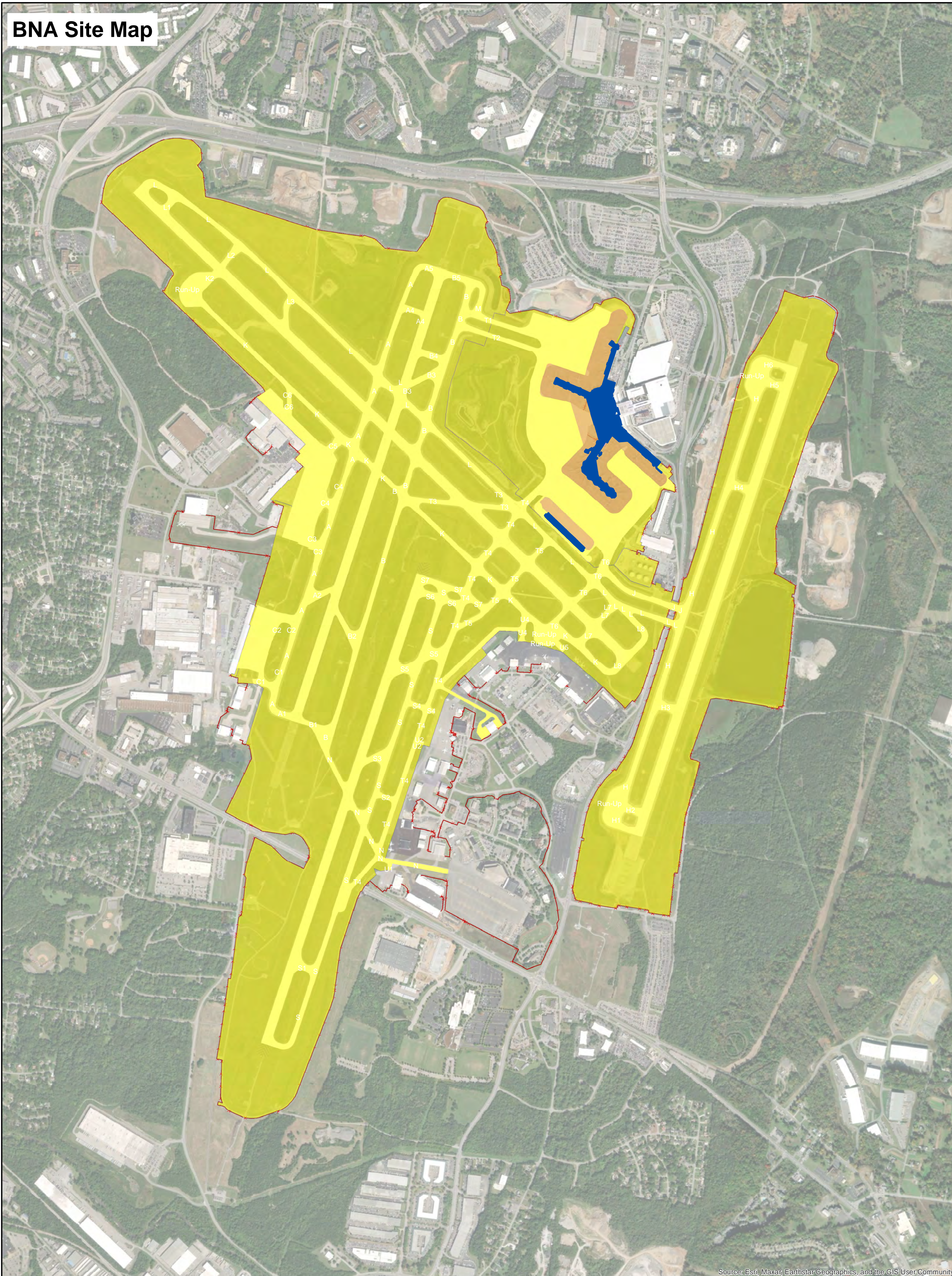
My Commission Expires: June 4, 2026



Exhibit A: Illustrative Cost Center Areas

(1 page)

Exhibit A: Illustrative Cost Center Areas

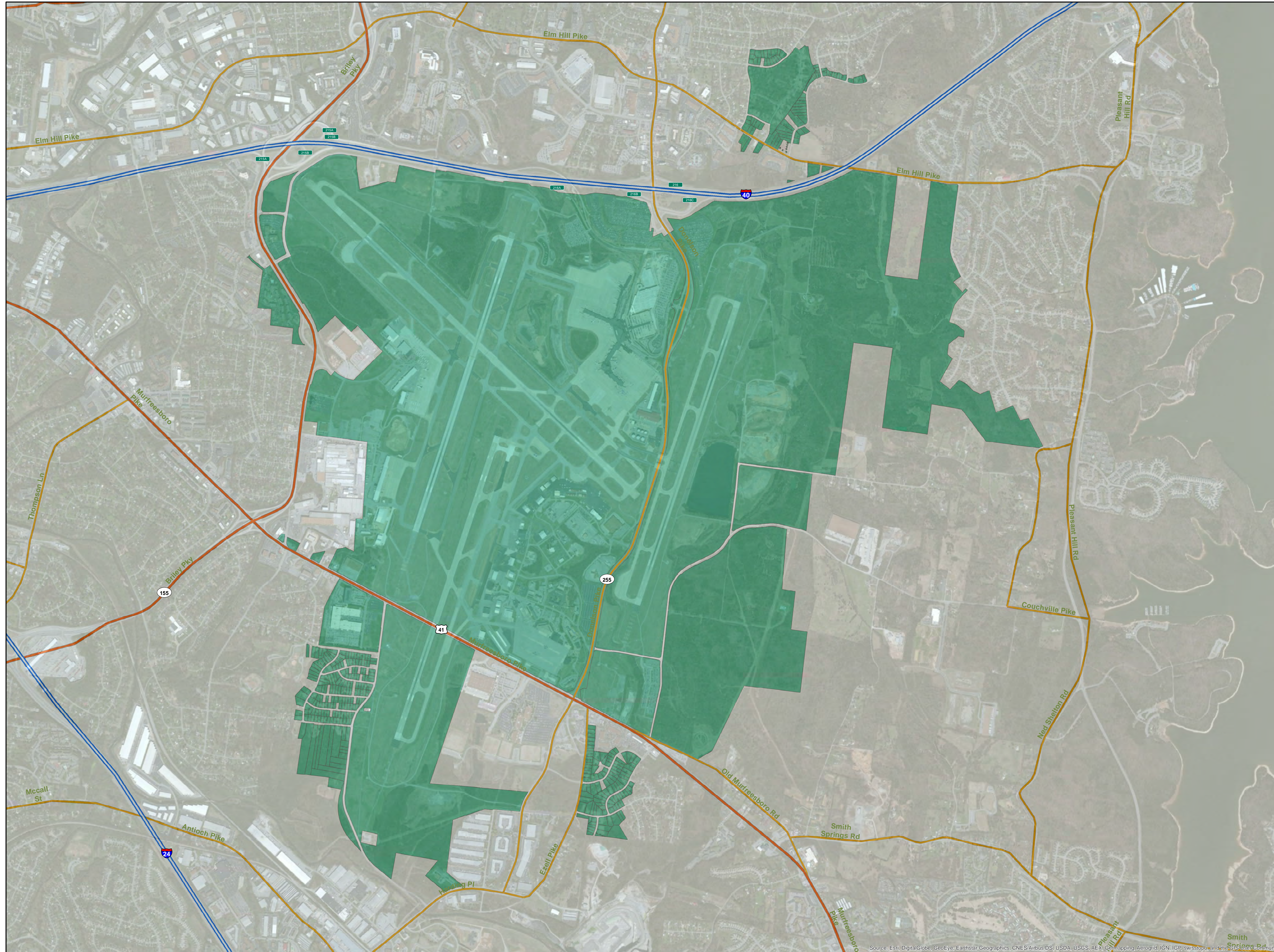


This exhibit generally depicts the areas for cost centers at the Airport as of the Effective Date of the Agreement for illustrative purposes only. The cost centers are determined by the definitions of the Airfield, Terminal, and Terminal Ramp in the Agreement and the actual areas are subject to change over the Term of the Agreement.

Exhibit B: Airport

(1 page)

Exhibit B: Airport - Nashville International Airport (BNA)



MNAA Owned Property:
Total 194,505,784 SF
or 4,465.24 Ac.

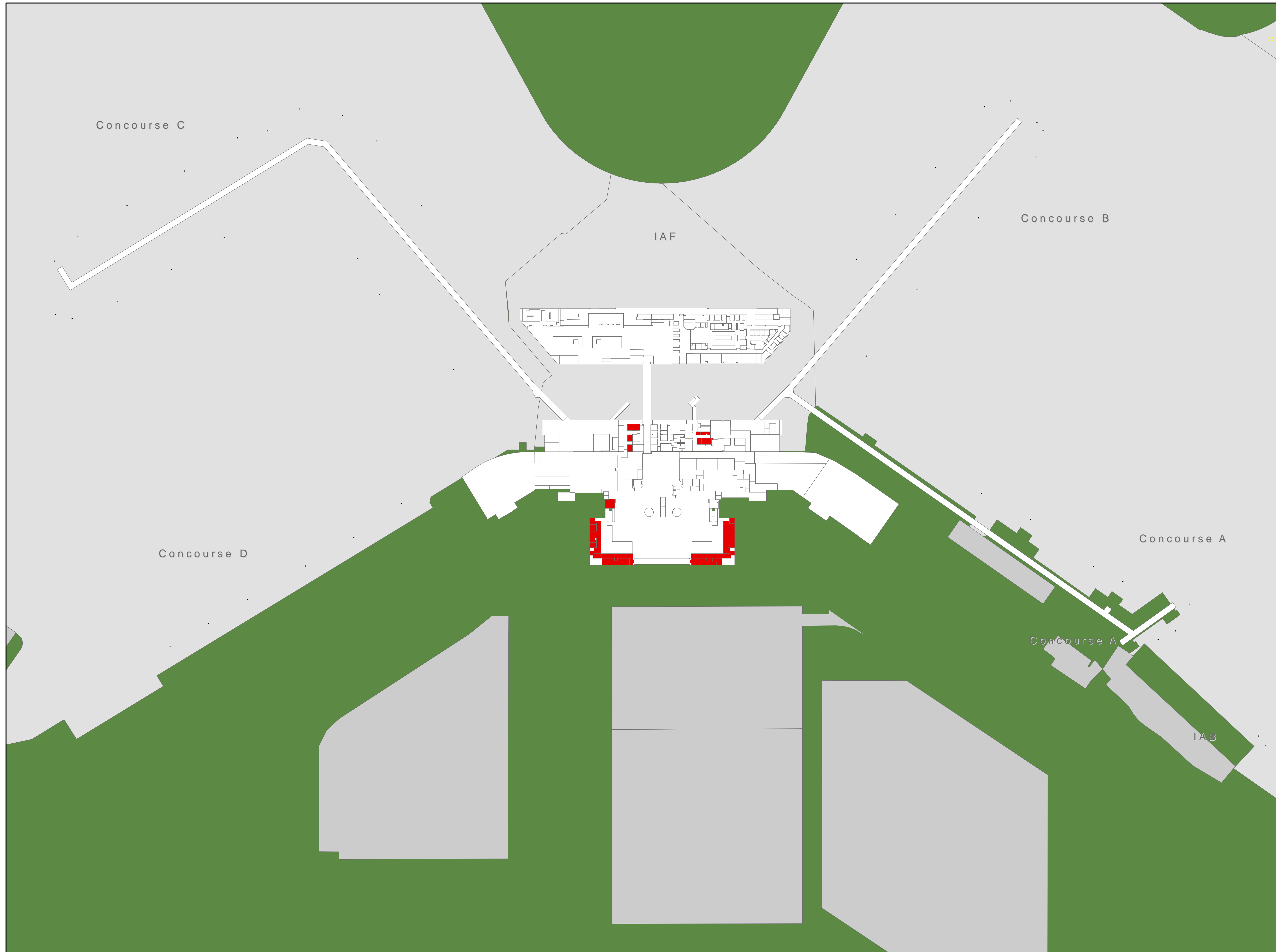


Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroX, GeoEye, IGN, ISP, Swisstopo, and The GeoEye Community

Exhibit C: Rentable Space

(4 pages)

Exhibit C1: Ground Transportation Level - Nashville Int'l Airport (BNA)



Legend

Ground Trans - Tunnels

- Non-Rentable Areas
- Rentable Space
- Construction Zones

Ground Transportation Level
Total Gross: 187,991 SF
Rentable Space: 8,841 SF
4.70% Rentable



Exhibit C2: Baggage Claim / Ramp Level - Nashville Int'l Airport (BNA)



Legend

Baggage Claim - Ramp Level

- Non-Rentable Areas
- Rentable Space
- Construction Zones
- Unimproved Space

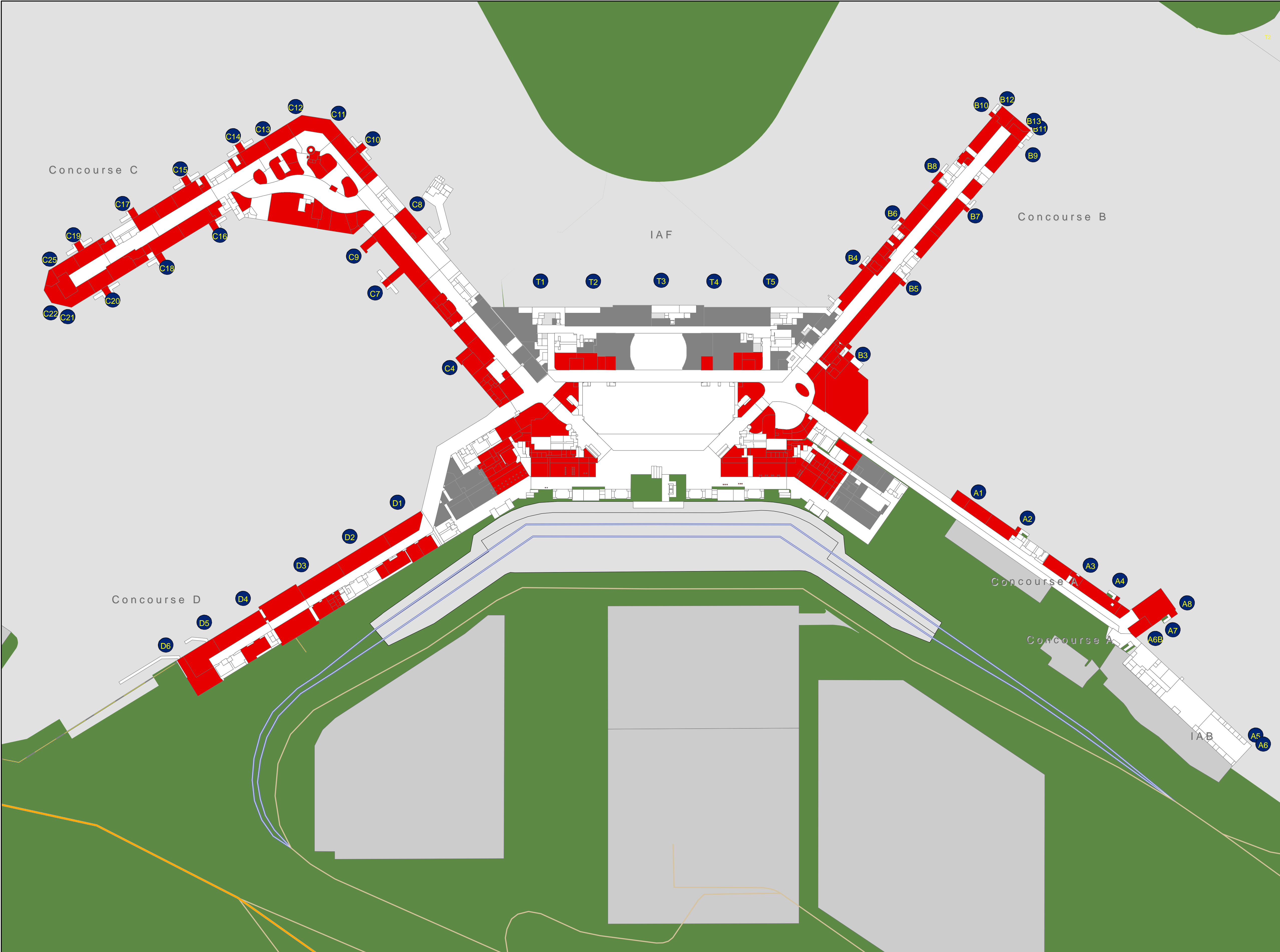
Baggage Claim - Ramp Offices
Total Gross: 433,995 SF

Rentable Space: 248,950 SF
- Improved: 208,126 SF
- Unimproved: 40,824 SF

57.36% Rentable



Exhibit C3: Ticketing / Concourse Level - Nashville Int'l Airport (BNA)



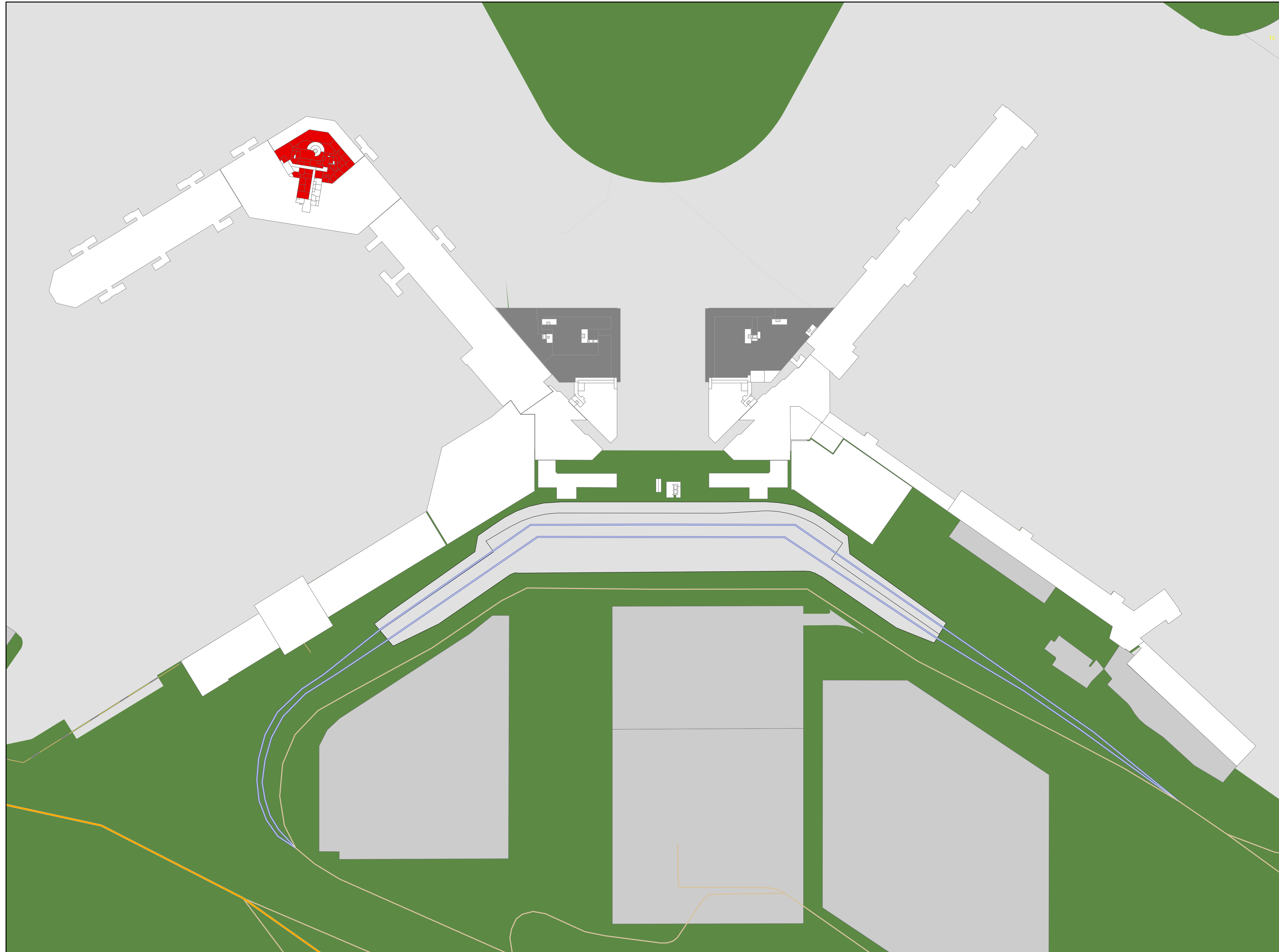
Legend

- Ticketing - Concourse Level
- Non-Rentable Areas
- Rentable Space
- Construction Zones

Ticketing / Concourse Level
Total Gross: 563,091 SF
Rentable Space: 233,583 SF
41.48% Rentable



Exhibit C4: Mezzanine / Club Level - Nashville Int'l Airport (BNA)



Legend

MNAA Offices - Admirals Club

- Non-Rentable Areas
- Rentable Space
- Construction Zones

Mezzanine / Adm's Club Level
Total Gross: 17,009 SF
Rentable Space: 11,764 SF
69.16% Rentable



Exhibit D and Exhibit E: [Reserved]

Exhibit F: Premises Notice

(8 pages)

TERMINAL
EXHIBIT F - PREMISES NOTICE
NASHVILLE INTERNATIONAL AIRPORT
SOUTHWEST AIRLINES



EFFECTIVE DATE: July 1, 2023

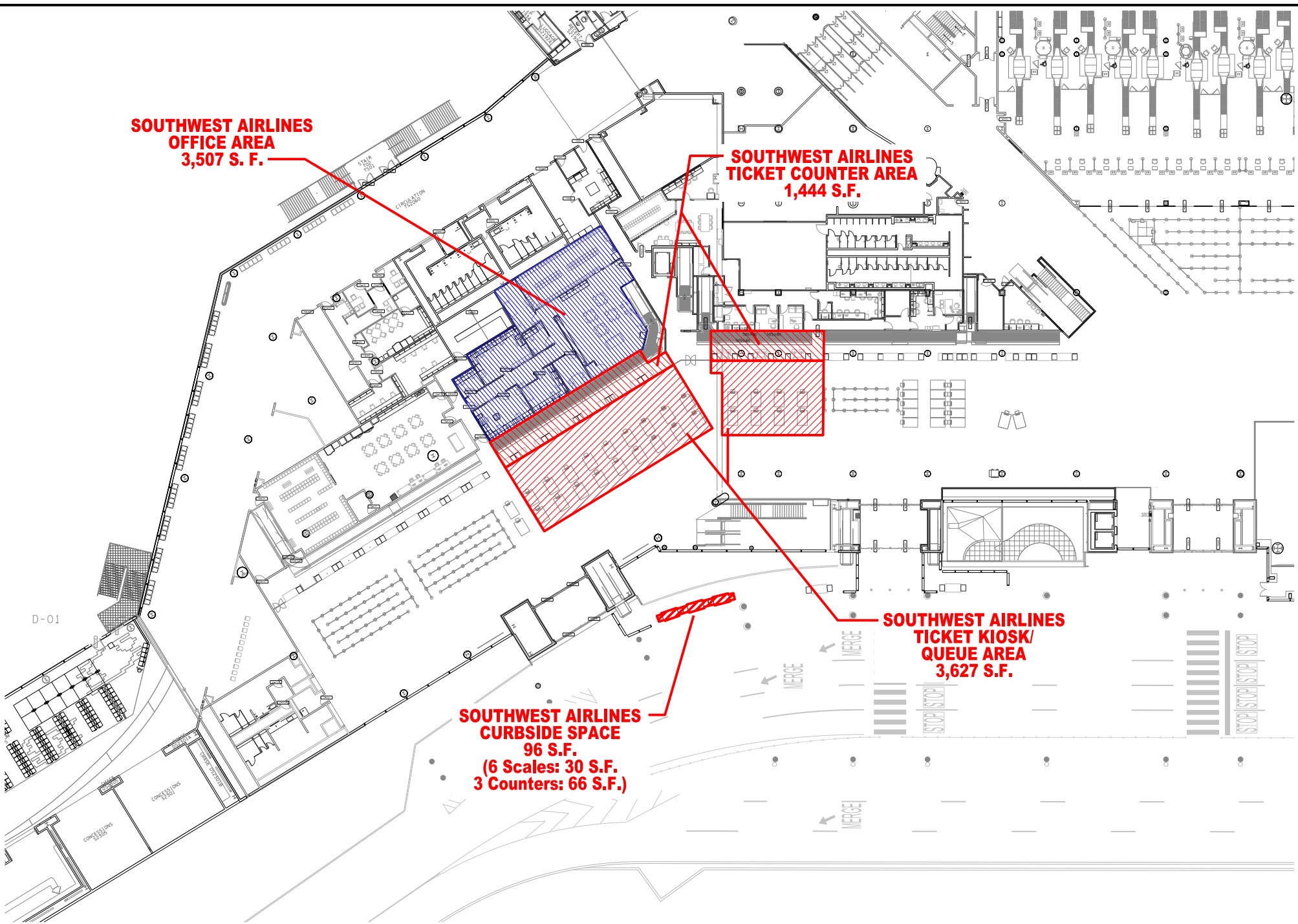
Location	Area	Square Feet		
		Exclusive	Preferential	Joint Use
Main Terminal	Ticket Counter		1,444	
	Ticket Office	3,507		
	Ticket Queue/Kiosks	3,627		
	Bag Make-up			
	Bag Claim			69,274
	Baggage Service Office	1,004		
	Other			
Concourse A	Holdroom			
	Office			
	Operations			
	VIP Club			
Concourse B	Holdroom			
	Office			
	Operations			
	VIP Club			
Concourse C	Holdroom		24,511	
	Office	1,501		
	Operations	17,395		
	Bag Make-up		23,404	
	VIP Club			
Concourse D	Holdroom		20,303	
	Office			
	Operations	9,306		
	Bag Make-up			
	VIP Club			
Total Terminal Square Footage		36,340	69,662	69,274
Unimproved Space	Terminal			
	Concourse A			
	Concourse B			
	Concourse C			
	Concourse D	5,620		
Total Unimproved Square Footage		5,620		
Terminal Ramp Area	Concourse A			
	Concourse B			
	Concourse C		309,181	
	Concourse D		167,009	
Total Terminal Ramp Square Footage			476,190	
Curb-Side Baggage Check			96	
Loading Bridge	Number Leased		16	

**SOUTHWEST AIRLINES
OFFICE AREA
3,507 S. F.**

**SOUTHWEST AIRLINES
TICKET COUNTER AREA
1,444 S.F.**

**SOUTHWEST AIRLINES
TICKET KIOSK/
QUEUE AREA
3,627 S.F.**

**SOUTHWEST AIRLINES
CURBSIDE SPACE
96 S.F.
(6 Scales: 30 S.F.
3 Counters: 66 S.F.)**

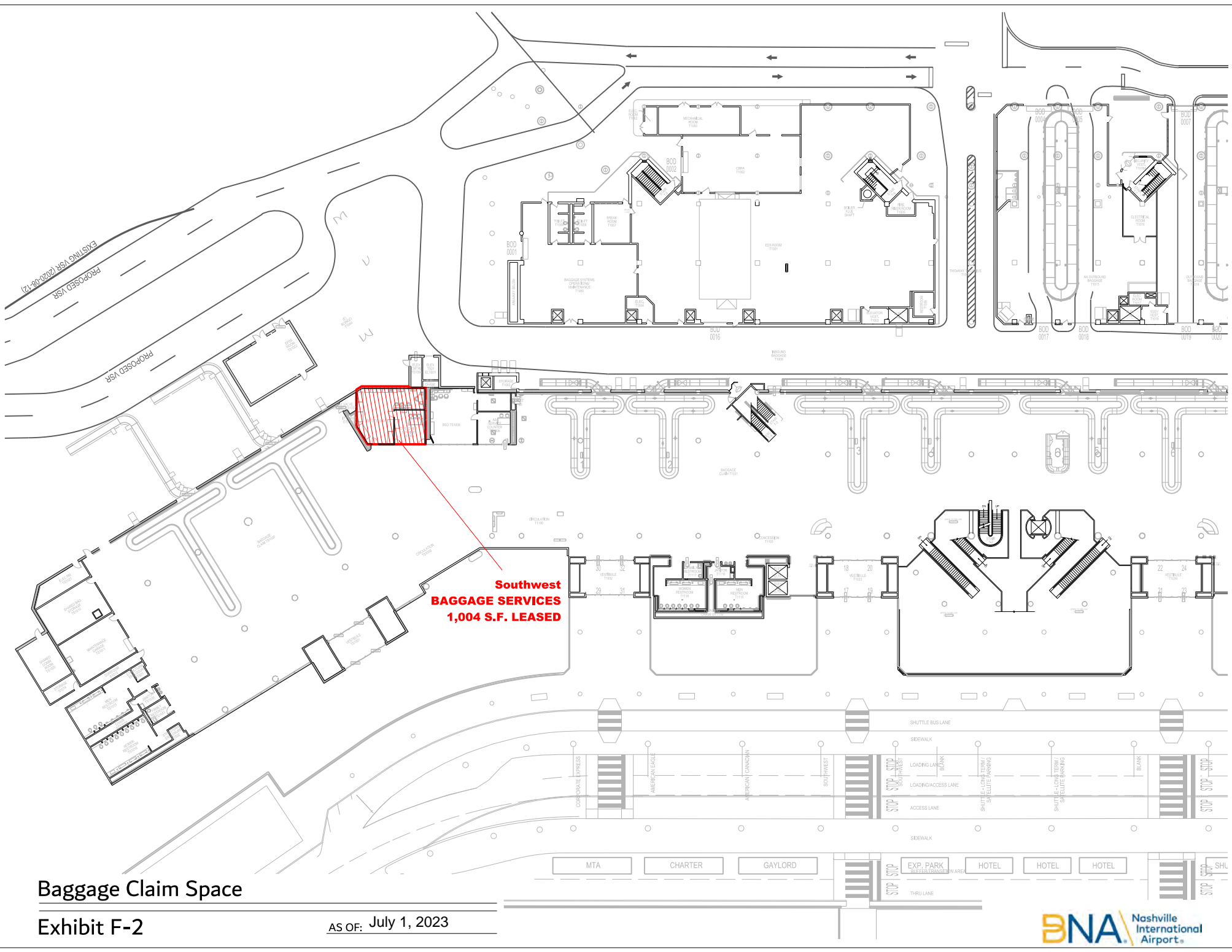


Main Terminal - Ticketing Level

Exhibit F-1

AS OF: July 1, 2023

3/7/2023
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Baggage Claim Space

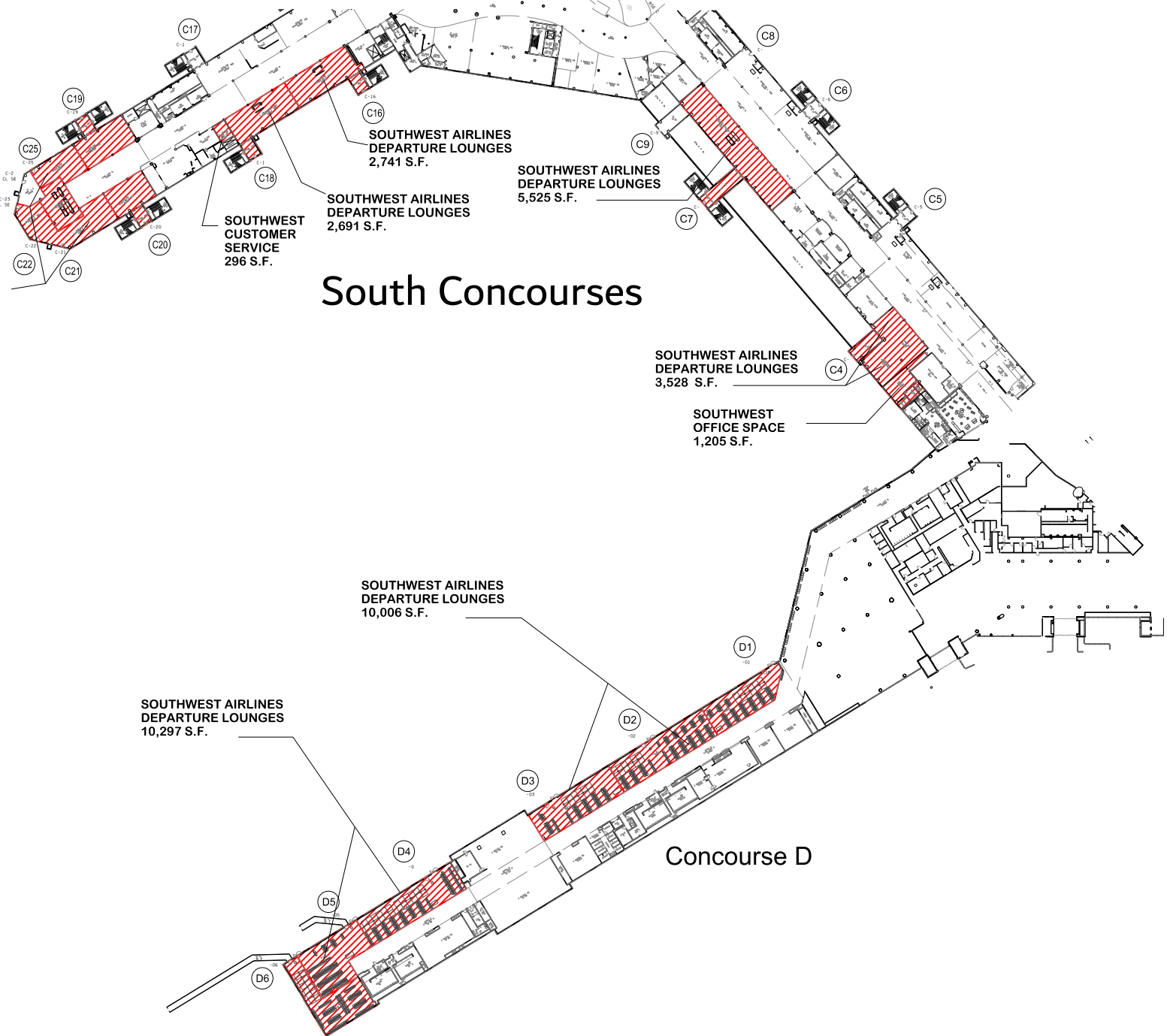
Exhibit F-2

AS OF: July 1, 2023

8/4/2020
 N:\Projects\Airport\Design\Phases\Site\Use Agreements\F2 - Baggage Claim.rvt

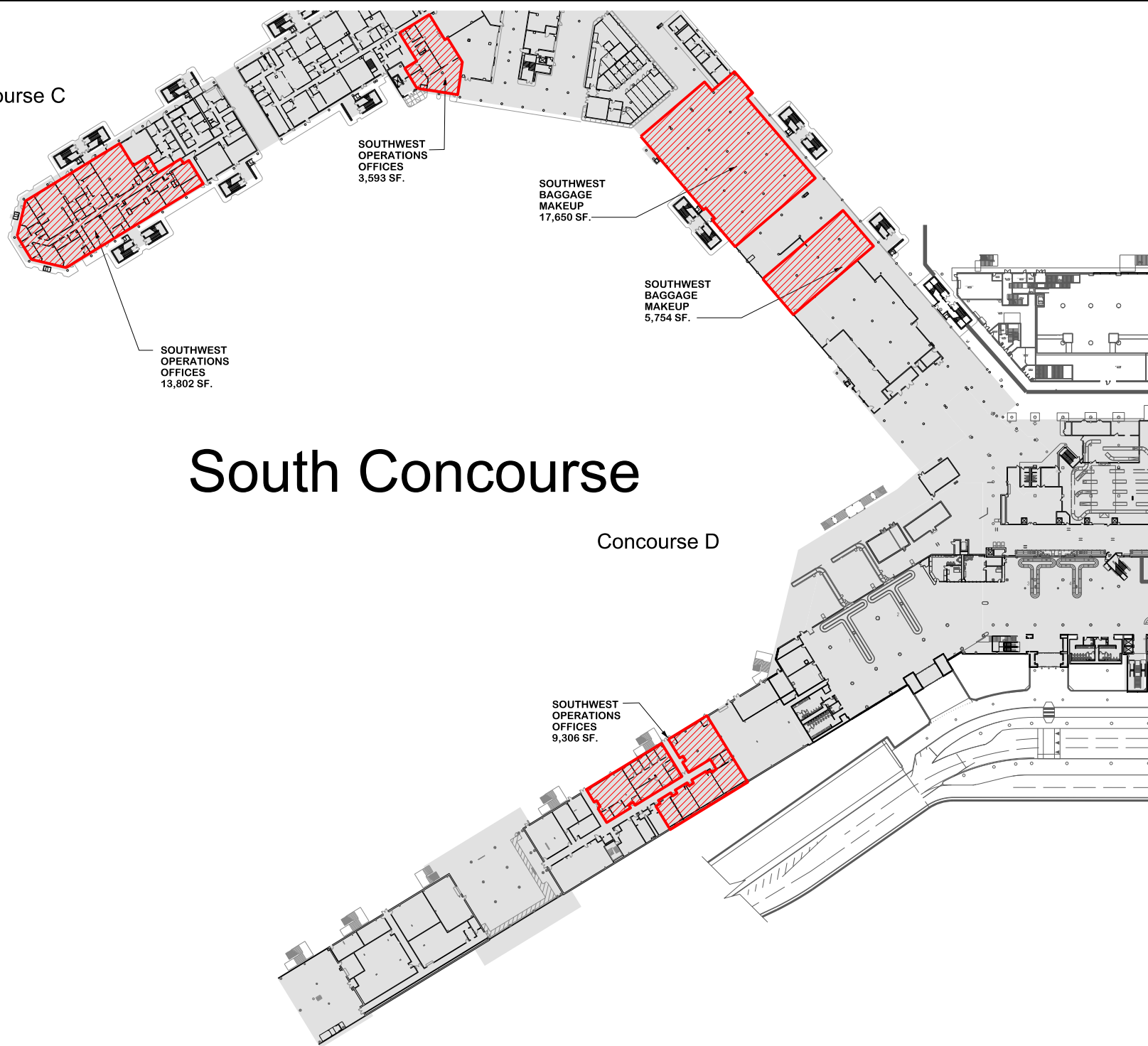
Concourse C
SOUTHWEST AIRLINES
DEPARTURE LOUNGES
10,026 S.F.

South Concourses



2/28/2023
N:\Workspaces\Projects\Design\Proprietary\NIFA Lease Agreements\F3 - Exhibits_AU_Kiffines.dgn

Concourse C

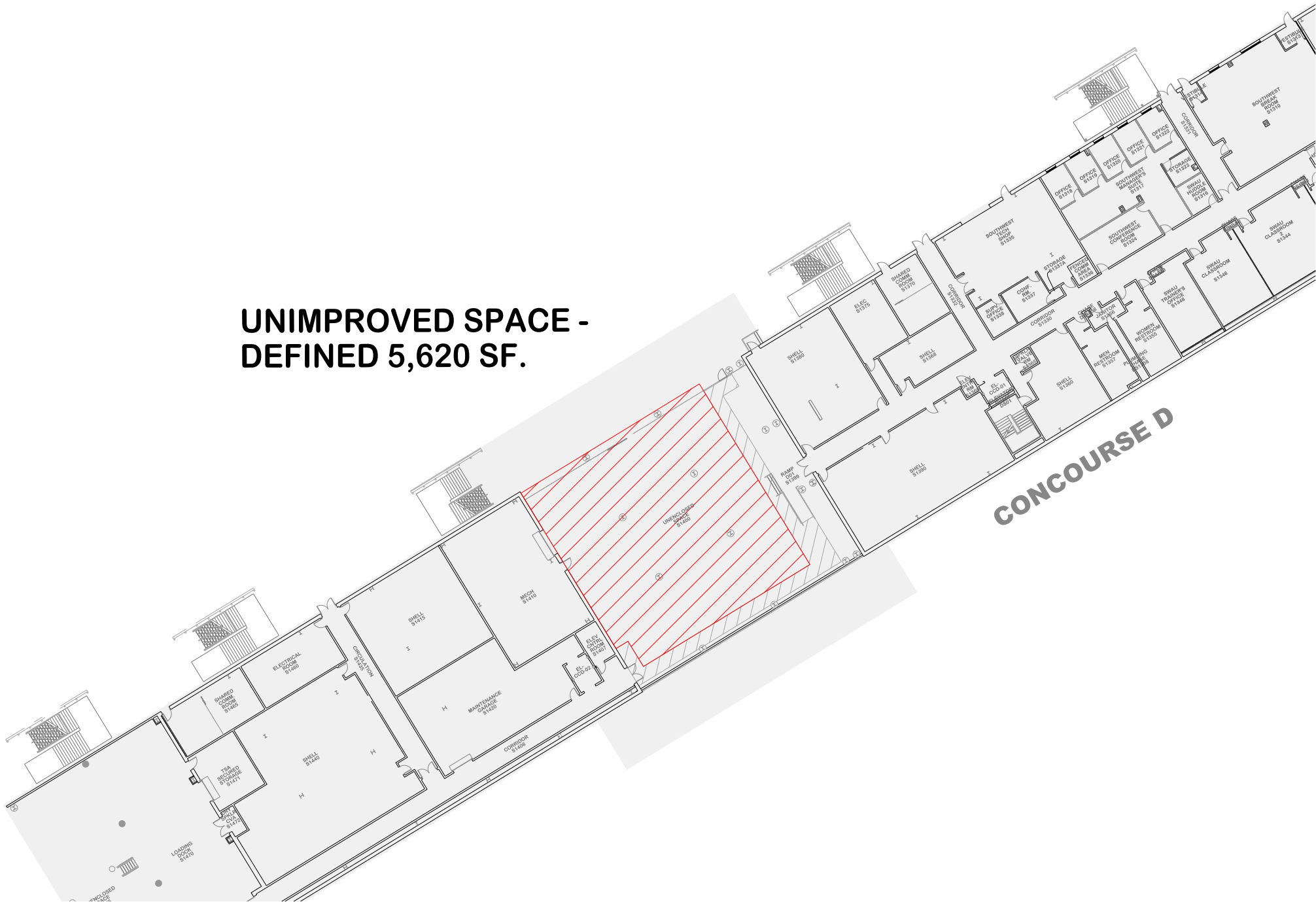


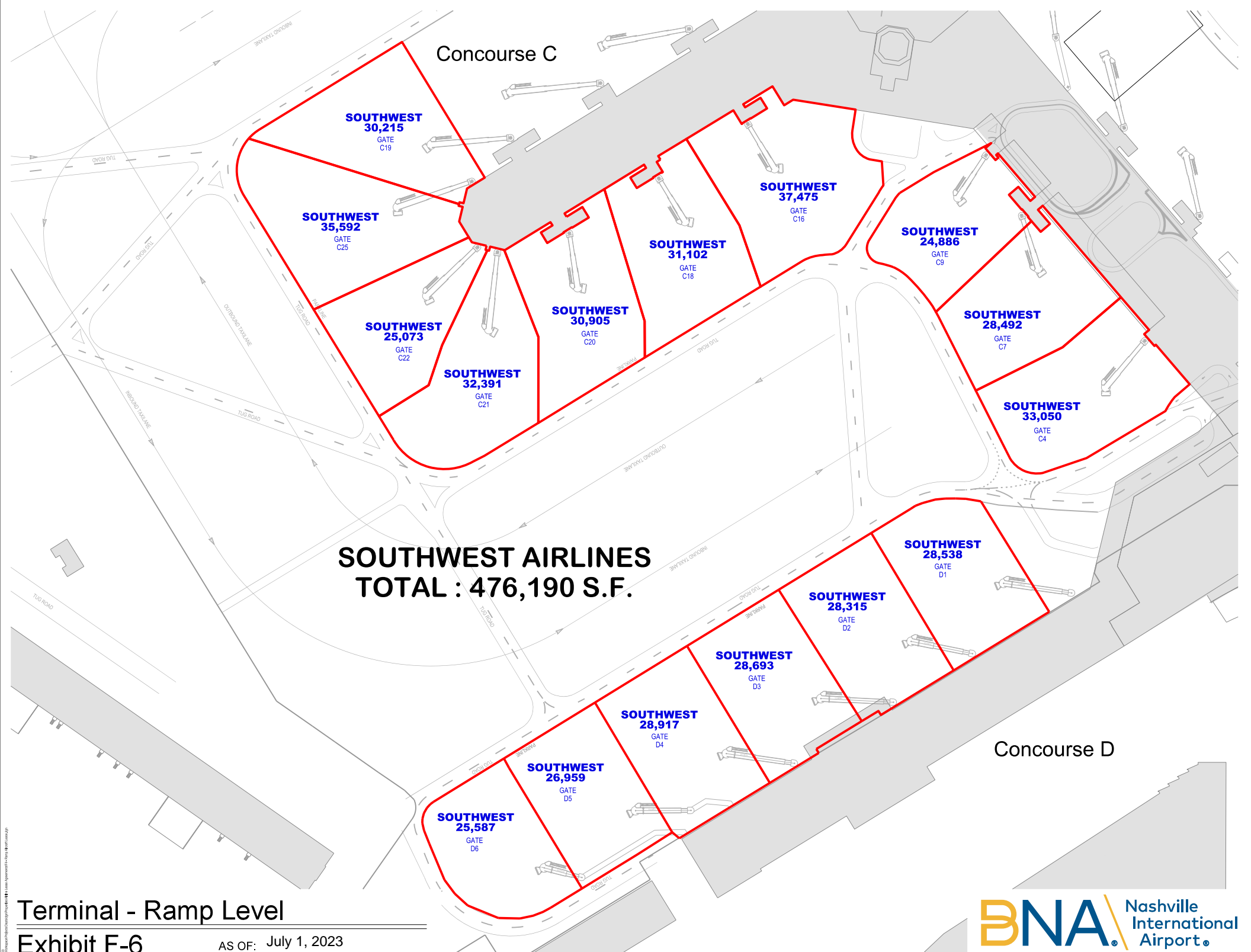
South Concourse

Concourse D

3/6/2023
M:\WorkSpace\Projects\Design\Properties\Aline Lease Agreements\F4 - Ramp Aircraft Lease.dgn

**UNIMPROVED SPACE -
DEFINED 5,620 SF.**



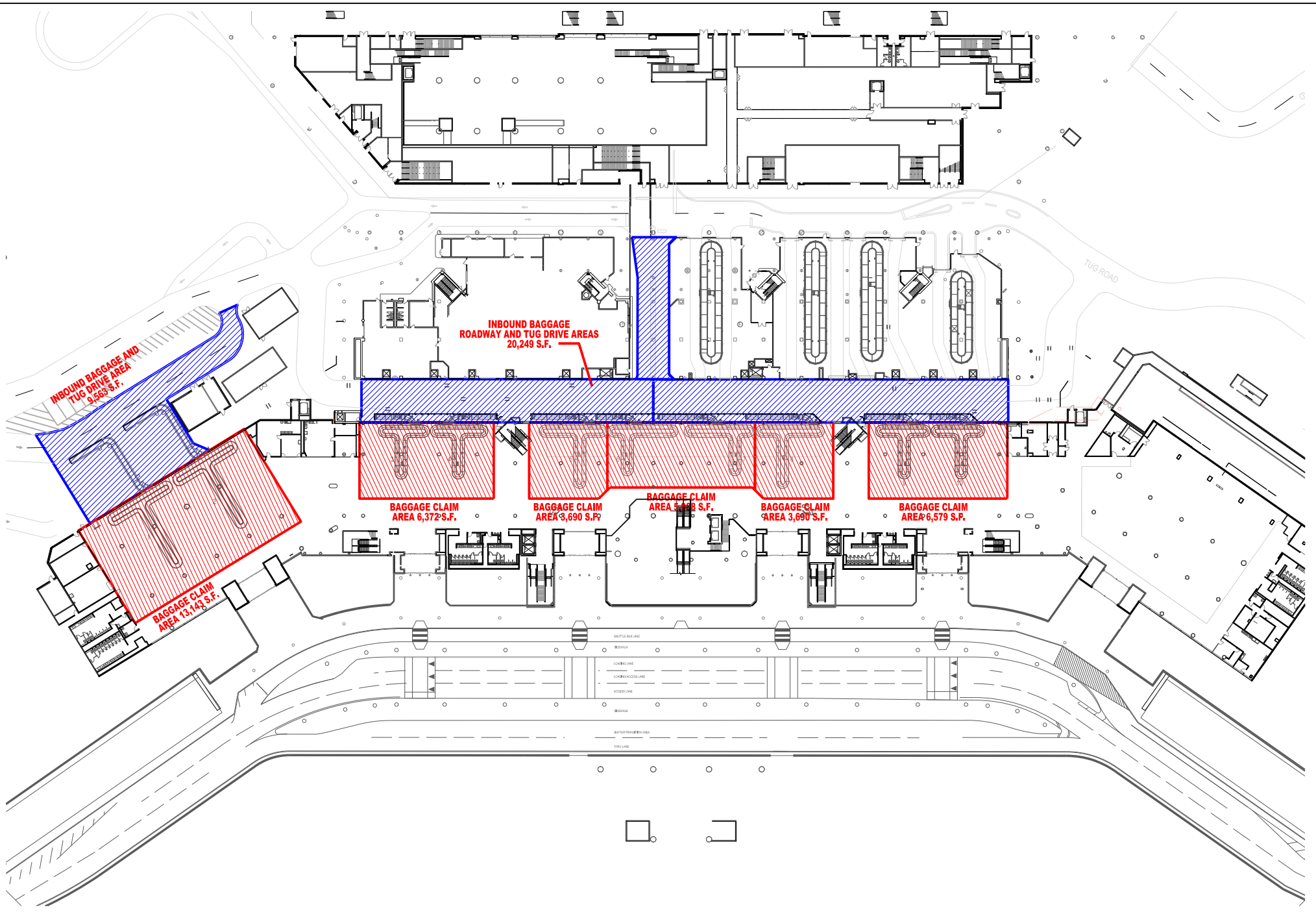


Terminal - Ramp Level

Exhibit F-6

AS OF: July 1, 2023





Baggage Claim Joint Use Space

Exhibit F-7

AS OF: July 1, 2023

3/8/2023 M:\181\Workspaces\Projects\Design\Proposals\Title Lease Agreements\FZ - Baggage Claim.dgn

Exhibit G: Gate Use, Assignment and Scheduling Procedure

(9 pages)

EXHIBIT G



Effective July 1, 2023

GATE USE, ASSIGNMENT AND SCHEDULING PROCEDURES (BNA)

PURPOSE: To establish procedures for the use, assignment, and scheduling of the Common Use Premises, Preferential Use Gate accommodation and Aircraft Parking.

APPLICABILITY: All Passenger Carriers utilizing the terminal for commercial aircraft operations.

DEFINITIONS: Capitalized words, terms, and phrases herein shall have the meaning as defined in the Airline Use and Lease Agreement dated July 1, 2023, or as otherwise defined below:

Ad hoc Flight – flight not submitted for or during the Advance Planning Process.

Aircraft Parking – any Passenger Carrier aircraft parked at the Airport, unless that aircraft is parked at a Preferential Use Gate leased by that Passenger Carrier or is within that Passenger Carrier’s Period of Use on a Common Use Gate.

Airline Use and Lease Agreement – the agreement between the Authority and Air Carriers operating at BNA describing the terms and conditions for airport and terminal facility use and lease.

Airport Operations - a representative or designee of the President and CEO responsible for enforcing Airport Rules and Regulations, and for Gate Assignments and other activities relating to terminal facilities.

Available Gate Time – the time interval between the Period of Use of one Scheduled Operation and the Period of Use of a subsequently Scheduled Operation on the same gate.

Charter Airline – an on-demand or commercial operator whose aircraft is hired by a third party for carrying passengers.

EXHIBIT G

Customs and Border Protection (CBP) – the federal organization charged with facilitating lawful international travel.

Existing Flight – a flight given a Gate Assignment in the prior calendar month.

Gate Assignment – the assignment approved by Airport Operations to a Passenger Carrier authorizing access to a specific Gate at a specific time for a Scheduled Operation.

Ground Handling Company – a company that provides aircraft ground handling services including but not necessarily limited to the following: on and off loading of passengers (including ticketing), baggage, mail or cargo, into-plane fueling, servicing aircraft lavatories, providing ground power, potable water and preconditioned air, cleaning the interior of the aircraft, and any other similar ground handling services.

Incumbent Airline – Passenger Carrier that operated regular flights into BNA during the previous scheduling period, the previous calendar month for domestic flights and previous 90 days for international flights.

International Arrival – an arriving aircraft originating in a foreign country (except Pre-cleared Flights). These flights require the use of the IAF.

International Arrival Facility (IAF) – those areas, together with the fixtures and equipment located therein, used by CBP and other agencies of the U.S. government, for the inspection and processing of arriving international passengers.

New Entrant Air Carrier – Passenger Carrier that did not operate regular flights into BNA during the prior scheduling period

Non-Preferential Use Gate User – Passenger Carrier that is assigned the use of a Gate that it does not lease.

Pre-cleared Flight – a flight operated by a Passenger Carrier that originates in a foreign country whose passengers were processed and cleared through a U.S. approved inspection process located either at the point of origin or an intermediate stop that later arrives at BNA without a requirement for processing through BNA's IAF.

Requesting Airline – a Scheduled Airline without adequate Gate access desirous of operating from the Airport.

PROCEDURES:

I. REVIEW PROCEDURES

- A. Airport Operations will prioritize Gate Assignment requests by two distinct

EXHIBIT G

timeframes prior to the start of an upcoming month.

1. **Advance Planning Process:** Thirty (30) day advance reviews. Only current and projected submitted flight schedules received prior to the first day of the calendar month immediately preceding the month of service will be considered for inclusion in the Advance Planning Process.
 2. **Ad hoc Planning Process:** Submitted Gate Assignment requests at any time following the close of the Advance Planning Process. In the case of an Ad hoc Flight, review and Gate Assignment is on a first come, first serve basis.
- B. Passenger Carriers shall submit electronic flight schedules and anticipated Gate Assignments on approved Authority format to Airport Operations prior to the first day of the calendar month immediately preceding the month of service (e.g., prior to the 1st day of May for June service). Passenger Carriers may submit projected flight schedules to be considered as part of the Advance Planning Process.
- C. Airport Operations will conduct reviews of such submitted current and projected flight schedules to identify Available Gate Times, determine current gate utilization (departures per gate per day), and make monthly Gate Assignments for Non-Preferential Use Gate Users including re-assignment of Non-Preferential Gate Users using another Passenger Carrier's Preferential Gates to Common Use Gates or to another Passenger Carrier's Preferential Gates.
- D. The advanced planning, review, and Gate Assignment process shall be monthly.

II. GATE ASSIGNMENT CRITERIA AND PROCEDURES

- A. All Common Use Gates and associated facilities are under the Authority's exclusive control. The President and CEO or his designee shall have final authority over all Gate Assignments on Common Use Gates. Airport Operations will schedule and manage all Gate Assignments on Common Use Gates in accordance with the procedures set out herein.
- B. No Passenger Carrier has the exclusive use of any Gate.
- C. New Entrant Air Carriers and Passenger Carriers expanding services are to contact MNAA Airline Affairs for initiating service or expanding services. New Entrant Air Carriers must have a signatory or non-signatory Airline Use and Lease Agreement in place prior to service.
- D. MNAA Airline Affairs will notify Airport Operations of an approved New Entrant Air Carrier.
- E. The Non-Preferential Use Gate User will notify Airport Operations any time delays are greater than 15 minutes for both arrivals and departures.

EXHIBIT G

- F. The following information shall be provided to Airport Operations upon initial contact for ad hoc or new service:
1. Passenger Carrier and/or aircraft owner;
 2. Aircraft type and registration number/letters;
 3. Scheduled time of arrival and scheduled time of departure;
 4. Ground Handling Company information, if different from airline/owner;
 5. Contact person and phone number;
 6. Name of company the aircraft is flying for, if under contract;
 7. Any request for Aircraft Parking space.
- G. In determining gate/facility assignments, the following shall be observed:
1. Airport Operations will determine the type of aircraft Gate required (ADG III/standard Gate, or other [e.g., ADG IV] gate/hardstand) and the Available Gate Time required;
 2. Affiliate flights will be permitted to operate from the Passenger Carrier's Preferential Use Gate with a priority over all Non-Preferential Use Gate Users assigned to that Gate.
 3. All Passenger Carrier flights, except the flight of a Passenger Carrier using its Preferential Use Gate, shall be assigned to a Common Use Gate if available or projected to be available.
 4. In the event that no Common Use Gates have an Available Gate Time sufficient to accommodate the desired flight time, Airport Operations will determine if a window is available on a Preferential Use Gate in accordance with Section 4.3 of the Airline Use and Lease Agreement including re-assignment of a Non-Preferential Gate User to a different Preferential Gate of a different Signatory Airline based on the considerations of the Advance Planning Process.
 5. In accordance with the Airline Use and Lease Agreement, Airport Operations will coordinate such assignment with the Passenger Carrier leasing the Preferential Use Gate.
 6. Preferential Use Gate Assignments by Airport Operations may include Common Use Ticket Counters or Preferential Use Ticket Counters.
 7. Airport Operations has the sole discretion for all final Gate Assignment decisions.

III. GATE ASSIGNMENT CONFLICTS ON GATES

EXHIBIT G

A Passenger Carrier with a Preferential Use Gate shall have scheduling priority on its leased Gate(s).

In the event two or more Non-Preferential Use Gate Users compete for the same Available Gate Time, the following priority will be observed:

- A. Advance Planned Flights - Flights submitted for inclusion in the Advance Planning Process will be prioritized on the basis of the following characteristics(domestic and international):
 1. Existing Flight (excluding Charter Airline)
 - a. Signatory Airline
 - b. Non-Signatory Airline
 2. Incumbent Airline (excluding Charter Airline)
 - a. Signatory Airline
 - b. Non-Signatory Airline
 3. New Entrant Air Carrier (excluding Charter Airline)
 4. Charter Airline

International Arrivals will take precedent on international capable Gates.

In the event two or more Incumbent, New Entrant, or Charter Airlines compete for the same Available Gate Time (in the Advanced Planning Process and within the respected categories above), the Gate Assignment shall be provided to the Passenger Carrier using the following priority order:

1. International (CBP-IAF/Pre-Cleared Departure or Arrival) with long-haul (transoceanic) prioritized ahead of short-haul,
2. Signatory Airline,
3. Existing Flight (historical service within 15 minutes, on a Common Use Gate or former Preferential Use Gate),
4. Year round over seasonal,
5. A Passenger Carrier without any Preferential Use Gates,
6. A through turn flight (not parked at the gate),
7. The flight with the highest seat count.

If resolution cannot be determined through this prioritization, the Authority has discretion to make a final determination.

- B. Ad hoc Flights – Flights prioritized on first-come-first-served basis, but assignment decisions shall first consider location of support facilities such as Ticket Counters

EXHIBIT G

and other mitigating factors and Airport Operations in their sole discretion will make the final Gate Assignment decision.

IV. AIRCRAFT PARKING ASSIGNMENT CONFLICTS ON REMOTE PARKING SPOTS

Airport Operations will accommodate Aircraft Parking position requests based on availability, the priorities identified in this Section IV and other reasonable factors that, in the judgment of Airport Operations, are necessary to reasonably and fairly accommodate such requests.

The following information shall be provided to Airport Operations upon an initial Aircraft Parking spot request:

1. Passenger Carrier and/or aircraft owner;
2. Aircraft type and registration number/letters;
3. Time on Aircraft Parking and time off Aircraft Parking;
4. Ground Handling Company information, if different from Passenger Carrier/owner;
5. Contact person and phone number;
6. Name of company the aircraft is flying for, if under contract

Upon receipt of an Aircraft Parking position request, Airport Operations will seek to accommodate the request at the requested position. A Passenger Carrier assigned a Preferential Use Gate shall have scheduling priority for Aircraft Parking on that Preferential Use Gate. Airport Operations, in their sole discretion, will make final Aircraft Parking assignment decisions.

In the event two or more Passenger Carriers compete for an Aircraft Parking assignment in the Advanced Planning process, the same prioritization in Section III.A. will be followed. Ad hoc Aircraft Parking requests will be determined upon remaining availability, if any.

V. GATE AND FACILITY OPERATION (domestic and international)

- A. The Period of Use for a Scheduled Operation is defined in the Airline Use and Lease Agreement.
- B. Permissible Ticket Counter Time – the permissible time allowed for use of the Ticket Counter, baggage claim, and baggage make-up facilities shall be the following:

<u>Aircraft Category</u>	<u>Counter Positions</u>	<u>Permissible</u>
ADG III	2 (Domestic)	2.0 hours
	4 (International)	3.0 hours
ADGIV, V	4 (Domestic)	2.0 hours
	8 (International)	3.0 hours

EXHIBIT G

- C. Non-Preferential Use Gate User shall have reasonable access to the assigned Gate including adequate area for ground support equipment. This shall include space associated with use of a Preferential Use Gate by a Non-Preferential Use Gate User. All ground support equipment, tools, vehicles, and other support equipment associated with Non-Preferential Use Gate User use of the Gate shall be removed with the removal/departure of the aircraft.
- D. Operational Delays on a Common Use Gate – Aircraft operating off-schedule shall make every attempt to minimize the occupancy time on the Gate to avoid impacting other previously scheduled operations. In the event Airport Operations determines that such delay will affect a subsequent user of the Gate, the delayed aircraft must be towed from the Gate; however, Airport Operations will make every reasonable effort to accommodate either the delayed aircraft or subsequent aircraft on another Gate.
- E. Operational Delays on a Preferential Use Gate – Aircraft operating off-schedule shall make every attempt to minimize the occupancy time on the Gate to avoid impacting other previously scheduled operations. In the event Airport Operations determines that such delay will affect a subsequent user of the Gate, the delayed aircraft of the Passenger Carrier leasing the gate will take priority over any Non-Preferential Use Gate User. Airport Operations will make every reasonable effort to accommodate the Non-Preferential Use Gate User aircraft on another Gate.
- F. Operational Delays on a Preferential Use Gate – Aircraft operating off-schedule shall make every attempt to minimize the occupancy time on the Gate to avoid impacting other previously scheduled operations. In the event Airport Operations determines that such delay will affect a subsequent user of the Gate, the delayed aircraft of the Passenger Carrier leasing the gate will take priority over any Non-Preferential Use Gate User. Airport Operations will make every reasonable effort to accommodate the Non-Preferential Use Gate User aircraft on another Gate.
- G. Early/Late Arrivals – Flights operating in advance of scheduled ETA will either hold for the assigned Gate in a designated area if the Gate is occupied or contact Airport Operations for another Gate Assignment. Flights arriving past ETA may require another Gate Assignment (if available) depending on the remaining Available Gate Time on the original Gate Assignment.
- H. Airport Operations may extend the Period of Use and/or the Permissible Ticket Counter Time upon request, but additional fees and charges could apply.
- I. Passenger Carrier's exceeding the above stated times will promptly vacate the Gate or facility immediately upon Airport Operations request.
- J. An aircraft Gate operation (arrival or departure) has priority over Aircraft Parking. If requested by Airport Operations to relocate an Aircraft Parking aircraft or an aircraft remaining beyond the Period of Use, the owner/operator will do so immediately

EXHIBIT G

VI. ILLUSTRATIVE EXAMPLES OF APPLICABLE SIGNATORY AIRLINE PER USE FEE METHODOLOGIES

A. Common Use Gates:

SIGNATORY AIRLINE PER USE FEES - COMMON USE GATES		
(Fiscal Years Ending June 30)		
Airline Terminal Rental Rate (per square foot)	[A]	\$164.39
Holdroom Space per Common Use Gate (sq.-ft.)	[B]	3,826
Annual Cost of Common Use Holdroom per Gate	[C =A*B]	\$628,946
Terminal Ramp Area Rate (per square foot)	[D]	\$3.08
Terminal Ramp Area Space per Common Use Gate (sq.-ft.)	[E]	29,722
Annual Cost of Common Use Terminal Ramp Area per Gate	[F=D*E]	\$91,595
Passenger Loading Bridge Fee (per bridge)	[G]	\$76,123
Annual Cost per Common Use Gate	[H=C+F+G]	\$796,664
Daily Cost per Common Use Gate	[I= H/365]	\$2,183
Daily Turns Accommodated per Common Use Gate	[J]	6
Signatory Airline Per Use Fee - Common Use Gates (per turn)	[K= I/J]	\$363.77

B. Common Use Ticket Counters:

SIGNATORY AIRLINE PER USE FEES - COMMON USE TICKETING POSITIONS		
(Fiscal Years Ending June 30)		
Airline Terminal Rental Rate (per square foot)	[A]	\$164.39
Ticket Counter Space per Common Use Position (sq.-ft.)	[B]	250
Ticket Queueing Space per Common Use Position (sq.-ft.)	[C]	750
Annual Cost of Common Use Ticketing Position	[D =A*(B+C)]	\$164,387
Daily Cost per Common Use Ticketing Position	[E= D/365]	\$450
Operating Hours	[F]	16
Signatory Airline Per Use Fee - Common Use Ticketing Position (per hour)	[G= E/F]	\$28.15

EXHIBIT G

VII. MISCELLANEOUS

- A. This Gate Use, Assignment, and Scheduling Procedure document is subordinate to the signatory Airline Use and Lease Agreement. It may be modified at any time after consultation with the Signatory Airlines.
- B. Airport Operations must approve, in writing, any minor aircraft maintenance on Gates or during Aircraft Parking, whether located at a Gate or elsewhere.
- C. Authority may deny access to the Gates and facilities for Air Carrier's breach or non-compliance of any of the procedures herein. Beside breach of Airline Use and Lease Agreement, Authority reserves the right to incorporate fines into its Airport Rules and Regulations for violations of its procedures.

Exhibit H: Affiliate Designation Letter

(1 page)

(Current date)

Director Airline Affairs & Air Service Development
Metropolitan Nashville Airport Authority
140 BNA Park Drive
Suite 520
Nashville, TN 37214

Re: Affiliate Designation

Director of Airline Affairs & Air Service Development:

In accordance with Article 6 of the Signatory Airline Use and Lease Agreement between (name of Signatory Airline) (“Airline”) and the Metropolitan Nashville Airport Authority (“Authority”), (name of Affiliate airline) (“Affiliate”) will be operating at the Nashville International Airport on behalf of Airline beginning (date, at least 30 days from date on letter).

Please mark one choice below:

- Airline will pay to the Authority all Landing Fees, Terminal Rents, and other charges due to the Authority on account of the Affiliate.
- Airline will guarantee to the Authority all Landing Fees, Terminal Rents, and other charges due to the Authority on account of the Affiliate.

Affiliate will pay to the Authority all PFCs that it collects on account of enplaning passengers at the Airport. However, Airline shall remain fully liable. Airline shall be responsible for all Activity Reports related to operations of the Affiliate.

Status as an Affiliate for the Airline may be terminated with not less than thirty (30) days written notice to the Authority.

Sincerely,

(name)
(title of Signatory Airline Representative)

Exhibit I: Illustrative Calculations of Signatory Airline Rates and Charges

(7 pages)

EXHIBIT I - 1**LANDING FEE CALCULATION**

(dollars in thousands, except rates)

(Fiscal Years Ending June 30)

Airfield Requirement

Airfield O&M Expenses		\$24,057
Airline Facilities Investment Fund Expenditures		14,800
Airfield Senior Lien Debt Service (net of PFCs)		1,400
Airfield Senior Lien Debt Service Coverage (25% rolling)		350
Airfield Subordinate Lien Debt Service (net of PFCs)		2,847
Airfield Subordinate Lien Debt Service Coverage (10% rolling)		285
Reliever Airport Support Costs		500
O&M Reserve Fund requirements ¹		1,229
Renewal and Replacement Fund requirements ¹		190
		<hr/>
Total Airfield Requirement	[A]	\$45,659
Less: Airfield Non-Airline Revenue	[B]	(860)
Less: Non-Signatory Landing Fees	[C]	(2,826)
		<hr/>
Net Airfield Requirement	[D] = [A] - [B] - [C]	\$41,973

Landed Weight (1,000 lb. units)**Signatory Airline**

Cargo Carrier Landed Weight		258
Passenger Carrier Landed Weight		10,231
		<hr/>
Total Signatory Airline Landed Weight	[E]	10,490

Landing Fee

Signatory Airline Landing Fee (per 1,000 pound unit)	[F] = [D] / [E]	\$4.00
Non-Signatory Airline Landing Fee (per 1,000 pound unit)	[G] = [F] x 1.25	\$5.00

Note: Amounts may not add due to rounding.

¹ Reflects allocable share of fund requirements based on the percentage of O&M Expenses allocable to the Airfield.

EXHIBIT I -2**TERMINAL RENTAL RATE CALCULATION**(dollars in thousands, except rates)
(Fiscal Years Ending June 30)**Terminal Requirement**

Terminal O&M Expenses		\$72,655
Terminal Amortization Requirements - Authority Cash Funding Commitment		0
Terminal Amortization Requirements - Other		0
Terminal Senior Lien Debt Service (net of PFCs)		3,134
Terminal Senior Lien Debt Service Coverage (25% rolling)		784
Terminal Subordinate Lien Debt Service (net of PFCs)		12,771
Terminal Subordinate Lien Debt Service Coverage (10% rolling)		1,277
O&M Reserve Fund requirements ¹		3,712
Renewal and Replacement Fund requirements ¹		575
Terminal Requirement	[A]	\$94,907
Rentable Space (square feet)	[B]	584,326
Terminal Rental Rate (per square foot)	[C] = [A] / [B]	\$162.42

Airline Terminal Requirement**Airline Rented Space (excludes Baggage Claim Areas)**

Airline Rented Space (square feet) - Terminal Building	[D]	271,987
Airline Rented Space (square feet) - Satellite Concourse	[E]	16,240
Airline Rented Space (square feet)	[F] = [D] + [E]	288,226
Airline Terminal Requirement	[G] = [C] x [F]	\$46,814

Illustrative Example - Airline Terminal Requirement increase per Section 9.3.4 if both the Airline Rented Space Commitment and Coverage Policy Requirement are not met

Airline Rented Space Commitment (square feet)	[H] = [B] x 50%	292,163
(i) Estimated amount necessary to meet the Coverage Policy Requirement	[I]	\$500
(ii) Maximum Airline Terminal Requirement increase per Section 9.3.4	[J] = ([H] - [F]) x [C]	\$639
PLUS: Airline Terminal Requirement Adjustment per Section 9.3.4	[K] = lesser of [I] and [J]	\$500

Adjusted Airline Terminal Requirement	[L] = [G] + [K]	\$47,314
---------------------------------------	-----------------	----------

Weighted Terminal Space - Differentiated Signatory Airline Rental Rates

Terminal Building	[M]	100.0%
Satellite Concourse	[N]	97.5%
Weighted Terminal Building Airline Rented Space (square feet)	[O] = [D] x [M]	271,987
Weighted Satellite Concourse Airline Rented Space (square feet)	[P] = [E] x [N]	15,834
Total Weighted Airline Rented Space (square feet)	[Q] = [O] + [P]	287,820

Differentiated Signatory Airline Terminal Rental Rates (2.5% Sat. Concourse Discount):

Airline Terminal Rental Rate (per square foot)	[R] = [L] / [Q]	\$164.39
Satellite Concourse Rental Rate (per square foot)	[S] = [R] x [N]	\$160.28

Note: Amounts may not add due to rounding.

¹ Reflects allocable share of fund requirements based on the percentage of O&M Expenses allocable to the Terminal (excluding Baggage Claim Equipment, Baggage Make-Up Equipment, and Passenger Loading Bridges).

EXHIBIT I -3**TERMINAL RAMP AREA RENTAL RATE CALCULATION**

(dollars in thousands, except rates)

(Fiscal Years Ending June 30)

Terminal Ramp Area Requirement

Terminal Ramp Area O&M Expenses		\$2,966
Terminal Ramp Area Amortization Requirements - Authority Cash Funding Commitment		0
Terminal Ramp Area Amortization Requirements - Other		0
Terminal Ramp Area Senior Lien Debt Service (net of PFCs)		670
Terminal Ramp Area Senior Lien Debt Service Coverage (25% rolling)		167
Terminal Ramp Area Subordinate Lien Debt Service (net of PFCs)		879
Terminal Ramp Area Subordinate Lien Debt Service Coverage (10% rolling)		88
O&M Reserve Fund requirements ¹		152
Renewal and Replacement Fund requirements ¹		23
Terminal Ramp Area Requirement	[A]	\$4,946
Rentable Terminal Ramp Area Space (square feet)	[B]	1,604,973
Terminal Ramp Area Rate (per square foot)	[C] = [A] / [B]	\$3.08

Note: Amounts may not add due to rounding.

¹ Reflects allocable share of fund requirements based on the percentage of O&M Expenses allocable to the Terminal Ramp Area.

EXHIBIT I - 4**BAGGAGE FEE CALCULATION**

(dollars in thousands)

(Fiscal Years Ending June 30)

Baggage System Requirement

Airline Terminal Rental Rate (per square foot)	[A]	\$164.39
Baggage Claim Areas Space (square feet)	[B]	93,013
Cost of Baggage Claim Areas Space	[C] = [A] x [B]	\$15,290
PLUS:		
Baggage Claim Equipment and Baggage Make-Up Equipment O&M Expenses		\$3,691
Baggage Claim Equipment and Baggage Make-Up Equipment Amortization - Authority Cash Funding Commitment		0
Baggage Claim Equipment and Baggage Make-Up Equipment Amortization - Other		0
Baggage Claim Equipment and Baggage Make-Up Equipment Senior Lien Debt Service (net of PFCs)		1,553
Baggage Claim Equipment and Baggage Make-Up Equipment Senior Lien Debt Service Coverage (25% rolling)		388
Baggage Claim Equipment and Baggage Make-Up Equipment Subordinate Lien Debt Service (net of PFCs)		0
Baggage Claim Equipment and Baggage Make-Up Equipment Subordinate Lien Debt Service Coverage (10% rolling)		0
O&M Reserve Fund requirements ¹		189
Renewal and Replacement Fund requirements ¹		29
Baggage Fee Requirement	[D]	\$21,140
Non-Signatory Joint Use Per Use Rate	[E]	\$2.03
Non-Signatory Deplaned Passengers (thousands)	[F]	250
Less: Non-Signatory Baggage Revenue	[G] = [E] x [F]	\$508
Net Baggage System Requirement	[H] = [D] - [G]	\$20,632
<i>reflects methodology in current AULA - subject to change</i>		
20% Share - Per Capita	[I] = [H] x 20%	\$4,126
80% Share - Allocated on Deplaned Passengers	[J] = [H] x 80%	16,505
Total		\$20,632

Note: Amounts may not add due to rounding.

¹ Reflects allocable share of fund requirements based on the percentage of O&M Expenses allocable to Baggage Claim Equipment and Baggage Make-Up Equipment.

EXHIBIT I - 5**PASSENGER LOADING BRIDGE FEE CALCULATION**

(dollars in thousands, except rates)

(Fiscal Years Ending June 30)

Passenger Loading Bridge Requirement

Passenger Loading Bridge O&M Expenses		\$3,612
Passenger Loading Bridge Amortization - Authority Cash Funding Commitment		0
Passenger Loading Bridge Amortization - Other		0
Passenger Loading Bridge Senior Lien Debt Service (net of PFCs)		228
Passenger Loading Bridge Senior Lien Debt Service Coverage (25% rolling)		57
Passenger Loading Bridge Subordinate Lien Debt Service (net of PFCs)		0
Passenger Loading Bridge Subordinate Lien Debt Service Coverage (10% rolling)		0
O&M Reserve Fund requirements ¹		185
Renewal and Replacement Fund requirements ¹		29
Passenger Loading Bridge Requirement	[A]	\$4,111
Number of Passenger Loading Bridges	[B]	54
Passenger Loading Bridge Fee (per bridge)	[C] = [A] / [B]	\$76,123

Note: Amounts may not add due to rounding.

¹ Reflects allocable share of fund requirements based on the percentage of O&M Expenses allocable to Passenger Loading Bridges.

EXHIBIT I - 6

REVENUE SHARING CREDITS CALCULATION

(dollars in thousands, except rates)

(Fiscal Years Ending June 30)

		<u>YEAR 1</u>	<u>YEAR 2</u>
Revenue Share Component #1 - Share of In-Terminal Concessions:			
Percentage Share of In-Terminal Concessions Revenues	[A]	50%	45%
In-Terminal Concessions Revenues	[B]	\$21,241	\$22,317
Revenue Share Component #1 Total	[C] = [A] x [B]	\$10,621	\$10,043
Revenue Share Component #2 - Per Signatory Enplaned Passenger:			
Revenue Share per Signatory Enplaned Passenger	[D]	\$1.00	\$0.90
Signatory Enplaned Passengers (thousands)	[E]	10,336	10,853
Revenue Share Component #2 Total	[F] = [D] x [E]	\$10,336	\$9,767
Revenue Share Component #3 - Share of Net Remaining Revenue:			
Share of Net Remaining Revenue	[G]	20%	20%
Net Remaining Revenue:			
Total Operating Revenues		\$301,013	\$324,273
Less: O&M Expenses		(157,965)	(165,299)
Less: Senior Lien Debt Service (net of PFCs)		(21,249)	(32,104)
Less: Senior Lien Debt Service Coverage deposit (25% rolling)		(5,312)	(2,714)
Less: Subordinate Lien Debt Service (net of PFCs)		(25,357)	(28,574)
Less: Subordinate Lien Debt Service Coverage deposit (10% rolling)		(2,536)	(322)
Less: Airline Facilities Investment Fund Deposit		(14,800)	(17,853)
Less: Note Purchase Agreement		(864)	(864)
Less: Reliever Airport Support Costs		(500)	(515)
Less: O&M Reserve Fund requirements		(8,070)	(4,819)
Less: Renewal & Replacement Fund requirements		(1,250)	(1,250)
Less: Total Amortization - Authority Cash Funding Commitment		0	0
Less: Total Amortization - Other		0	(1,409)
Net Remaining Revenue	[H]	\$63,110	\$68,551
Revenue Share Component #3 Total	[I] = [G] x [H]	\$12,622	\$13,710
Revenue Sharing Credit Calculation:			
Revenue Share Component #1 Total	[C]	\$10,621	\$10,043
Revenue Share Component #2 Total	[F]	\$10,336	\$9,767
Revenue Share Component #3 Total	[I]	\$12,622	\$13,710
Beginning Revenue Sharing Credit Percentile	[J]	20.0%	20.0%
Growth in Signatory Enplaned Passengers Above 2.5%	[K] = ([E2] / [E1]) - 1.025	-	2.5%
Revenue Sharing Credit Percentile	[L] = [J] x (1+[K])	20.0%	20.5%
Revenue Sharing Credits	[K] = PERCENTILE([C]:[F]:[I],[L])	\$10,450	\$9,880

Exhibit I - 7

AUTHORITY CASH FUNDING COMMITMENT PROJECTS

PROJECTS

BNA Vision 1.0 & 2.0

Concourse D & Terminal Wings
Terminal Lobby and IAF
Terminal Ramp Paving (TATE)
Satellite Concourse

New Horizon

Concourse D Extension ¹
Concourse A Expansion ¹
Future Air Freight Building ²
Baggage Handling System Upgrades

Other Capital Projects (not included in Authority 5-Year CIP)

Concourse Upgrades
Curbside Expansion

Notes:

¹ Includes Terminal project and all other related elements such Terminal Ramp Area work, Baggage Systems, and associated Passenger Loading Bridges.

² Concourse D Extension enabling project.

Exhibit J: Airline Activity Report

(1 page)

EXHIBIT J

Nashville International Airport - BNA

Airline Activity Report

Marketing Airline:

Operating Airline:

For the Period:

Passenger Activity

Enplanements	Total	Domestic	International
Local Passengers	0		
Transfer Passengers	0		
Charter Passengers	0		
Total Enplanements	0	0	0
Deplanements			
Deplaned Passengers	0		
Charter Passengers	0		
Total Deplanements	0	0	0

Cargo Activity

Freight (lbs.)	Total	Domestic	International
Enplaned	0		
Deplaned	0		
Total	0	0	0
Cargo (lbs.)			
Enplaned	0		
Deplaned	0		
Total	0	0	0
Mail (lbs.)			
Enplaned	0		
Deplaned	0		
Total	0	0	0

Submitted by:

Date Submitted:

Phone:

Email:

I certify, to the best of my knowledge, that the above information is accurate and complete.

Signature:

Enplanement: A passenger boarding an aircraft at BNA, to include revenue, non-revenue, scheduled, or diverted

Deplanement: A passenger exiting an aircraft at BNA, to include revenue, non-revenue, scheduled, or diverted

Local Passenger: A passenger whose trip originates at BNA.

Transfer Passenger: A passenger whose trip originates somewhere besides BNA, but changes aircraft at BNA

Charter Passenger: A pre-arranged passenger on a flight that is not regularly scheduled service at BNA

Freight: Cargo that is carried on a passenger aircraft

Cargo: Cargo that is carried on a cargo only aircraft

Mail: Cargo that is carried for a national postal service

Exhibit K: Maintenance Matrix

(1 page)

EXHIBIT K
Nashville International Airport

Operation and Maintenance Responsibilities*

	Exclusive Premises	Preferential Holdroom & Ticket Counter	Preferential Baggage Make-up	Joint Use Premises & Public Areas	Unimproved Space	Terminal Ramp Area	Common Use
Building Exteriors	MNAA	MNAA	MNAA	MNAA	MNAA	-	MNAA
Loading Bridges (1)	-	MNAA	-	-	-	-	MNAA
Baggage Claim and Make-up Equipment (1)	-	MNAA	MNAA	MNAA	-	-	MNAA
Elevators, Escalators and Moving Walkways	Airline	MNAA	-	MNAA	-	-	-
Installed Central HVAC System	MNAA	MNAA	MNAA	MNAA	-	-	MNAA
Decorating and Redecorating	Airline	MNAA	Airline	MNAA	-	-	MNAA
Plumbing	Airline (2)	MNAA	MNAA	MNAA	-	-	MNAA
Electric Lighting and Relamping	Airline	MNAA	Airline	MNAA	Airline	MNAA	MNAA
Janitorial Cleaning	Airline	MNAA	Airline	MNAA	Airline	Airline (3)	MNAA
Trash Collection	Airline	MNAA	Airline	MNAA	Airline	Airline	MNAA
Exterior Window Cleaning	MNAA	MNAA	MNAA	MNAA	MNAA	-	MNAA
Interior Window Cleaning	Airline	MNAA	Airline	MNAA	-	-	MNAA
Pest Control (4)	Airline	MNAA	Airline	MNAA	-	-	MNAA
Restroom Janitorial/Maintenance	Airline	-	-	MNAA	-	-	MNAA
Signage	Airline	Airline (5)	-	MNAA	-	MNAA	MNAA
Aircraft Apron Pavement Maintenance (6)	-	-	-	-	-	MNAA	-
Pavement Striping	-	-	-	-	-	MNAA	-
Potable Water Cabinets (7)	-	-	-	-	-	Airline	MNAA
Baggage Scales (7)	-	Airline	-	-	-	-	MNAA

- (1) Authority shall provide maintenance (including preventative and corrective maintenance) for all Authority-owned passenger loading bridges and Authority-owned baggage equipment. Authority shall provide janitorial cleaning and trash collection for all Authority-owned passenger loading bridges.
- (2) Authority shall complete any plumbing repairs under the slab and Airline will reimburse Authority for all costs of the repairs.
- (3) Airline shall keep area clean, neat, orderly and free of foreign objects, and shall periodically remove grease, fuel spills, and oil.
- (4) Authority shall coordinate timing for routine pest control with Airlines and Airlines shall provide proof of compliance to Authority with a valid receipt of service.
- (5) Ticket Counter and gate podium backwall signage only.
- (6) Maintenance of the hydrant fuel system and all of its components are not part of this Agreement.
- (7) Includes any maintenance and any required certifications, records, or signage required by law.

* Airline shall repair and maintain all Airline-installed improvements and systems regardless of the location of such Airline-installed improvements and systems.

To the extent a discrepancy is identified between the language in the Airline Use and Lease Agreement and this Exhibit K, the language in the Agreement shall control.

Exhibit L: Capital Project Process

(5 pages)

Exhibit L – Airline Technical Representative Process

Capital Project Process

Airline representatives will have the opportunity to participate in the airport strategic planning process pertaining to future capital (technical) projects at Nashville International Airport (BNA). Airline representatives are encouraged to provide estimated impacts that future capital projects may have on airline operations, airline costs, or airline customers. These impacts will be presented to the airport in writing by either the Airline Technical Representative (ATR) or the Chair of the Airport Airline Affairs Committee (AAAC) prior to the start of design. The ATR may attend daily/weekly project meetings, a bi-weekly program/ATR coordination meeting, and a monthly airline technical committee meeting. If required, a monthly advisory meeting with the Chair of the AAAC will be scheduled. Details of these meetings are outlined in the following pages. No supervisory or approval rights are provided to the airlines; however, inputs, collaboration, progress updates, budget reports and discussions on concerns will be acknowledged by the Authority to the airlines.

ATR Daily Meetings

Members

- MNAA Project Team
- ATR (pull AAAC SMEs as needed for design/operational impacts)

Scope

- Attend Project Meetings
 - Design – OACs/Progress meetings
 - Construction – OACs/Progress meetings
 - Vision/New Horizon "All Project" Coordination Meeting
 - ORAT (as applicable)
 - Conduct Airline Coordination
- Additional Tasks:
 - Monitor Scope/Budget – Vision/New Horizon Monthly Project Financial Report Binder
 - Monitor Schedule
 - Drawing Reviews
 - Technical Support
 - Input on Operational Impacts

Frequency

- Daily/Weekly

ATR Coordination Meeting

Members

- MNAA Chief Engineer/Deputy Chief Engineer
- ATR

Scope

- ATR provide comments/concerns on Vision/New Horizon Monthly Program report
- ATR provide comments/concerns from daily meetings
- ATR provide comments on CGMP proposals for Vision/New Horizon
- ATR review bid summaries for Capital Improvement Projects (as applicable)

Frequency

- Bi-Weekly

Airline Technical Committee Meeting

Members

- MNAA COO
- MNAA Chief Engineer
- MNAA Project Leadership Team
- ATR
- AAAC

Scope

- MNAA Provides:
 - Project Progress Overview
 - * Schedule Overview
 - * Contract Awards
 - Budget Summary including Contract Change Orders
 - Review Action Items from Previous Meeting
 - MNAA provides slides in advance of meeting
- AAAC Provides:
 - Subject matter expertise
 - Feedback
 - ATR prepare and distribute meeting notes

Frequency

- Monthly

Advisory Meeting

Members

- MNAA COO
- AAAC Chair

Scope

- Manage Unresolved Issues

Frequency

- Following Airline Tech Meeting (as needed)

**METROPOLITAN NASHVILLE AIRPORT AUTHORITY
SIGNATORY AIRLINE USE AND LEASE AGREEMENT**

July 1, 2015 – June 30, 2022

AIRLINE:

SOUTHWEST AIRLINES CO.

NASHVILLE INTERNATIONAL AIRPORT

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METROPOLITAN NASHVILLE AIRPORT AUTHORITY
SIGNATORY AIRLINE USE AND LEASE AGREEMENT

July 1, 2015 – June 30, 2022

Airline: SOUTHWEST AIRLINES CO.

This SIGNATORY AIRLINE USE LEASE AGREEMENT (this “Agreement”) is made by and between the METROPOLITAN NASHVILLE AIRPORT AUTHORITY (the “Authority”), a public corporation existing under the laws of the State of Tennessee, and SOUTHWEST AIRLINES CO., a Texas Corporation (“Airline”).

RECITALS

The Authority owns and operates the Nashville International Airport (the “Airport”) and has the authority to grant to Airline rights and privileges concerning the occupancy and use of the Airport.

Airline desires to occupy or use certain Airport premises and facilities and to acquire from the Authority certain rights and privileges in connection with its use of the Airport.

The Authority and the Airline both wish to terminate their existing Signatory Airline Use and Lease Agreement and replace it with this Agreement, effective July 1, 2015.

Given the unique circumstances existing at the time of this Agreement and in consideration of the terms and conditions described below, the Authority and Airline agree as follows:

ARTICLE 1

DEFINITIONS AND EXHIBITS

1.1 Basic Data.

Each reference in this Agreement to any of the following subjects shall incorporate the information specified below:

Authority: Metropolitan Nashville Airport Authority

Authority's Overnight Delivery and Street Address:

Attn: President and Chief Executive Officer
Metropolitan Nashville Airport Authority
Nashville International Airport
One Terminal Drive, Suite 501
Nashville, TN, 37214

Authority's Payment Address:

Metropolitan Nashville Airport Authority
One Terminal Drive, Suite 501
Nashville, TN 37214

Airline: Southwest Airlines Co.

Airline's Overnight Delivery Address:

2702 Love Field Drive
Dallas, TX 75235
Attn: Bob Montgomery

Airline's Post Office Delivery Address:

P.O. Box 3511 HDQ-4PF
2702 Love Field Drive
Dallas, TX 75235

Effective Date: July 1, 2015.

Term: The period of time beginning on the Effective Date and ending on the Expiration Date, unless earlier terminated as provided in this Agreement.

Expiration Date: June 30, 2022.

Permitted Uses: As provided in ARTICLE 3.

Premises and Legal Description: As provided in ARTICLE 2.

1.2 Additional Defined Terms.

The following terms shall have the following meanings wherever used in this Agreement:

“AAAC” means the Airline Airport Affairs Committee established by the Signatory Airlines operating at the Airport.

“Affiliate” means an Air Carrier providing air service at the Airport that (i)(a) is a parent or subsidiary, or a subsidiary of the parent company, of Airline, or is under the same parental

control as Airline, or (b) otherwise operates under essentially the same trade name as Airline at the Airport and uses essentially the same livery as Airline at the Airport, and (ii) is properly designated as an Affiliate by Airline in accordance with the provisions of ARTICLE 6.

“Air Carrier” means a carrier certificated by the Secretary of Transportation as a Passenger Carrier under 49 U.S.C. § 41102 or a Cargo Carrier under 49 U.S.C. § 41103.

“Air Transportation Business” means that business operated by Airline at the Airport for the commercial transportation by air of persons, property, mail, parcels and/or cargo.

“Airfield” means the runways, taxiways, taxilanes, and apron areas (other than the Terminal Ramp Area and other designated apron areas), navigational aids, hazard designation and warning devices, airfield security roads and fencing, blast fencing, lighting, clear zones and safety areas for landing, taking off and taxiing of aircraft, aviation easements, land utilized in connection therewith or acquired for such purpose, and facilities, the acquisition, construction or installation cost of which is wholly or partially paid by the Authority as depicted in **Exhibit A**.

“Airport” means the realty and improvements generally known and designated as the “Nashville International Airport.” The improvements on the realty generally consist of the runways, aircraft taxiways and parking aprons, the passenger and freight terminal buildings, hangars, vehicle roadways and parking facilities, and all other improvements on such realty. The term “Airport” shall also include any adjacent or nearby realty acquired for purposes of the Airport by the Authority and all improvements constructed on such realty. A current depiction of the physical layout of the Airport is set forth in **Exhibit B**.

“Airport Facilities Investment Fund” means the account consisting of two sub-accounts, an airline facilities investment account and Authority facilities investment account, for the purpose of providing annual equity investment in Capital Improvement Projects at the Airport.

“Airport System” means the system of airports owned and operated by the Authority and consisting of the Airport and the John C. Tune Airport.

“Average Gate Utilization” means the average number of Turns per gate calculated by the Authority based on the rolling six-month average of a Passenger Carrier’s Turns at all of the Passenger Carrier’s Preferential Use Gates.

“Baggage Claim Areas” means the space in the Terminal excluding the FIS Area designated by the President and CEO to be used jointly with other Airlines for the delivery of inbound baggage to arriving passengers.

“Baggage Claim Equipment” means equipment owned, operated and maintained by the Authority that delivers inbound baggage to arriving passengers.

“Baggage Fees” means the fees associated with the Baggage Claim Areas, Baggage Claim Equipment and Baggage Make-up Equipment, as further specified in Section 9.5.

“Baggage Make-Up Areas” means the areas in the Terminal where outbound baggage is sorted for delivery to departing aircraft and made available to Signatory Carriers on a preferential use basis.

“Baggage Make-up Equipment” means the equipment owned, operated and maintained by the Authority that delivers outbound baggage from Ticket Counters to baggage make-up devices.

“Capital Costs” means all capital costs of the Airport, including the following:

- (a) Debt service (net of PFCs used to pay debt service) allocable to revenue bond-funded Capital Improvement Projects; and
- (b) Deposits to the Airport Facilities Investment Fund allocable to cash-funded Capital Improvement Projects.

“Capital Improvement Project” means an addition or improvement to the Airport.

“Cargo Carrier” means a carrier certificated by the Secretary of Transportation as a Cargo Carrier under 49 U.S.C. § 41103.

“Chair of the AAAC” means the representative of the Signatory Airlines designated as such by the members of the AAAC.

“Deplaned Passengers” means passengers (including non-revenue passengers) disembarking from a domestic or international flight at the Terminal, but does not include the flight crew.

“Enplaned Passengers” means passengers (including non-revenue passengers) embarking on a domestic flight or international flight at the Airport, but does not include the flight crew.

“Environmental Law” means any federal, state or local law, regulation, ordinance, permit or order (including without limitation any Airport regulation or rule or any final order of any court of competent jurisdiction) relating to the environment, now or hereafter in effect.

“Excluded Environmental Claims” means any claims, causes of action, demands, liabilities, fines, penalties, costs, expenses or any other liabilities that Airline can demonstrate were caused by or arise from (a) the migration of Hazardous Substances first Released prior to Airline’s first occupancy or use of Airline’s Premises, provided, however, that Airline, its officers, agents, employees, contractors, subcontractors, permittees or invitees are not otherwise responsible for the Release; (b) the migration of Hazardous Substances first Released outside Airline’s Premises or onto or under an Airline’s Premises due to leaching or the flow of groundwater, provided, however, that Airline, its officers, agents, employees, contractors, subcontractors, permittees or invitees are not otherwise responsible for the first Release outside Airline’s Premises; (c) any Hazardous Substances that existed on Airline’s Premises prior to Airline’s first occupancy or use of Airline’s Premises, provided, however that the actions or omissions of Airline, its officers, agents, employees, contractors, subcontractors, permittees or invitees do not cause or exacerbate a Release or threat of Release of such Hazardous Substances;

and (d) any Hazardous Substances Released by the Authority or its officers, agents, employees, contractors, subcontractors, permittees or invitees, or by any third party not under the control or direction of Airline, on Airline's Premises, provided, however that the actions or omissions of Airline, its officers, agents, employees, contractors, subcontractors, permittees or invitees do not cause or exacerbate a Release or threat of Release of such Hazardous Substances.

"Exclusive Premises" means any office space, storage area, VIP Lounge, employee break room, baggage service office, or other areas of the Terminal designated for the exclusive use by Airline in the Premises Notice.

"Exclusive Services" means any service provided to Airline that is not provided to other Signatory Airlines.

"FAA" means the Federal Aviation Administration or successor agency.

"Fiscal Year" means a year beginning July 1 and ending June 30.

"Gate" means those portions of the Terminal individually comprised of a passenger loading bridge, if any, a passenger hold room and associated portion of the Terminal Ramp Area.

"Gross Revenues" means the selling price, whether for cash or credit, of all alcoholic beverages or other beverages, and any related food service items sold at the VIP Lounge, but shall exclude any sales or other excise tax imposed upon the purchaser and collected by Airline as agent for the taxing body imposing the tax and billed to the purchaser as a separate item.

"Hazardous Substances" means any substance or material (including liquids, solids and gases) defined or designated as a hazardous waste, toxic substance, or other pollutant or contaminant by any Environmental Law.

"In-Terminal Concession Revenue Share" means the percentage of revenues from concessions inside the Terminal that are shared with Signatory Airlines pursuant to Section 9.9.

"International Arrivals Building" or "IAB" means the federal inspection services facility located in the Terminal.

"Joint Use Premises" means the Baggage Claim Area and Baggage Claim and Baggage Make-up Equipment in the Terminal which, pursuant to ARTICLE 2 of each airline use and lease agreement, are leased for joint use to Airline and one or more other Air Carriers, subject to Section 2.3.4 and as more fully described in the Premises Notice.

"Landing Fees" means the fees described in ARTICLE 9.

"Majority-in-Interest" means Signatory Airlines that account for more than fifty percent (50%) in number of the Signatory Airlines and that also account for more than seventy-five percent (75%) of the Landing Fees paid by all Signatory Airlines, including Affiliates, at the Airport during the immediately preceding 12-month period.

“Maximum Gross Landed Weight” means the maximum landing weight at which each aircraft operated by Airline is certificated by the FAA.

“Net Revenues” means the amount of Airport System revenue remaining after the payment of all Airport System costs and expenses.

“Non-Airline Airfield Revenues” means all revenues generated from use of or allocable to the Airfield other than Landing Fees.

“Non-Signatory Airline” means any Air Carrier that is not a Signatory Airline.

“Operations and Maintenance Expenses” or “O&M Expenses” means operations and maintenance expenses of the Airport System.

“Operations and Maintenance Reserve Fund” or “O&M Reserve Fund” means a reserve fund established and maintained by the Authority to be used by the Authority only in accordance with any applicable bond resolution, equal to two (2) months of the estimated O&M Expenses for Fiscal Year 2021 and initially funded from Net Revenues in five (5) equal annual installments beginning in Fiscal Year 2016.

“O&M Reserve Fund Replenishment Costs” means the amount required to replenish any funds estimated to be expended during the next Fiscal Year from the O&M Reserve Fund.

“Passenger Carrier” means an air carrier certificated by the Secretary of Transportation under 49 U.S.C. § 41102.

“Passenger Loading Bridge” means a passenger loading bridge and related equipment owned and maintained by the Authority.

“Passenger Facility Charges” or “PFCs” means charges authorized by 49 U.S.C. § 40117 and applicable implementing regulations adopted by the FAA, as they may be amended from time to time.

“Preferential Use Gate” means a Gate assigned by the Authority for Preferential Use by a Signatory Airline.

“Preferential Use” of a Gate means scheduling preference, over similar operations by another Scheduled Airline, given to a Signatory Airline for the use of a Gate during applicable Periods of Use for its Scheduled Operations, as further defined in ARTICLE 4.

“Preferential Use Baggage Make-up Areas” means a Baggage Make-up Area assigned by the Authority as Preferential Use Premises to a Signatory Airline.

“Preferential Use Premises” means those areas designated as such in the Premises Notice that are within the Terminal, including Preferential Use Gates, Preferential Use Ticket Counters and Preferential Use Baggage Make-up Areas and to which Airline has a higher priority of use over all other Air Carriers.

“Preferential Use Ticket Counter” means a Ticket Counter assigned by the Authority as Preferential Use Premises to a Signatory Airline.

“Premises” means any: (a) Exclusive Premises, (b) Preferential Use Premises; (c) Joint Use Premises; and (d) Unleased Premises; provided, however, that in the case of Unleased Premises, such areas will only constitute “Premises” during the period of time for which Airline has the right to use such areas.

“Premises Notice” means the notice described in subsection 2.3.1.

“President and CEO” means the President and Chief Executive Officer of the Authority or his/her designee.

“Prior Airline Use and Lease Agreements” means any use or lease agreement between the Authority and Airline for the use of the Airfield or Terminal executed prior to the Effective Date.

“Project Costs” means the total cost to construct, complete or acquire a Capital Improvement Project or series of Capital Improvement Projects.

“Public Areas” means sidewalks, corridors, lobbies, passageways, restrooms, elevators, escalators and other similar space made available by the Authority from time to time for use by passengers, Authority and Airline employees and other members of the public.

“Release” means any spilling, leaking, pumping, pouring, emitting, discharging, leaching, dumping or disposing into or on any property or the environment.

“Reliever Airport Support Costs” means the costs of supporting John C. Tune Airport. Reliever Airport Support Costs shall be \$400,000 for Fiscal Year 2016 and shall increase each subsequent Fiscal Year as follows:

Fiscal Year 2017	\$410,000
Fiscal Year 2018	\$420,000
Fiscal Year 2019	\$431,000
Fiscal Year 2020	\$442,000
Fiscal Year 2021	\$453,000
Fiscal Year 2022	\$464,000

“Renewal and Replacement Fund” or “R&R Fund” means a reserve fund established by the Authority to pay for the renewal or replacement of any Airport assets, to be used by the Authority only in accordance with any applicable bond resolution, up to an aggregate amount of Five Million dollars (\$5,000,000) and funded through five (5) annual transfers from Net Revenues of One Million dollars (\$1,000,000) beginning in Fiscal Year 2016.

“R&R Fund Replenishment Costs” means the amount required to replenish any funds that the Authority estimates it will expend from the R&R Fund during the next Fiscal Year.

“Rentable Space” means any areas in the Terminal that are available for lease on an exclusive, preferential or joint use basis, as designated by the President and CEO and depicted in **Exhibit C**.

“Rental Car Concession Revenue Share” means the percentage of revenues received from the rental car concessionaires at the Airport and shared with Signatory Airlines pursuant to Section 9.9.

“Security Checkpoint Area” means an area used for passenger security screening and associated queuing space as designated by the President and CEO.

“Signatory Airline” means (1) any Passenger Carrier that has entered into an agreement with the Authority substantially similar to this Agreement and has accepted the assignment of at least one (1) Preferential Use Gate, one (1) Preferential Use Ticket Counter and ticketing office or operations space; or (2) any Cargo Carrier that has entered into an agreement with the Authority substantially similar to this Agreement and is leasing at least one (1) cargo bay from the Authority.

“Terminal” means Gates, Ticket Counters, Baggage Claim Areas, Baggage Make up Areas, Security Checkpoint Areas, office space, storage areas, concourses, lobbies, VIP lounges, the IAB, employee break rooms and Public Areas located within the “drip-line” of the passenger terminal building at the Airport. For purposes of this definition, the “drip-line” means the footprint (improved or unimproved) inside the outer limits of the passenger terminal building, which in all cases should not extend beyond the roof-drip line as depicted in **Exhibit D**.

“Terminal Ramp Area” means the paved areas adjacent to the Terminal used by Passenger Carriers for parking of aircraft and ground service equipment as depicted in **Exhibit E**.

“Terminal Rental Rate” means the rate charged per square foot for use of space in the Terminal, as described in ARTICLE 9.

“Terminal Rents” means the rents charged by the Authority for Airline’s use of the Terminal, as described in ARTICLE 9.

“Ticket Counter” means those areas made available by the Authority for use by Airline for ticketing passengers and similar activities, including ticketing kiosk space, but excluding curbside check-in positions.

“Turn” means the active arrival and departure of an aircraft from a Gate and may be measured in halves. The movement of an empty aircraft to or from a Gate shall not constitute half a “Turn.”

“Unforeseen Terminal Expenses” means costs attributable to the Terminal that the Authority could not have reasonably foreseen on the Effective Date associated with (i) new

government mandates or government regulations to the extent such costs are over \$500,000 annually or (ii) repair or replacement of property in the Terminal damaged or destroyed by fire or other casualty to the extent such costs have not been reimbursed or covered by any insurance recovery.

“Unimproved Space” means unenclosed space within the Terminal that is neither heated nor air-conditioned.

“Unleased Gates” means Gates that are not leased to a Signatory Airline and are under the exclusive control and management of the Authority.

“Unleased Space” means Rentable Space under the exclusive control of the Authority that may be made available to Passenger Carriers for periodic, non-exclusive and non-preferential use.

“Utilization Deficiency” means Airline’s failure to meet one or more applicable Average Gate Utilization Targets over the most recent rolling six (6) month period, as further described in Section 4.6.

“VIP Lounge” means those Exclusive Premises used by Airline to provide premium services to its passengers.

1.3 Exhibits.

Exhibit A: Airfield

Exhibit B: Airport

Exhibit C: Rentable Space

Exhibit D: Terminal

Exhibit E: Terminal Ramp Area

Exhibit F: Premises Notice

Exhibit G: Gate Use, Assignment and Scheduling Procedure

Exhibit H: Affiliate Designation Letter

Exhibit I: Illustrative Calculations of Signatory Airline Rates and Charges

Exhibit J: Airline Activity Report

Exhibit K: Maintenance Matrix

ARTICLE 2

GRANT OF RIGHTS TO USE AIRPORT

The Authority grants to Airline the rights of occupancy and use in certain areas located within the Airport as provided in this Article, subject to the terms of this Agreement. A drawing depicting the Airport is attached hereto as **Exhibit B** and incorporated herein by this reference.

2.1 Rights to Use the Airfield.

The Authority grants to Airline a nonexclusive license to use the Airfield, in common with others and for the purposes specified in Article 3, subject at all times to the exclusive control and management by the Authority.

2.2 Rights to Use Public Areas.

The Authority grants to Airline a nonexclusive license to use the Public Areas within the Terminal, in common with others, subject at all times to the exclusive control and management by the Authority. Authority shall have the right, in its sole and complete discretion, to relocate, change or discontinue the use of any portion of the Public Areas from time to time during the Term after reasonable consultation with affected Signatory Airlines.

2.3 Rights to Use Premises.

2.3.1 Premises Notice. On or before the Effective Date, the Authority will issue to Airline a Premises Notice, attached hereto as **Exhibit F** and incorporated herein by this reference, which will designate which areas of the Airport, if any, will be made available by the Authority for use by Airline as: (a) Exclusive Premises, (b) Preferential Use Premises; and (c) Joint Use Premises. Airline acknowledges and agrees that the Premises Notice will be revised by the Authority and issued to Airline from time to time during the Term to reflect assignment and reallocation rights pursuant to this Agreement. Such notices will be effective thirty (30) days from receipt unless otherwise provided for under this Agreement. The parties agree that, upon issuance by the Authority, the revised Premises Notice shall be attached and incorporated to the Agreement and shall update and replace the last issued **Exhibit F** without further amendment of the Agreement.

2.3.2 Exclusive Premises. The Authority grants to Airline the exclusive right to use the Exclusive Premises, subject to Articles 3 and 5 of this Agreement, identified in the Premises Notice.

2.3.3 Preferential Use Premises. The Authority grants to Airline, subject to Articles 3, 4 and 5 of this Agreement, the right to use, on a preferential use basis, the Preferential Use Premises identified in the Premises Notice.

2.3.4 Joint Use Premises. The Authority grants to Airline, subject to Articles 3, 4 and 5 of this Agreement, the right to use, on a joint use basis, the Joint Use Premises identified in the Premises Notice; provided, however, that the Authority shall at all times have exclusive

control and management of the Joint Use Premises, and shall have the right to revise Airline's right to use such Joint Use Premises by sending to Airline a revised Premises Notice.

ARTICLE 3

USE OF AIRPORT

3.1 Limitations and Prohibitions on Use.

Airline shall not use the Premises or cause or permit its employees or others to use the Premises for any other purpose than specified in this Agreement.

3.2 Permissible Uses.

Airline may engage in the following activities:

3.2.1 The operation of an air transportation business for the carriage of persons, property, baggage, cargo, express and mail, including but not limited to the following categories of flights: revenue, training, test, inspection, emergency, charter and sightseeing.

3.2.2 The hiring and training of personnel in the employ of or to be employed by Airline, and the training of Airline's contractors.

3.2.3 The use alone or in conjunction with other Air Carriers, for any and all purposes in connection with or incidental to the operation of an air transportation business, including the handling of reservations, the handling, ticketing and billing of passengers, and the operation of passenger clubs and lounge rooms, and, to the extent permitted by law, the serving of food and beverages in such passenger clubs and lounge rooms.

3.2.4 The installation and operation, at Airline's expense, of identification signs advertising the business of Airline, which shall be consistent with Authority standards and subject to the approval of the Authority, which shall not be unreasonably withheld or delayed.

3.2.5 The servicing by Airline or others of Airline's aircraft, including Airline's servicing of its code-share partners and affiliates, and other equipment by truck or otherwise, with gasoline, fuel, or other propellants, de-icing or other supplies including food and beverages required by Airline.

3.2.6 The landing, taking off, flying, taxiing, towing, parking, loading or unloading of Airline's aircraft or the aircraft of any other Air Carrier.

3.2.7 The loading and unloading of any property, cargo, mail, and carriage of employees, in properly designated facilities, by such motor vehicles or other manner of conveyance as Airline may require in the operation of an air transportation business.

3.2.8 The installation, maintenance and operation by Airline of aircraft air-conditioning equipment, auxiliary power, start-up and miscellaneous support equipment

reasonably necessary for Airline's operations and not otherwise provided by the Authority. Any such equipment not reasonably required shall be promptly removed by Airline.

Subject to ARTICLE 4 (Assignment and Use of Gates), the use of Gates by Airline shall be limited to:

3.2.9 Subject to ARTICLE 4 (Assignment and Use of Gates), the ticketing, boarding, deboarding and billing of passengers, the use of the passenger holding areas as waiting areas for such passengers, the use of the Gate Ramp while the Gate is used by Airline, and other uses, upon request to and approval in writing by the President and CEO which shall not be unreasonably withheld.

3.2.10 Subject to ARTICLE 4 (Assignment and Use of Gates), operational staging of equipment for fueling, servicing, loading, or unloading and line maintenance of aircraft that can be completed during the time period associated with a Scheduled Operation, provided, however, that:

(a) Nothing in this subsection shall be implied or construed to grant to Airline the right to store or park equipment on the Terminal Ramp Area (other than as required for the regular servicing of aircraft at Gates); and

(b) In addition to the line maintenance permitted under subsection 3.2.10 above, at the Authority's sole discretion and so long as it does not interfere with another Air Carrier's Scheduled Operations, the Authority may permit Airline to perform emergency line maintenance of aircraft on the Terminal Ramp Area.

ARTICLE 4

ASSIGNMENT AND USE OF GATES

4.1 No Exclusive Use Gates.

All leased gates within the Terminal will be for Preferential Use in accordance with the terms of this Article. Airline's use of all Gates shall at all times be subject to the Authority's Gate Use, Assignment and Scheduling Procedure, as it may be modified from time to time. The Gate Use, Assignment and Scheduling Procedure in effect on the Effective Date is attached as **Exhibit G**. At no time shall the Gate Use, Assignment and Scheduling Procedure be inconsistent with the provisions of this Agreement.

4.2 Initial Allocation of Preferential Use Gates

Airline acknowledges that, as of the Effective Date, (a) the Authority has issued a Premises Notice to Airline that reflects Airline's Preferential Use Gate assignments, and (b) Airline has, by execution of this Agreement, accepted assignment of the Preferential Use Gates set forth in said Premises Notice and listed on **Exhibit F**.

4.3 Authority Scheduling Rights at Preferential Use Gates.

Airline and Authority acknowledge that the objective of the Authority is to offer airlines desiring to serve the Airport access to the Airport and to provide adequate gate positions and space in its facilities. The Authority intends to pursue the objective of achieving an optimum balance in the overall utilization of gates and other facilities to be achieved, if necessary, through sharing from time to time, of aircraft gates and other passenger handling facilities subject to and in accordance with this Agreement.

In furthering the objectives of providing access to the Airport, including the accommodation of new entrants, the Authority seeks to (1) provide the Signatory Airlines with predictability and stability regarding the use of operational space at the Airport, (2) provide reasonable accommodation to airlines seeking to serve the Airport, and (3) achieve a reasonable balance in the overall utilization of the terminal building and aircraft gates, taking into concern possible disruption of existing Signatory Airline operations and maximizing convenience to passengers.

4.3.1 Definitions.

For the purposes of ARTICLE 4, the following terms shall have the following meanings:

“Period of Use” for a Scheduled Operation means:

- (a) For arrivals of aircraft the Period of Use shall commence thirty (30) minutes prior to a scheduled arrival. The Period of Use shall terminate sixty (60) minutes after scheduled arrival or upon the completion of the deboarding process, whichever is the earlier to occur.
- (b) For departures of aircraft the Period of Use shall commence sixty (60) minutes prior to a scheduled domestic departure and ninety (90) minutes prior to a scheduled international departure. The Period of Use for such an originating flight shall terminate upon the actual departure of the aircraft from the Gate or thirty (30) minutes after scheduled departure time, whichever is the earliest to occur. The departure time shall be extended if the originating aircraft is being boarded and actively prepared for departure. In such instances, the extension shall extend only to the completion of the active boarding process.

There shall be no Period of Use for which Airline has a scheduling preference under this ARTICLE 4 with respect to any operation of Airline that occurs at the Airport pursuant to a published schedule that is not made available to the Authority by Airline within the time limits required for a Scheduled Operation.

“Requesting Airline” means a Scheduled Airline without adequate Gate access desirous of operating from the Airport.

“Scheduled Airline” means an Air Carrier performing scheduled passenger service operations at the Airport.

“Scheduled Operation” means a Scheduled Airline’s operation (arrival or departure) that occurs pursuant to a schedule that is published in the Official Airline Guide (OAG) or any successor publication and that is also made available to the Authority by the first day of the month for the succeeding ninety (90) days in a form prescribed by the Authority.

4.3.2 The Authority shall have the right, upon notice to and consultation with Airline, to schedule at a Preferential Use Gate arrivals and departures by a Requesting Airline at all periods of time other than Airline’s Periods of Use of that Preferential Use Gate if and only if no Unleased Gate option is available. Absent good reason to do otherwise, the Authority shall allow Airline to select the specific Preferential Use Gate at which the accommodation will occur. In accommodating the Authority in its right to schedule such operations, Airline shall allow and provide for use of its facilities or equipment (not including ground service equipment or proprietary computer equipment) at the Preferential Use Gate, or permit use of Authority equipment and podiums, as may be required for the efficient use of the Preferential Use Gate by a Requesting Airline. If Airline’s off-schedule or irregular operations interfere with a Requesting Airline’s use of a Preferential Use Gate assigned to Airline, Airline shall work with and shall make best efforts to accommodate the Requesting Airline at another Gate.

4.3.3 The Authority, consistent with the priorities set forth in the Authority’s Gate Use, Assignment and Scheduling Procedure, as it may be amended from time to time by the Authority, will accommodate Requesting Airlines at Unleased Gates before scheduling Requesting Airline arrivals and departures at any Preferential Use Gates to the extent an Unleased Gate is available at the time requested.

4.3.4 Notwithstanding the foregoing and any other provision of this ARTICLE 4, the Authority shall have the right, upon reasonable notice to Airline, including electronic mail (as secondary notice) sent to Station Manager, to schedule at a Preferential Use Gate arrivals and departures by a Requesting Airline during Airline’s Periods of Use of that Preferential Use Gate, if Airline does not actually utilize that Preferential Gate during the Period of Use for a Scheduled Operation.

4.4 Charges for Use of Gate by Another Carrier.

Any Requesting Airline that is accommodated at any of Airline’s Preferential Use Gates shall be required to pay the Authority the same charges for use of the Gate that it would have been required to pay the Authority for use of an Unleased Gate. Airline may not demand any additional payments from the Requesting Airline on account of its use of the Gate. Airline may, however, require as a condition of accommodation that the Requesting Airline provide (a) indemnification reasonably satisfactory to Airline; provided, however, that Airline may not require indemnification that is broader than the indemnification Airline has given to the Authority under ARTICLE 15 of this Agreement, and (b) proof of insurance of the types and with the limits of coverage required to be carried by Airline under Article 16 of this Agreement. The Authority will on a monthly basis credit Airline with the full amount of any fees collected from Requesting Carriers for their use of Airline’s Preferential Use Gates under this Section 4.4.

4.5 [INTENTIONALLY OMITTED]

4.6 Recapture of Underutilized Preferential Use Gates. Airline acknowledges that the Authority has established an Average Gate Utilization Target of four (4) daily Turns. The activity of Airline's Affiliates, if any, shall be counted towards Airline's Average Gate Utilization. If Airline and its Affiliates, if any, fail to meet the Average Gate Utilization Target during the most recent six-month period ("Utilization Deficiency"), the Authority may, in its sole discretion and without any obligation to do so, issue notice to Airline of its intent to recapture Preferential Use Gates ("Initial Recapture Notice"). Upon the Authority's delivery of the Initial Recapture Notice, Airline shall have an opportunity to cure the Utilization Deficiency. If Airline consistently meets the Average Gate Utilization Target for three (3) consecutive months after receipt of the Initial Recapture Notice ("Cure Period"), Airline's Utilization Deficiency shall be deemed cured; provided, however, that Airline thereafter meets the Average Gate Utilization Target for a period of at least six (6) consecutive months following the Cure Period. If, following the expiration of the Cure Period, Airline has not cured the Utilization Deficiency, the Authority may, in its sole discretion and without any obligation to do so, issue to Airline a Final Recapture Notice. The Preferential Gates so recaptured will be that number of Gates needed to allow Airline to meet the applicable Preferential Use Gate Utilization Target for the next three (3) consecutive months based on the data then available to the Authority. In the case of the Authority's recapture of less than all of the Preferential Use Gates in the Premises, the Authority, subject to consultation with Airline regarding Airline's operational needs, shall designate which Preferential Use Gate(s) shall be subject to such recapture and assignment. The Authority shall revise the Premises Notice issued to Airline to reflect the deletion of any Gates from the Premises as a result of the Authority's recapture thereof under this Section 4.6.1, and shall issue said revised Premises Notice to Airline promptly after the Authority's delivery of the Final Recapture Notice.

4.7 Authority Right to Terminate Portions of Premises Associated with Recaptured Preferential Use Gates. If the number of Airline's Preferential Use Gates is reduced during the Term of this Agreement as provided in subsection 4.6, the Authority may terminate, after consultation with Airline, and upon thirty (30) days written notice, Airline's right to use those portions of the Airline's Premises, including but not limited to Preferential Use Ticket Counter and Preferential Use Baggage Make-up Areas, that are no longer proximate to Airline's Preferential Use Gates, in the President and CEO's discretion, to support Airline's operations at Airline's remaining Preferential Use Gates. In such a situation, the Premises Notice that is issued by the President and CEO shall document the termination of any portion of Airline's Premises under this section. Airline's surrender of any such Premises shall be subject to the terms of Article 23 of this Agreement.

4.8 Airline Initiated Changes to the Premises.

4.8.1 Reallocations. If during the term of this Agreement Airline requires a reallocation of some or all of Airline's Premises to facilitate its operations at the Airport, Airline may request such a reallocation by submitting a written request to the President and CEO, and the President and CEO may approve or deny any such request in the President and CEO's sole discretion; provided, however, that in determining whether to approve such a written request, the President and CEO shall give due consideration to (a) Airline's need to expand its Premises, including its historical, present and reasonably projected frequency of operations; (b) any planned or completed changes in the Terminal; (c) the need to address current or reasonably

anticipated operational issues or facility imbalances; (d) the Authority's current or future business needs and requirements; (e) competing demands for use of the additional space sought by Airline; and (f) any other factors affecting the fair and open competition among Air Carriers operating or desiring to operate at the Airport.

4.8.2 Reductions. If, during the period from July 1, 2015 to September 30, 2017, Airline requires a reduction in some of Airline's Premises, Airline may request such reduction by submitting a written request ninety (90) calendar days before the requested effective date, to the President and CEO who shall direct that the adjustment to Premises be effective on the first of the month following the ninety (90) day period.

4.8.3 Additions. If, during the Term, Airline requires additional Premises, Airline may request such additional Premises by submitting a written request to the President and CEO, and the President and CEO may approve or deny any such request in the President and CEO's sole discretion, but no such approval will be unreasonably withheld; provided, however, that in determining whether to approve such a written request, the President and CEO shall give due consideration to (a) Airline's need to expand its Premises, including its historical, present and reasonably projected frequency of operations; (b) any planned or completed changes in the Terminal; (c) the need to address current or reasonably anticipated operational issues or facility imbalances; (d) the Authority's current or future business needs and requirements; (e) competing demands for use of the additional space sought by Airline; and (f) any other factors directly affecting the fair and open competition among Air Carriers operating or desiring to operate at the Airport.

4.8.4 Costs. All costs associated with any reallocation, reduction or addition requested by Airline under Section 4.8, including without limitation the costs of the Authority, shall be funded by Airline.

4.8.5 Premises Notice. A revised Premises Notice will be issued upon any change under this Section 4.8 to adjust the space and any changes to the rental amount.

4.9 Authority's Control of Unleased Gates.

The Authority shall retain exclusive control of the use of all Unleased Gates, subject to the Authority's Gate Use, Assignment and Scheduling Procedure as they may be amended from time to time by the Authority.

ARTICLE 5

ASSIGNMENT AND USE OF TERMINAL FACILITIES OTHER THAN GATES

5.1 Priorities for Accommodation.

5.1.1 If the Authority receives a request for access to space in the Terminal (other than Gates, which are subject to the provisions of ARTICLE 4 of this Agreement) from any Air Carrier seeking to commence or expand Scheduled Operations at the Airport

(“Requesting Airline”), the Authority shall, whenever possible, accommodate such a request by providing access to existing Unleased Space under the Authority’s control.

5.1.2 If such Unleased Space is unavailable or inadequate to meet the reasonable requirements of the Requesting Airline, as determined by the Authority, the Authority shall encourage Signatory Airlines voluntarily to accommodate the Requesting Airline, by subletting or otherwise making available for use by the Requesting Airline space within the Terminal that is subject to their exclusive or preferential use.

5.1.3 The Authority will notify all Signatory Airlines in writing when the Authority has determined that a Requesting Airline cannot be accommodated in Unleased Space, and the Signatory Airlines will have fifteen (15) calendar days from the receipt of such notice to voluntarily agree to accommodate the Requesting Airline. Any such agreements to accommodate a Requesting Airline must be in writing and are subject to approval by the Authority.

5.1.4 If a Requesting Airline is unable to meet its reasonable requirements, as determined by the Authority, by using Unleased Space made available by the Authority or by using space voluntarily made available by Signatory Airlines, the Authority shall have the right, upon thirty (30) calendar days’ notice to Airline, to require Airline to accommodate the Requesting Airline in space designated by the Authority by allowing the Requesting Airline to use Airline’s Preferential Use Premises, subject to Section 5.2, below, consistent with applicable policy, and based on principles of fairness to all Signatory Airlines and their operations; provided, however, that if the Requesting Airline is a Signatory Airline, the Requesting Airline must show, to the Authority’s satisfaction, that it cannot reasonably accommodate its own expanded service within the Terminal space already subject to its exclusive or preferential use.

5.1.5 If the Authority is unable to meet the reasonable requirements of the Requesting Airline, as determined by the Authority, after requiring the Signatory Airlines, including Airline, to accommodate the Requesting Airline in their preferential use space, the Authority shall consider whether the reasonable requirements of the Requesting Airline could be met in a reasonable, cost-effective way by constructing temporary or permanent new facilities. Only if all of these measures are inadequate to meet the reasonable requirements of the Requesting Airline, as determined by the Authority, may the Authority exercise its right to consolidate Airline’s operations under Section 5.3, below.

5.2 Charges for Use of Facilities by Another Carrier.

Any Requesting Airline that is accommodated at any facilities (other than Gates) used by Airline on an exclusive or preferential use basis shall be required to pay the Authority the same charges for use of the space that it would have been required to pay the Authority for use of such a facility according to the rates and charges established by the Authority under ARTICLE 9. Airline shall not demand any additional payments from the Requesting Airline on account of its use of such a facility. Airline may, however, require as a condition of accommodation that the Requesting Airline provide (a) indemnification reasonably satisfactory to Airline; provided, however, that Airline may not require indemnification that is broader than the indemnification Airline has given to the Authority under ARTICLE 15 of this Agreement, and (b) proof of

insurance of the types and with the limits of coverage required to be carried by Airline under ARTICLE 16 of this Agreement. The Authority will on a monthly basis credit Airline with the full amount of any fees collected from Requesting Carriers for their use of Airline's facilities under this Section 5.2.

5.3 Consolidation of Operations.

5.3.1 If the Authority is unable otherwise to meet the reasonable requirements of a Requesting Airline in accordance with the priorities established in Section 5.1, above, and the Authority determines that Airline is under-utilizing its Preferential Use Premises (other than Gates), based on the factors enumerated in this subsection 5.3.1 the Authority may, upon not less than thirty (30) days written notice to Airline, require Airline to vacate its under-utilized Preferential Use Premises and consolidate its operations in its remaining Preferential Use Premises. The Authority's determination of whether an Airline is underutilizing its Preferential Use Premises (other than Gates) will take into account each Signatory Airline's (i) historical, current and reasonably projected frequency of operations, (ii) number of Enplaning Passengers, (iii) number of Preferential Gates, (iv) square feet of other Preferential Use Premises, and (v) need for hub connectivity, as well as the need for the Authority to manage aircraft and passenger activity at the Airport in order to correct an imbalanced use of Airport facilities or to minimize or to reduce congestion in the Terminal or at the curbside. Airline may request the Authority to reconsider its determination of under-utilization within fifteen (15) calendar days of receipt of the Authority's notice to consolidate and, if it does so, Airline shall provide reasonable documentation of its need for the Premises that are the subject of the notice. If the Authority, after reconsidering its determination, elects to proceed with the consolidation, the Authority shall give Airline not less than thirty (30) calendar days' notice to vacate such Premises. The Authority may either assign the vacated premises to the Requesting Airline on a preferential use basis, if the Requesting Airline is or becomes a Signatory Airline, or deem the vacated premises to become Unleased Space subject to the Authority's exclusive control.

5.3.2 The reasonable costs of relocating Airline's furniture, equipment and signage in connection with the consolidation of Airline's operations, if required by the Authority under this subsection, plus the reasonable costs of Airline's tenant improvements that cannot be relocated, when originally constructed with the Authority's consent, shall be paid by the Authority.

5.3.3 The Authority shall revise the Premises Notice issued to Airline under subsection 2.3.1 of this Agreement to reflect any consolidation of Airline's operations required by the Authority under Section 5.3 and shall issue such a revised Premises Notice to Airline when any such consolidation takes effect.

ARTICLE 6

AFFILIATES

6.1 Designation of Affiliates and Airline Obligations. Subject to the provisions of this Article, Airline may designate one or more Affiliates to operate at the Airport. In the event Airline designates an Affiliate, the following provisions shall apply to Airline and the Affiliate.

6.1.1 Airline must first (i) designate the Affiliate on the form attached as **Exhibit H**; (ii) ensure that the Affiliate has entered into an operating agreement with the Authority; and (iii) confirm for the Authority in writing, using the form it uses to designate the Affiliate pursuant to clause (i), whether Airline will pay to the Authority or guarantee the Affiliate's payment of all Landing Fees, Terminal Rents and other charges due to the Authority on account of the Affiliate's use of any Airport facilities or services as an Affiliate of Airline.

6.1.2 Each Affiliate of Airline shall report and pay to the Authority all PFCs that it collects on account of enplaning passengers at the Airport at which it is operating as an Affiliate of Airline. Airline shall either pay to the Authority or guarantee payment to the Authority of all Landing Fees, Terminal Rents and other charges, and submit all activity reports, that are due to the Authority on account of the Affiliate's use of any Airport facilities or services as an Affiliate of Airline; provided, however, that both Airline and the Affiliate shall remain fully responsible and liable to the Authority for the payment of all Landing Fees, Terminal Rents and other charges (including PFCs), and the preparation of all activity reports, that are due to the Authority on account of the use of any Airport facilities or services by the Affiliate.

6.2 Rights of Affiliates. For so long as Airline and its Affiliates have complied with their payment and reporting obligations under Section 6.1, then:

6.2.1 Each Affiliate shall have the same rights as Airline to use Airline's Premises.

6.2.2 The Landing Fees, Terminal Rents and other charges due on account of each Affiliate's use of Airport facilities or services shall be calculated as if the Affiliate were a Signatory Airline; provided, however, in calculating Airline's Joint Use fees under Article 9, the Affiliate's passengers shall be treated as passengers of Airline and the Affiliate shall not be counted as a separate Signatory Airline for purposes of proration.

6.3 Multiple Affiliates. More than one Signatory Airline may from time to time designate the same Air Carrier as its Affiliate, and each such Signatory Airline shall only be responsible for such Air Carrier's operations as its Affiliate.

6.4 Termination of Affiliate. An Air Carrier's status as an Affiliate of Airline may be terminated by Airline upon not less than thirty (30) days written notice to the Authority. Airline's liability to the Authority for the payment of all Landing Fees, Terminal Rents and other charges (including PFCs), and the submission of all activity reports, that are due to the Authority on account of the use of any Airport facilities or services by the terminated Affiliate shall survive the termination of its Affiliate status; provided, however, that Airline shall only be responsible for such payments and reports as they relate to the terminated Affiliate's operations before its proper termination by Airline took effect.

6.5 Signatory Airline as Affiliate. If an Air Carrier operating as an Affiliate of Airline becomes a Signatory Airline, such Air Carrier must immediately terminate its status as an Affiliate of Airline.

ARTICLE 7

CAPITAL IMPROVEMENTS

7.1 Majority-in-Interest Approval for Projects in the Airfield.

7.1.1 New Capital Improvement Projects. For each new Capital Improvement Project in the Airfield that the Authority seeks to fund through airline rates and charges under Article 9 and that is not exempt from Majority-in-Interest approval under subsection 7.1.3, the Authority shall obtain approval from Signatory Airlines representing a Majority-in-Interest after providing written notice to all Signatory Airlines containing:

- (a) a description of the project;
- (b) drawings showing its location, to the extent available;
- (c) estimates of its total Capital Costs;
- (d) an explanation of the benefits it will provide;
- (e) a schedule for its implementation;
- (f) a summary of how the project will be funded; and
- (g) an estimate of the impact the project will have on the Landing Fees or other airline rates and charges to be paid by Signatory Airlines under Article 9.

A Capital Improvement Project in the Airfield shall only be deemed to be approved by a Majority-in-Interest when Signatory Airlines representing a Majority-in-Interest have provided their written approval of the Capital Improvement Project to the Authority.

Absent such approval by a Majority-in-Interest of the Signatory Airlines, the Authority may proceed with the Capital Improvement Project only if the Authority confirms in writing to all Signatory Airlines that the Authority will not fund the Capital Improvement Project in any way through rates and charges to be paid by Signatory Airlines under Article 9.

Capital Improvement Projects outside of the Airfield shall not be subject to Majority-in-Interest approval.

7.1.2 Cost Increases in Approved Projects. The Authority shall be required to obtain Majority-in-Interest approval in the event that (a) the estimated Capital Costs of any Capital Improvement Project approved under subsection 7.1.1 increases by the greater of 20% or \$100,000 of the Authority's share (net of PFCs and federal and state grants) of Capital Costs; and (b) the increased costs will be funded through airline rates and charges to be paid by Signatory Airlines under Article 9. The Authority shall seek Majority-in-Interest approval for such a cost increase by submitting a written request to all Signatory Airlines describing the amount of and basis for the estimated cost increase. Such cost increase shall be deemed to be approved by a Majority-in-Interest unless the President and CEO receives a letter disapproving

the cost increase from a Majority-in-Interest of the Signatory Airlines within fifteen (15) days of the Authority's request for Majority-in-Interest approval.

7.1.3 Exemptions from Majority-in-Interest Approval. The following are exempt from Majority-in-Interest approval requirements:

- (a) Capital Improvement Projects that will not be funded through rates and charges to be paid by Signatory Airlines under Article 9;
- (b) Capital Improvement Projects previously approved by a Majority-in-Interest under Prior Airline Use and Lease Agreements or this Agreement;
- (c) Capital Improvement Projects with Capital Costs of less than \$50,000 of the Authority's share (net of PFCs and federal and state grants) of Capital Costs;
- (d) Capital Improvement Projects required by a government agency with jurisdiction over the Airport;
- (e) Capital Improvement Projects of an emergency nature, which, if not made, would substantially impair the current operation of the Airport;
- (f) Capital Improvement Projects requested, funded, and paid for by an Air Carrier; or
- (g) Capital Improvement Projects made to satisfy judgments, comply with judicial or administrative orders, or comply with consent decrees against the Authority arising from or relating to its design, construction, ownership, maintenance or use of the Airport, provided that the Authority shall consult with Airline prior to making the determination to undertake such a Capital Improvement Project.

7.2 Other Capital Improvement Projects.

7.2.1 The Authority shall, during the Term, undertake Capital Improvement Projects in the Terminal for various purposes including, but not limited to, extending the useful life of the Terminal, improving the functional and aesthetic elements of the Terminal, and enhancing the Terminal user experience. The total Project Costs of such Capital Improvement Projects in the Terminal shall be equal to or greater than One Hundred Fifty Million, Three Hundred Twelve Thousand Dollars (\$150,312,000). These Capital Improvement Projects shall not be funded through rates and charges to be paid by Signatory Airlines under ARTICLE 9.

7.2.2 The Authority shall, during the Term, undertake Capital Improvement Projects in areas of the Airport other than the Terminal for various purposes including, but not limited to, improving operational, functional, environmental and aesthetic elements of the Airport. The total Project Costs of such Capital Improvement Projects in other areas of the Airport shall be equal to or greater than One Hundred Million Dollars (\$100,000,000). These Capital Improvement Projects shall not be funded through rates and charges to be paid by Signatory Airlines under ARTICLE 9.

ARTICLE 8

AIRLINE REPRESENTATIONS AND WARRANTIES

Airline represents and warrants to the Authority that:

8.1 Corporate Structure. Airline (a) is a corporation, partnership or limited liability company duly organized or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, and (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to execute, deliver and perform its obligations under this Agreement.

8.2 Duly Authorized. The execution, delivery and performance by Airline of this Agreement has been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of Airline's organization documents, or (b) conflict with or result in any breach or contravention of any contractual obligation to which Airline is a party, or any order, injunction, writ or decree of any governmental authority or any arbitral award to which Airline or its property is subject.

8.3 Approvals Unnecessary. Except as otherwise required pursuant to Section 8.5, no approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any governmental authority or any other person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, Airline of this Agreement.

8.4 Duly Executed. This Agreement has been duly executed and delivered by Airline. This Agreement constitutes a legal, valid and binding obligation of Airline, enforceable against Airline in accordance with its terms.

8.5 No Litigation. On the date it becomes a Signatory Airline, either (a) Airline is not the subject of a case or proceeding described in subsection 22.1.3, or (b) if Airline is the subject of a case or proceeding described in subsection 22.1.3, Airline has obtained entry in such case or proceeding of a final order in form reasonably satisfactory to the Authority as to which the appeal period has expired authorizing Airline to execute, deliver and perform its obligations under this Agreement.

ARTICLE 9

CALCULATION OF RATES AND CHARGES

9.1 Generally.

The fees and rents to be charged by the Authority and paid by Airline (and by all other Signatory Airlines) for its use of the Airport from the Effective Date until the expiration or earlier termination of this Agreement shall be calculated using the rate-setting methods set forth in this Article 9. In calculating the revenue requirements used to derive each of these kinds of rates and charges, the Authority shall exclude any cost (net of the cost of collection) that (a) has been reimbursed or covered by government grants or PFC's, (b) has been reimbursed or covered

by any insurance recovery, condemnation proceeds or other third-party payment, or (c) has been reimbursed or is required to be reimbursed to the Authority by an individual Airline in connection with projects undertaken by the Authority at the request and for the benefit of an individual Airline. Illustrative calculations displaying how rates and charges will be calculated under the methodology set forth in this Article 9 are attached as **Exhibit I**.

9.1.1 **Airline Consultations on Proposed Rates and Charges.** No later than May 1 of each year during the Term, the President and CEO shall provide each Signatory Airline with a complete copy of the then proposed rates and charges, calculated in accordance with this Article 9, for the succeeding Fiscal Year. The President and CEO shall consult with the AAAC concerning the then proposed rates and charges. No later than June 1 of each year, after giving due consideration to the comments provided by the AAAC, the President and CEO shall make any revisions to the proposed rates and charges (calculated in accordance with this Article 9) as the President and CEO determines, in his or her sole discretion, to be warranted as a result of consultation with the AAAC or otherwise, and shall provide notice to each Air Carrier then currently operating scheduled passenger or cargo service at the Airport of the new rates and charges to be effective on July 1.

9.2 Calculation of the Landing Fee. Each year during the Term the Authority shall calculate the estimated Landing Fee for the following Fiscal Year as follows:

9.2.1 The Airfield Requirement shall be computed as the sum of the following budgeted items:

- (a) O&M Expenses allocable to the Airfield; *plus*
- (b) Capital Costs allocable to the Airfield; *plus*
- (c) the Reliever Airport Contribution; *plus*
- (d) 50% of O&M Reserve Fund Replenishment Costs; *plus*
- (e) 50% of R&R Fund Replenishment Costs; *minus*
- (f) Non-Airline Airfield Revenues; *minus*
- (g) Landing Fees from Non-Signatory Airlines.

9.2.2 The estimated Landing Fee shall then be calculated by dividing the Airfield Requirement by the estimated total Maximum Gross Landed Weight (“MGLW”) in thousand pound units of Signatory Airlines for the following Fiscal Year. In calculating the estimated Landing Fee, the Authority may use the most recent available historical MGLW or projections of MGLW that reflect reasonable Authority management judgment.

9.3 Calculation of the Terminal Rental Rate.

9.3.1 Each year the Authority shall calculate the Terminal Rental Rate for the following Fiscal Year as the sum of the following items:

- (a) the Base Terminal Rental Rate for that Fiscal Year; *plus*
- (b) Unforeseen Terminal Expenses divided by Rentable Space.

9.3.2 The Base Terminal Rental Rate shall be as follows:

Fiscal Year 2016	\$90.00 per square foot
Fiscal Year 2017	\$90.00 per square foot
Fiscal Year 2018	\$100.55 per square foot
Fiscal Year 2019	\$103.07 per square foot
Fiscal Year 2020	\$105.65 per square foot
Fiscal Year 2021	\$108.29 per square foot
Fiscal Year 2022	\$111.00 per square foot

9.3.3 If the Authority anticipates that Unforeseen Terminal Expenses will be included in calculation of the Terminal Rental Rate for any Fiscal Year, the Authority shall, as soon as practical, give notice to of such previously Unforeseen Terminal Expenses to all Signatory Airlines and consult with the Signatory Airlines about the impact of such Unforeseen Terminal Expenses on the Terminal Rental Rate, the Authority's plans for finance such Unforeseen Terminal Expenses and efforts the Authority intends to undertake to reduce such Unforeseen Terminal Expenses, and the Authority shall give due consideration to any comments or suggestions offered by the Signatory Airlines during such consultations.

9.4 Calculation of the Terminal Ramp Area Rate. Each year the Authority shall calculate the estimated Terminal Ramp Area Rate for the next Fiscal Year as follows:

9.4.1 The Terminal Ramp Area Requirement shall be computed as the sum of:

- (a) budgeted O&M Expenses allocable to the Terminal Ramp Area,
plus
- (b) Capital Costs allocable to the Terminal Ramp Area.

9.4.2 The estimated Terminal Ramp Area Rate shall then be calculated by dividing the Terminal Ramp Area Requirement by the total square footage of the Terminal Ramp Area.

9.5 Calculation of Baggage Fees. Each year the Authority shall calculate the estimated Baggage Fees for the next Fiscal Year as follows:

9.5.1 The estimated Baggage Fee Requirement shall be computed as the sum of the following budgeted items:

(a) the product of (i) the Terminal Rental Rate and (ii) the total square footage of the Baggage Claim Areas; *plus*

(b) O&M Expenses and Capital Costs allocable to Baggage Claim Equipment and Baggage Make-up Equipment; *minus*

(c) Baggage Fees paid by Non-Signatory Airlines.

9.5.2 Charges for the use of Baggage Claim Equipment, Baggage Make-up Equipment and the Baggage Claim Area shall be calculated by allocating twenty percent (20%) of the Baggage Fee Requirement equally among all Signatory Airlines with scheduled service, and allocating eighty percent (80%) of the Baggage Fee Requirement among the Signatory Airlines on the basis of their proportionate numbers of Deplaned Passengers during the Fiscal Year. If, in the future, international activity is conducted in a separate facility and does not utilize the Joint Use facility, then such activity shall be captured in a separate cost center.

9.6 Calculation of Passenger Loading Bridge Fees. Each year the Authority shall calculate the estimated Passenger Loading Bridge Fee for the next Fiscal Year as follows:

9.6.1 The Passenger Loading Bridge Requirement shall be computed as the sum of budgeted O&M Expenses and Capital Costs allocable to Passenger Loading Bridges.

9.6.2 The estimated Passenger Loading Bridge Fee shall then be calculated by dividing the Passenger Loading Bridge Requirement by the total number of Passenger Loading Bridges.

9.6.3 The Authority intends to seek FAA authority to impose and use PFCs to fund the Capital Costs of replacing Passenger Loading Bridges in the Terminal.

9.7 Unimproved Space Rental Rate. The Rental Rate for Unimproved Space shall be as follows:

Fiscal Year 2016	\$2.00 per square foot
Fiscal Year 2017	\$2.00 per square foot
Fiscal Year 2018	\$4.00 per square foot
Fiscal Year 2019	\$4.00 per square foot
Fiscal Year 2020	\$4.00 per square foot
Fiscal Year 2021	\$4.00 per square foot
Fiscal Year 2022	\$4.00 per square foot

9.8 Other Charges. If Airline requests use of Airport facilities, Exclusive Services, or any other services, Authority shall invoice Airline for any such charges. Each year the

Authority shall publish a list of other charges to be paid for the use of facilities at the Airport, Exclusive Services, and other charges.

9.9 Revenue Sharing Credits. Each year during the Term the Authority shall calculate Concession Revenue Share credits for Signatory Airlines that are Passenger Carriers. The Concession Revenue Share shall be calculated and credited to the Signatory Airlines as the sum of the following items divided by the estimated total Enplaned Passengers for all Signatory Airlines to yield the Concession Revenue Share per Enplaned Passenger for each Signatory Airline:

(a) the budgeted In-Terminal Concession Revenue Share, which shall be as follows:

Fiscal Year 2016	70%
Fiscal Year 2017	60%
Fiscal Year 2018 and subsequent	50%

(b) the budgeted Rental Car Concession Revenue Share, which shall be as follows:

Fiscal Year 2016	20%
Fiscal Year 2017	20%
Fiscal Years 2018 and subsequent	0%

(c) Monthly, after receiving the Airline Activity Report, the Authority will provide a credit to the Airline equal to the Airline’s reported Enplanements multiplied by the Concession Revenue Share per Signatory Airline Enplanement.

9.10 Non-Signatory Premium. Non-Signatory Airlines shall pay a twenty-five percent (25%) premium on all rates and charges set forth under this ARTICLE 9 and shall not receive any Concession Revenue Share credits under Section 9.9.

9.11 Mid-year Adjustments. If it appears to the Authority on the basis of information it is able to accumulate during the course of any Fiscal Year that the budgeted Capital Costs or O&M Expenses or projected levels of Airline activity it has used to calculate the rates and charges set forth in this ARTICLE 9 are likely to vary significantly (higher or lower) from actual results, the Authority may, using current estimates and projections, recalculate the rates and charges in accordance with this ARTICLE 9 at mid-year or at such other time during the Fiscal Year (a) as the need for such an adjustment becomes apparent to the Authority and (b) when the variance between the budgeted revenues from the Signatory Airlines and estimated actual results is expected to be ten percent (10%) or more. The Authority shall provide the AAAC with at least thirty (30) days advance written notice (“Mid-Year Adjustment Notice”) of any adjustments to be made under this Section 9.11. The AAAC may, within fifteen (15) days of receipt of the Mid-Year Adjustment Notice, request a meeting with the Authority to review the

information that the Authority used as the basis for an adjustment under this Section 9.11 and if the AAAC does so, the Authority shall meet with the AAAC within fifteen (15) days of the AAAC's request.

9.12 Annual Adjustments-to-Actual.

9.12.1 Landing Fee. Within sixty (60) days after completion of the audit for the preceding Fiscal Year, the Authority shall recalculate the Landing Fee as set forth in this ARTICLE 9 on the basis of actual Capital Costs and O&M Expenses and MGLW and shall determine the amount of any overpayment (credit) or underpayment (debit) due to or from Airline.

9.12.2 Revenue Sharing Credit. Within sixty (60) days after completion of the audit for the preceding Fiscal Year which audit Authority shall endeavor to have completed within 120 days of the end of such Fiscal Year, the Authority shall recalculate Revenue Sharing Credits as set forth in this ARTICLE 9 on the basis of actual In-Terminal Concession Revenue, actual Rental Car Concession Revenue and actual Enplaned Passengers, and shall determine the amount of any overpayment (credit) or underpayment (debit) due to or from Airline.

9.12.3 Combined Adjustments. For each Signatory Airline, the Authority shall combine the credits or debits calculated in accordance with Sections 9.12.1 and 9.12.1 and any resulting credit (on a combined basis) will be issued to Airline, and any resulting debit (on a combined basis) will be invoiced to and payable by Airline within thirty (30) days; provided, however, that any resulting credit cannot be used in any given month to offset more than fifty percent (50%) of any amount otherwise due to the Authority.

9.13 Activity Reports.

9.13.1 Flight Information Management Systems. Airline shall provide the Authority with the information for the Authority's Multi-User Flight Information Displays ("MUFIDs"), Baggage Information Displays ("BIDs"), and any other necessary use by providing *real time* data output from Airline's internal flight information display system, computer reservations system, cargo load message transmission, ARINC or SITA transmissions, or other information systems (including commercial information systems) on a per flight basis. Airline flight information shall be in a format prescribed by the Authority and shall include, at least, the following information about Airline's operations and activities at the Airport: for each *arriving* flight: (a) flight number and Gate utilized, (b) aircraft registration number and aircraft type, (c) actual time of arrival at the Airport (wheels-on) and actual time of arrival at the Gate (aircraft parked at the Gate), (d) baggage claim number, (e) scheduled time of arrival, (f) estimated time of arrival, (g) aircraft parking position, (h) international or domestic flight indicator, (i) pre-cleared flight indicator, (j) code share information if applicable and (k) flight routing; for each *departing* flight: (a) flight number and Gate utilized, (b) aircraft registration number and aircraft type, (c) actual time of departure from Gate (aircraft pushback) and actual time of departure from Airport (wheels-off), (d) scheduled time of departure, (e) estimated time of departure, (f) aircraft parking position, (g) code share information if applicable and (h) flight routing.

9.13.2 Airline Reporting. Airline shall provide to the Authority, on or before the 10th day of each and every month, an accurate summary report of Airline's operations at the Airport during the preceding month ("Airline Activity Report"). Airline Activity Report shall be in a format attached as **Exhibit J**, or other format approved by the President and CEO, and shall include at least the following information: (a) Passenger Activity information to include: (i) Local, Transfer, and Charter Enplanements, both domestic and international (ii) deplanements and charter deplanements, both domestic and international; (b) Cargo Activity information to include enplaned and deplaned freight, cargo, and mail, both domestic and international.

9.13.3 Airline Activity Management System. The Authority may choose to enhance the Airport's system for the collection of airline-reported data. If so, the Authority expects the enhanced system will provide for the electronic collection of all airline data required under subsection 9.13.1 and Section 9.13.2 via the internet and/or other automated activity data sources ("Airline Activity Management System"). Airline agrees to collaborate with the Authority in support of the development of the Airline Activity Management System and shall cooperate with the Authority in testing and utilizing the Airline Activity Management System.

9.13.4 Failure to Report. If Airline fails timely to furnish the Authority with any Activity Report under subsections 9.13.1, 9.13.2, or 9.13.3, whichever may be applicable, Landing Fees, Terminal Rents and any other charges due under this Agreement shall be determined by assuming that Airline's activity in any month for which Airline has failed to report its activity equaled Airline's maximum activity during any of the previous twelve (12) months for which Airline submitted a Monthly Activity Report to the Authority. Any necessary adjustments in Airline's charges shall be calculated after an accurate report is delivered to the Authority by Airline for the month in question. Resulting credits or debits shall be applied to the appropriate invoices in the next billing period.

9.14 Air Service Incentive Program. Notwithstanding any other provision in this Agreement and, in order to enhance and attract new air service to the Airport, the Authority reserves the right to adopt and implement a program of air service incentives at the Airport, consistent with applicable federal requirements, which may include rates and charges incentives and marketing support ("Air Service Incentive Program"). The Air Service Incentive Program, if implemented, shall be offered to all eligible Air Carriers on a nondiscriminatory basis. The costs of the Air Service Incentive Program shall be borne by the Authority and shall not be recovered through any rates and charges levied under this Agreement.

ARTICLE 10

PAYMENTS

10.1 Payment of Landing Fees and Terminal Rents.

Airline shall pay to the Authority Terminal Rents, Landing Fees and other fees calculated in accordance with Article 9 as follows. Beginning on the Effective Date, Airline shall pay to the Authority on a monthly basis the Terminal Rents, Landing Fees and other fees established by the Authority in accordance with this Agreement.

10.1.1 All payments of Terminal Rents (except rentals for use of Unleased Gates and Space and the FIS, for which Airline shall pay as noted below) shall be made in advance no later than the first (1st) day of the month without awaiting an invoice from the Authority.

10.1.2 Airline Landing Fees shall be ready to view online through the customer portal by the third (3rd) business day of each and every month from landings captured by the PASSUR landing fee management system, or other automated landing fee management system. Airlines shall receive a landing fee invoice generated from the same data by the tenth (10th) business day of each month. Airline shall pay to the Authority the Landing Fees due for the preceding month by no later than the fifteenth (15th) calendar day of each and every month. Disputes to the landing fee invoice must be received in writing by the end of the month in which the invoice is received. Any dispute that cannot be resolved between the Airline and the President and CEO will be handled under the provisions of Section 10.1.5.

10.1.3 The Authority shall invoice Airline as of the twentieth (20th) day of each month for the actual rentals associated with Airline's use of Unleased Gates and Unleased Space, the FIS Facility, Remote Overnight (RON) Fees, and any other charges accrued during the prior month. Airline's payment of this invoice shall be due and payable within fifteen (15) days of the Authority's invoice date.

10.1.4 All payments to be received from this Agreement shall be made to the Authority at its Payment Address or at such other place as the President and CEO may from time to time designate in writing. All amounts shall be paid in lawful money of the United States, and all payments must be made by electronic funds transfer or check. All amounts paid shall be free from all claims, demands, set-offs or counterclaims of any kind. Any amounts owed under this Agreement that are not paid within five (5) business days of when due shall be subject to a service charge equal to the lesser of the rate of one and one-half percent (1½%) per month or the maximum rate permitted by law accrued from the due date. The Authority's acceptance of any payment under this Agreement shall not constitute a waiver of Airline's default on the overdue amount or prevent the Authority from exercising any of its rights and remedies under this Agreement.

10.1.5 If a dispute arises between the Authority and Airline with respect to any obligation or alleged obligation of the Airline to pay money to the Authority, the Airline shall pay the full amount, subject to the right of Airline to dispute the amount claimed in writing to the President and CEO. The payment under dispute by the Airline of the amount claimed by the Authority to be due shall not waive any of Airline's rights. If a court or other body having jurisdiction determines that all or any part of the disputed payment was not due, then the Authority shall promptly reimburse the Airline for any amount determined as not due with interest equal to the lesser of the rate of one and one-half percent (1½%) per month or the maximum rate permitted by law.

10.2 Passenger Facility Charges.

10.2.1 The Authority expressly reserves the right to impose passenger facility charges ("PFCs") in accordance with 49 U.S.C. § 40117 and applicable implementing

regulations adopted by the FAA, 14 CFR Pt. 158, as they may be amended from time to time (the “PFC Regulations”).

10.2.2 Airline shall hold in trust for the Authority the net principal amount of all PFCs that are collected by Airline or its agents on behalf of the Authority pursuant to 49 U.S.C. § 40117 and the PFC Regulations. For purposes of this Section 10.2, net principal amount shall mean the total principal amount of all PFCs that are collected by Airline or its agents on behalf of the Authority, reduced by any amount that Airline is permitted to retain pursuant to § 158.53(a) of the PFC Regulations. PFCs collected by Airline shall be remitted to the Authority at its Payment Address or at such other place as the President and CEO may from time to time designate in writing.

10.3 Payment of VIP Lounge Percentage Fees.

On or before the fifteenth (15th) day of each calendar month, Airline shall pay to the Authority the following percentage fees on the sale of all alcoholic beverages or other beverages, and any related food service items sold at or within the VIP Lounge: fifteen percent (15%) of the Gross Revenues received by Airline from all alcohol and twelve percent (12%) of the Gross Revenues received by Airline from all other (if any) sales incurred during said preceding month; provided, however, that Airline’s obligation to pay VIP lounge percentage fees under this Section 10.3 shall only apply to the extent, if any, by which such percentage fees for any given month exceed the Terminal Rent owed by Airline for its lease of the VIP Lounge for that month. Airline shall submit to the Authority, together with the required payment, a detailed statement showing Gross Revenues received by Airline from all alcoholic beverages or other beverages, and any related food service items sold at or within the VIP Lounge during the preceding calendar month. The monthly statements shall show such reasonable detail and breakdown as may be required by the Authority.

ARTICLE 11

AUDIT

Airline shall maintain separate and accurate daily records of Airline’s operations at the Airport for a period of three (3) years after the close of each calendar year throughout the Term, provided, however, that in the event the Authority gives Airline written notice of a claim for payment under this Agreement, Airline shall retain all of its records relating to its daily operations at the Airport that might pertain to the claim until the claim has been finally resolved. This record-keeping obligation shall survive the expiration or termination of this Agreement. All such books and records, including current and detailed records of all receipts in connection with items sold at the VIP Lounge which are material or relevant in computing and verifying the percentage fees provided for in Section 10.3, shall be kept in accordance with generally accepted accounting principles, consistently applied, showing in detail all business done or transacted in, on, about or from or pertaining to the Airport, and shall be sufficient to permit the Authority to calculate and verify the Landing Fees, Terminal Rents and other charges due under this Agreement. Upon the President and CEO’s reasonable and advance written request, Airline shall make available to the Authority or its auditors during reasonable hours any and all books, records and accounts pertaining to its operations under this Agreement. If the requested books, records

and accounts are not made available at the Airport, and the Authority or its auditors are required to travel elsewhere to review them, the Authority may require that Airline reimburse the Authority for the reasonable costs of such review of Airline's books, records and accounts, provided only if the Authority demonstrates an underpayment of five percent (5%) or more.

ARTICLE 12

PIPELINES AND UTILITIES

12.1 Reservations by Authority.

It is understood and agreed that the Authority reserves and retains the right with reasonable advance notice to Airline to construct, reconstruct, install, repair, remove, renew, operate and use pipelines, utility lines, copper wire, fiber-optic and/or high-speed wireless networks, roadways or structures for Airport purposes anywhere within the Airport, provided that any such activities by the Authority shall not have a substantial and material adverse effect on Airline's operations at the Airport or its rights hereunder.

12.2 Relocation of Pipelines.

In the event that any pipeline, utility line or appurtenance installed by Airline is so located that it shall be necessary to change, alter, relocate or reconstruct it in order to allow the Authority, or an independent party through an arrangement with Authority, to install sewer or drain lines or other utility lines, such change, alteration, relocation or reconstruction shall be made by Airline as requested by the Authority at the Authority's sole cost and expense.

12.3 Utilities.

12.3.1 The Authority shall provide the following utility services to the Premises in reasonable amounts and at pressures appropriate for airline operations: water, electricity, fire suppression systems, sewage outlets, heating, ventilation and air conditioning. The Authority shall determine the points in the Premises where such services will be made available to Airline. In the event Airline desires to change the points of supply by Authority, the expense of making such changes or alterations shall be at the sole cost of Airline. Any additional utility services requested by Airline and not otherwise provided by the Authority shall be provided only with the Authority's approval and shall be subject to separate tariffs.

12.3.2 Except where, and to the extent, caused by the negligence or intentional wrongdoing of Authority, its agents, employees, contractors, officers, directors or predecessors in interest, Airline expressly waives any and all claims against the Authority for damages arising or resulting from failures or interruptions of utility services or any failure of performance by an independent party providing utility services to the Premises, including electricity, gas, water, plumbing, sewage, telephone, communications, heat, ventilation, air conditioning, or for the failure or interruption of any public or passenger conveniences.

ARTICLE 13

DEVELOPMENT, MAINTENANCE AND REPAIR OF AIRPORT

13.1 Authority Right to Alter Airport.

Subject to the terms of this Agreement, Airline acknowledges and agrees that the Authority shall have the right at all times to change, alter, expand or contract the Airport and that the Authority has made no representations, warranties or covenants to Airline regarding the design, construction, pedestrian traffic, or views of the Airport.

13.2 Maintenance and Repair Obligations of Authority.

13.2.1 General Provision. Except as otherwise expressly provided herein, Authority shall furnish all structural maintenance to all Authority-owned facilities.

13.2.2 Exclusive Use Space. Authority shall provide maintenance and operation of all Authority-owned equipment and systems, outside window and exterior building structure cleaning, use reasonable efforts to furnish sufficient heat and air conditioning through its installed systems in those areas so equipped for such services and furnish electrical power for interior area lighting in the Exclusive Use Space (depicted in **Exhibit K**).

13.2.3 Preferential Use Space. Authority shall perform maintenance and operation of Authority-owned equipment, furnishings and systems; and provide area lighting (except in Baggage Make-up Areas), janitorial, including trash removal (except in Baggage Make-up Areas), pest control (except in Baggage Make-up Areas), and heating and air conditioning in the Preferential Use Space (depicted in **Exhibit K**).

13.2.4 Joint Use Space. Authority shall perform maintenance and operation of Authority-owned equipment and systems; and provide area lighting, janitorial, pest control, heating and air conditioning in the Joint Use Space (depicted in **Exhibit K**).

13.2.5 Preferential Use Terminal Ramp Area. Authority shall maintain the concrete infrastructure and structural integrity of the Preferential Use Terminal Ramp Area, maintain ramp area lighting, and shall perform all aircraft parking position painting based on aircraft parking plans provided by Airline.

13.2.6 Passenger Loading Bridges, Baggage Claim Equipment and Baggage Make-up Equipment. Authority shall provide maintenance (including routine and corrective maintenance), lighting, janitorial, pest control, and exterior equipment cleaning for all Authority-owned Passenger Loading Bridges, Baggage Claim Equipment and Baggage Make-up Equipment (depicted in **Exhibit K**).

13.2.7 Public Areas of the Terminal. Except as may otherwise be provided herein, Authority will operate, maintain and keep in neat, clean, safe, sanitary, sightly and operable condition and repair the public areas of the Terminal (except for those areas therein leased to others for their Exclusive Use or Preferential Use) and all additions, improvements and facilities now or hereafter owned by Authority, at or in connection with the Terminal and for use

in common by all airlines and the public, excepting any improvements or facilities constructed or installed by Airline, either individually or jointly with others and those that Airline has agreed under the provisions hereof to operate or maintain as aforesaid (depicted in **Exhibit K**). Except as otherwise provided herein, Authority will keep the roof, structure and utility systems of the Terminal in good repair. Authority will keep the public areas in and around the Terminal adequately supplied, equipped and furnished to accommodate the public using same and will operate and maintain directional signs in said public areas, including by way of example, but not by way of limitation, signs indicating the location in the Terminal of public facilities provided by Authority on the Airport. Authority will use reasonable efforts to provide (1) sufficient heat and air conditioning to those areas on the Airport equipped for such service; (2) illumination and drinking water in the public areas in the Terminal; (3) adequate lighting for the public vehicular parking facilities; and (4) such janitorial and cleaning services as necessary to keep the public areas and public use restrooms of the Terminal and areas adjacent thereto in a neat, clean, safe, sanitary, sightly and operable condition at all times.

13.3 Maintenance and Repair Obligations of Airline.

13.3.1 General Provision. Except as otherwise expressly provided herein, Airline specifically acknowledges and agrees that the Authority is permitting the use of the Premises by Airline on an “as is with all faults” basis and that Airline is not relying on any representations or warranties of any kind whatsoever, express or implied, from the Authority, as to any matters concerning the Premises.

13.3.2 Exclusive Use Space. Airline shall provide all maintenance, depicted in **Exhibit K**, in the Exclusive Use Space not otherwise provided by Authority under Section 13.2.2 hereof. Airline shall furnish all janitorial services, pest control, all maintenance and operation of Airline-owned improvements, furnishings and systems in the Exclusive Use Space. Airline shall provide electrical re-lamping, all decorating and redecorating when required and maintenance for plumbing lines in the Exclusive Use Space. Airline shall maintain the Exclusive Use Space in a neat, clean, safe, sanitary, sightly and operable condition, nor allow accumulation of trash or debris.

13.3.3 Preferential Use Space. Airline shall furnish all maintenance and operation of Airline-installed improvements, furnishings and systems in the Preferential Use Space (depicted in **Exhibit K**) not otherwise provided by Authority under Section 13.2.3 hereof. Airline will conduct its operation in a neat, clean, safe, sanitary, and sightly way.

13.3.4 Joint Use Space. Airline shall furnish all maintenance and operation of Airline-installed improvements and systems in the Joint Use Space (depicted in **Exhibit K**) not otherwise provided by Authority under Section 13.2.4 hereof. Airline will conduct its operation in a neat, clean, safe, sanitary, and sightly way.

13.3.5 Preferential Use Terminal Ramp Area. Airline shall perform or cause to be performed such cleaning of the Preferential Use Terminal Ramp Area leased to Airline as shall be necessary to keep said area in a clean, neat and orderly condition and free of foreign objects, and shall periodically on an as-needed basis remove grease, oil, and fuel spills with ramp

scrubbing equipment. Airline shall not add any markings on the pavement without the written consent of the President and CEO, not to be unreasonably withheld.

13.3.6 Passenger Loading Bridges. Airline will conduct its operation in a neat, clean, safe, sanitary, and sightly way. Airline shall not modify or attach personal property or signage to Authority-owned Passenger Loading Bridges without the advance written approval of the President and CEO (which approval may be withheld at President and CEO's sole reasonable discretion).

13.3.7 Baggage Claim Equipment and Baggage Make-up Equipment. Airline shall not modify or attach personal property or signage to Authority-owned Baggage Claim Equipment and Baggage Make-up Equipment without the advance written approval of the President and CEO (which approval may be withheld at President and CEO's sole reasonable discretion).

13.3.8 Airline-Constructed Improvements. Airline shall cause all improvements and facilities, and additions thereto, constructed or installed by Airline and not otherwise conveyed to the Authority, either alone or in conjunction with other airline tenants, and those constructed or installed by Authority in Airline's Exclusive Premises and Preferential Use Premises, and all vehicles and equipment operated by Airline on the Airport to be kept and maintained in a safe condition and in good repair (except those repairs and maintenance undertaken by Authority in Section 13.2 hereof) in accordance with uniform standards applicable to all Airport tenants as established from time to time by the President and CEO. Airline shall keep the Exclusive Premises and Preferential Use Premises and improvements thereon in a neat, clean, safe, sanitary, and sightly way.

13.3.9 Performance by Authority Upon Failure of Airline to Maintain. In the event Airline fails within thirty (30) days after written notice from Authority to perform any obligation required under this ARTICLE 13 to be performed by Airline, Authority may, after reasonable advance notice, enter the Leased Premises involved, without such entrance causing or constituting a termination of this Agreement or an interference with the possession of said Leased Premises by Airline, and do all things reasonably necessary to perform such obligation. President and CEO may charge Airline the reasonable cost and expense of performing such obligation and Airline agrees to pay to Authority upon demand such charge in addition to any other amounts payable by Airline hereunder; provided, however, that if Airline's failure to perform any such obligation endangers the safety of the public, the employees or property of Authority, or other tenants of the Airport and President and CEO so states in its notice to Airline, Authority may perform such obligation of Airline at any time after the giving of such notice and coordinating with Airline to the extent reasonably practicable and Authority may charge to Airline the reasonable cost and expense of such performance which Airline shall pay as aforesaid.

13.4 Airline Improvements.

13.4.1 General Provision. Airline shall make no alterations or improvements upon the Premises or install fixtures without first obtaining the written consent of the Authority. In no event may Airline make any alterations or improvements to any Common Use Premises.

In the event any alterations or improvements shall be made or fixtures (other than trade fixtures) shall be installed by Airline, they shall at once become part of the realty and become the property of the Authority. Moveable furniture, equipment and all trade fixtures shall be and remain the property of Airline, and Airline, at its expense, upon the expiration or prior termination of this Agreement, shall promptly remove any such furniture and trade fixtures and, at the Authority's request, shall restore the Premises to its condition prior to the installation of any such property.

13.4.2 Visual Artists Rights Act. With respect to construction or installation of any improvements at the Premises that might implicate the requirements of the federal Visual Artists Rights Act of 1990, 17 U.S.C. §§ 106A and 113, as they may be amended from time to time ("VARA"), Airline agrees that it shall not (i) hire any artist or permit any sublessee to hire any artist for the purpose of installing or incorporating any work of art into or at the Premises, or (ii) permit the installation or incorporation of any work of art into or at the Premises, without the prior written approval of the President and CEO. Airline shall provide such reasonable documentation as the Authority may request in connection with any such approval, and the approval of the Authority may be conditioned upon the execution by the artist of a waiver of the provisions of the VARA, in form and substance acceptable to the President and CEO.

13.5 Damage or Destruction.

13.5.1 Damage. If any portion of the Terminal in which Airline occupies Premises under this Agreement is damaged by fire, earthquake or other casualty, but is not rendered unfit for use by Airline, the damage shall be repaired by the Authority, as soon as is practicable under the circumstances. If the damage renders the Premises unfit for use by Airline, and if the damage is repairable using reasonable diligence within four months from the date of the occurrence, the Premises shall be repaired by the Authority.

13.5.2 Destruction. If any portion of the Terminal in which Airline occupies Premises under this Agreement is completely destroyed by fire, earthquake or other casualty, or damaged to such extent that such damage cannot be repaired within four months from the date of the occurrence, the Authority or such Airline shall have the option to terminate this Agreement to the extent that it shall apply to the destroyed Premises. In addition, the Authority shall within thirty (30) days of a fire, earthquake or other casualty, provide written notice to Airline that it intends to (i) terminate the Agreement or (ii) repair or reconstruct the Premises. If the Authority elects to repair or reconstruct the Premises, it shall begin any work necessary to do so and shall use reasonable efforts to provide Airline with temporary substitute space while the repairs are being completed if Airline does not elect to terminate this Agreement to the extent that it shall apply to the destroyed Premises. If a party elects to terminate this Agreement, such termination shall be effective as to the Premises, sixty (60) days after the occurrence of the damage. Without limiting the foregoing, if the Authority terminates this Agreement to the extent that it shall apply to the destroyed Premises, the Authority shall use reasonable efforts to provide Airline with substitute space for the remaining Term if requested by Airline.

13.5.3 Rent Abatement. For the period from the occurrence of any damage to the Premises to the date of completion of the repairs to the Premises (or to the date of termination of the Agreement as to such portions of the Premises if the Authority shall elect not to restore them), the rental allocable to the particular Premises involved shall be abated in the same

proportion as the unusable portion of the Premises bears to the whole, or, if the damage or destruction has rendered the entire Premises unusable, said rental shall be abated entirely, and upon termination of the Agreement as to such damaged or destroyed Premises, Airline shall have no further obligation to pay the rental allocable thereto. The costs assigned to such unusable space may be recovered by the Authority as an Unforeseen Terminal Expense pursuant to ARTICLE 9. The Authority may charge a reasonable rental for any temporary substitute space it furnishes, but not more than the rent Airline was paying for the damaged or destroyed Premises. In the event that the Authority shall elect to terminate the Agreement as to the portion of the Premises damaged or destroyed as provided above, and in the event the loss of use thereof by Airline will have a substantial adverse effect on Airline's use of the remainder of the Premises and its business and operations at the Airport in the opinion of the Airline, Airline may within thirty (30) days after receipt of the Authority's notice of termination, terminate this Agreement in its entirety by giving the Authority written notice thereof.

13.6 Inspections.

The Authority may, upon reasonable notice to Airline and during reasonable hours, cause the Premises and Airline's operations at the Airport to be inspected and may conduct an inspection of Airline's operations at the Airport, including pest inspections pursuant to subsection 13.2, to confirm that such operations comply with the requirements set forth in this Agreement. The Authority shall use reasonable efforts not to interfere with Airline's operations during any such inspection, and Airline shall cooperate with such inspection. In the event such inspection shows that Airline is not substantially complying with such requirements, without limiting the Authority's ability to call a default hereunder, the Authority may require that Airline reimburse the Authority for the reasonable costs of such inspection. Airline shall promptly remedy any noncompliance shown in any such inspection.

ARTICLE 14

COMPLIANCE WITH LAW

14.1 General Laws.

At all times, Airline shall, with respect to its operations at the Airport, comply with all applicable present and future federal, state and local laws, rules, regulations and ordinances, as they may be amended from time to time, whether foreseen or unforeseen, ordinary as well as extraordinary, including without implied limitation those relating to (i) health and safety; (ii) the environment; and (iii) disabled access, including the Americans with Disabilities Act, 42 U.S.C. §§ 12101 *et seq.*

14.2 Airport Rules and Regulations.

The use by Airline of the Premises, the Public Areas, the Airfield and all other areas of the Airport shall be subject to such Airport Rules and Regulations as are now or may in the future be adopted by the Authority, provided that such Rules and Regulations do not conflict with applicable provisions of this Agreement or state or federal law. Except in the case of emergency Rules and Regulations, the Authority shall give Airline written notice and

opportunity to comment on any proposed Rules and Regulations that would affect Airline's operations at the Airport before such proposed Rules and Regulations are adopted by the Authority. Within twenty (20) calendar days after receipt of the Authority's notice of such proposed Rules and Regulations, the Chair of the AAAC (and not Airline individually), may submit, in writing, comments to the proposed Rules and Regulations on behalf of Airline and all other objecting Air Carriers. The Authority and the AAAC shall have fifteen (15) calendar days after the Authority's receipt of the AAAC's comments to meet and discuss the proposed Rules and Regulations. If the AAAC's comments are not resolved, the Authority shall provide the proposed Rules and Regulations and the AAAC's objections to the Authority Board prior to implementation, and the AAAC shall have twenty (20) calendar days to comment to the Authority Board on its objections. After the AAAC comments to the Authority Board on its objections, or if the AAAC fails to comment to the Authority Board during the allotted twenty (20) calendar day period, the Authority shall implement the proposed Rules and Regulations. This Agreement shall not be interpreted as a waiver of any right of Airline to challenge any future Rules and Regulations of the Authority on the basis of the Airline Deregulation Act, 49 U.S.C. § 41713.

ARTICLE 15

INDEMNIFICATION

15.1 General Indemnification. Airline shall defend, indemnify, and hold the Authority and its directors, officers, employees, agents and volunteers completely harmless from and against any and all claims, suits, demands, actions, liabilities, losses, damages, judgments or fines arising by reason of injury or death of any person, or damage to any property, including all reasonable costs for investigation and defense thereof (including, but not limited to, reasonable attorney fees, court costs and expert fees and all other reasonable litigation expenses when incurred and whether incurred in defense of actual litigation or in reasonable anticipation of litigation), of any nature whatsoever arising out of (i) Airline's conduct of its Air Transportation Business on the Airport, including without limitation the acts or omissions of Airline's officers, agents, employees, contractors, subcontractors, permittees or invitees (excluding Airline's passengers), (ii) the use or occupancy of the Premises by Airline, its officers, agents, employees, contractors, subcontractors, permittees or invitees (excluding Airline's passengers), or (iii) the performance, non-performance or purported performance of Airline under this Agreement or any breach of the terms of this Agreement by Airline, regardless of where the injury, death, or damage may occur, in each case except to the extent such injury, death, or damage is caused by the negligence or willful misconduct of the Authority. The Authority shall give to Airline reasonable notice of and an opportunity to defend against any such claims or actions, and the Authority shall take reasonable actions to mitigate its damages.

15.2 Violation of Law. Airline shall defend, indemnify, and hold the Authority and its directors, officers, employees, agents and volunteers completely harmless from and against any claim, suit, demand, action, liability, loss, damage, judgment, fines or civil penalty and all costs and expenses of whatever kind or nature (including, but not limited to, reasonable attorney fees, court costs and expert fees and all other reasonable litigation expenses when incurred and whether incurred in defense of actual litigation or in reasonable anticipation of litigation) associated therewith in any way and to the extent arising from or based upon the actual or

alleged violation of any federal, state, or municipal laws, statutes, resolutions, or regulations by Airline or its officers, agents, employees, contractors, subcontractors, permittees or invitees (excluding Airline's passengers), in conjunction with Airline's use and/or occupancy of the Airport. The Authority shall give Airline reasonable notice of and an opportunity to defend against any such claims or actions, and the Authority shall take reasonable actions to mitigate its damages.

15.3 Non-Compliance with Security Mandates. If the Authority is alleged to be in non-compliance with laws or regulations governing access to secure areas of the Airport and said non-compliance is the result of or due to the negligence or willful act or omission of Airline or any of Airline's officers, agents, employees, contractors, subcontractors, permittees or invitees (excluding Airline's passengers), and such breach of a secure area results in a civil penalty action against the Authority, Airline agrees to reimburse the Authority for all expenses (including, but not limited to, reasonable attorney fees, court costs and expert fees and all other reasonable litigation expenses when incurred and whether incurred in defense of actual litigation or in reasonable anticipation of litigation) incurred by the Authority in defending against the civil penalty action and for any civil penalty or settlement amount paid by the Authority as a result of being deemed in non-compliance. The Authority shall give Airline reasonable notice of any allegation, investigation, or proposed or actual civil penalty sought for such non-compliance and will consult with Airline during any such situation.

15.4 Workers' Compensation. In any and all claims against the Authority by an employee of Airline, the indemnification obligations of ARTICLE 15 of this Agreement shall not be limited in any way by any limitation on the amount or type of damages or compensation benefits payable by or for Airline under applicable worker's or workmen's compensation, benefit, or disability laws. Airline expressly waives any immunity Airline might have under such laws solely for claims covered under Airline's indemnification obligations in ARTICLE 15. For the avoidance of doubt, such waiver of immunity shall not apply to claims filed by Airline's employees against the Airline. By agreeing to enter into this Agreement, Airline acknowledges that the foregoing waiver has been mutually negotiated by the parties.

15.5 Survival. The provisions of this ARTICLE 15 shall survive the expiration, termination, or early cancellation of this Agreement for claims, suits, demands, actions, liabilities, loss, or damage, which occur prior to the termination or early cancellation of this Agreement.

ARTICLE 16

INSURANCE

16.1 Airline's Insurance Obligations. Airline shall, at its own cost and expense, purchase or acquire and carry in effect through the Term a policy or policies of insurance, with an insurance company or companies that is/are financially sound (as reasonably demonstrated to the satisfaction of the Authority's Chief Financial Officer by reference to ratings by A.M. Best's or other evidence satisfactory to the Chief Financial Officer) and upon whom process in any suit or action or other proceeding in the courts of the State of Tennessee may be served, insuring Airline against all liability, subject to policy terms, conditions and exclusions, for injuries to

persons (including wrongful death) and damages to property and any other liability arising from or caused by Airline's use and occupancy of the Airport or otherwise arising from or caused by Airline's activities and operations on said Airport premises, the policy limits thereof to be in the minimum(s) as set forth below.

16.2 Comprehensive Airline Liability Insurance.

16.2.1 The Airline shall maintain comprehensive airline liability insurance with limits as set forth below. For purposes of this Section, the number of seats for Passenger Airlines is determined based upon the largest aircraft in the Airline's fleet. For purposes of this Section, the Gross Takeoff Weight (GTOW) for Cargo Airlines is determined based upon the largest aircraft in the Airline's fleet.

(a) Passenger Airlines with 20 seats or less. The comprehensive airline liability insurance shall be a limit of not less than Fifty Million Dollars (\$50,000,000) for each occurrence.

(b) Passenger Airlines with 21 to 60 seats. The comprehensive airline liability insurance shall be a limit of not less than One Hundred Million Dollars (\$100,000,000) for each occurrence.

(c) Passenger Airlines with 61 to 99 seats. The comprehensive airline liability insurance shall be a limit of not less than Two Hundred Million Dollars (\$200,000,000) for each occurrence.

(d) Passenger Airlines with 100 to 299 seats. The comprehensive airline liability insurance shall be a limit of not less than Three Hundred Million Dollars (\$300,000,000) for each occurrence.

(e) Passenger Airlines with 300 seats or more. The comprehensive airline liability insurance shall be a limit of not less than Five Hundred Million Dollars (\$500,000,000) for each occurrence.

(f) Cargo Airlines with less than 60,000 lbs. GTOW. The comprehensive airline liability insurance including war risks shall be a limit of not less than Twenty-Five Million Dollars (\$25,000,000) for each occurrence.

(g) Cargo Airlines with 60,000 lbs. or more GTOW. The comprehensive airline liability insurance including war risks shall be a limit of not less than One Hundred Fifty Million Dollars (\$150,000,000) for each occurrence.

16.2.2 The comprehensive airline liability insurance shall include with sublimits and aggregates where applicable, but not be limited to, Commercial/Comprehensive General Liability, Bodily Injury and Property Damage to Third Parties, Passenger Liability, Personal Injury and Advertising Injury Liability, Contractual Liability, Passengers' Checked and Unchecked Baggage Liability, Premises, Operations, Independent Contractors, Products-Completed Operations Liabilities, Fuelling Operations (if conducted), War and Allied Perils

for passengers and third parties, Liquor Liability, Hangarkeepers Liability, Mail and Cargo Legal Liabilities, Liability arising out of the use of autos and mobile equipment.

16.2.3 The comprehensive airline liability insurance shall apply as primary insurance with respect to any other insurance afforded to the Authority. There shall be no endorsement or modification of the policy to make it excess over any other insurance available to the Authority.

16.3 Automobile Liability Insurance.

16.3.1 Commercial. Automobile Liability Insurance

(a) The Airline shall maintain automobile liability insurance and, if necessary, commercial umbrella liability insurance with a limit of not less than Five Million Dollars (\$5,000,000) for each accident or occurrence.

(b) Such insurance shall cover liability arising out of any owned or non-owned auto operated by the Airline.

(c) Coverage shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to that provided in the 1990 and later editions of CA 00 01.

16.4 Environmental Liability Insurance. Airline shall obtain and maintain continuously in effect at all times while this Agreement remains in force and effect, at its sole cost and expense, pollution liability insurance coverage (the "Pollution Coverage"), with coverage limits of not less than \$10,000,000 per occurrence and \$10,000,000 in aggregate, that insures against claims, damages, losses and liabilities arising from a discharge, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, Hazardous Material, smoke vapors, soot, fumes, acids, alkalis, toxic chemicals or medical waste materials into or upon the Premises, any structure on land, the atmosphere or any watercourse or body of water, and resulting from activities of the Airline or others for which the Airline is responsible, including any such claims, damages, losses and liabilities arising from or relating to the occupancy, use or operation of the Premises by the Airline or the presence of the Airline at the Airport. Airline may provide for reasonable limits of self-insurance against environmental risks. All amounts paid to the Authority by Airline on account of any self-insurance program shall be deemed insurance proceeds for purposes of this Agreement. To the extent Airline self-insures as to environmental liability, the protections afforded the Authority by Airline shall be the same as if insurance were provided by a third-party insurer, and Airline shall have all the obligations and liabilities of a third-party insurer hereunder (*e.g.*, obligation to provide a defense). The aggregate deductible amount under the insurance policy or policies providing the Pollution Coverage shall not exceed \$1,000,000 per occurrence. Each insurance policy providing the Pollution Coverage shall name the Authority and its commissioners, officers and employees as additional insureds thereunder and shall provide that such insurance policy shall be considered primary insurance as to any other valid and collectible insurance or self-insured retention the Authority may possess or retain. Each insurance company issuing an insurance policy providing the Pollution Coverage

shall be (A) an eligible surplus lines insurer approved to issue coverage in the state of Tennessee or (B) otherwise approved by the chief financial officer to the Authority. Such approval may be denied or withheld based upon an insurance Airline's rating by the rating service or other indication of financial inadequacy, as determined by the sole and absolute discretion of the chief financial officer of the Authority.

16.5 Worker Compensation Insurance.

16.5.1 Workers' Compensation and Employer's Liability Insurance. The Airline shall maintain workers' compensation and employer's liability insurance.

(a) Workers' Compensation. Coverage shall be at statutory limits as required by applicable state.

(b) Employer's Liability. The employer's liability limits shall not be less than One Million Dollars (\$1,000,000) each accident for bodily injury by accident or One Million Dollars (\$1,000,000) each employee for bodily injury by disease.

16.6 Waiver of Subrogation. Both parties mutually waive and shall cause its insurers to waive all rights of subrogation against the other party for any loss or damage to property caused by the fire or any other casualty.

ARTICLE 17

[INTENTIONALLY OMITTED]

ARTICLE 18

INCREASE IN COST OF INSURANCE

Airline shall not use the Premises in any manner not contemplated by this Agreement so as to increase the existing rates of insurance applicable to the buildings or structures of which the Premises are a part. If it nevertheless does so, then, at the option of the Authority, the full amount of any resulting increase in premiums paid by the Authority with respect to the buildings or structures of which the Premises are a part, and to the extent allocable to the Term, shall be paid by Airline to the Authority. Conversely, the Authority shall not use the Public Areas in any manner not contemplated by this Agreement so as to increase the existing rates of insurance applicable to Airline's Premises. If it nevertheless does so, then, at the option of Airline, the full amount of any resulting increase in premiums paid by Airline with respect to the buildings or structures of which the Premises are a part, and to the extent allocable to the Term, shall be paid by Authority to Airline.

ARTICLE 19

NON-DISCRIMINATION

19.1 Non-Discrimination. Airline acknowledges that the Authority has given to the United States, acting by and through the FAA, certain assurances with respect to non-discrimination required by Title VI of the Civil Rights Act 1964 (42 U.S.C. § 2000d *et seq.*, 78 Stat. 252), 49 CFR Part 21, 49 CFR § 47123, 28 CFR § 50.3 and other acts and regulations relative to non-discrimination in Federally-assisted programs of the U.S. Department of Transportation (“DOT”) (collectively, and including all amendments thereto, the “Acts and Regulations”) as a condition precedent to receiving Federal financial assistance from FAA for certain Airport programs and activities. The Authority is required under the Acts and Regulations to include in this Agreement, and Airline agrees to be bound by, the following covenants and requirements:

19.1.1 Airline, for itself, its assignees and successors in interest, covenants and agrees that it shall assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability, be excluded from participating in any program or activity conducted with or benefitting from Federal financial assistance received by the Authority from the FAA. In the event of Airline’s breach of any of the above Non-discrimination covenants, the Authority shall have the right to terminate this Agreement.

19.1.2 Airline, for itself, its personal representatives, successors in interest and assigns, as part of the consideration hereof, hereby covenants and agrees, as a covenant running with the land, that in the event facilities are constructed, maintained, or otherwise operated on the Premises for a purpose for which a DOT activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, Airline shall maintain and operate such facilities and services in compliance with all requirements imposed by the Acts and Regulations such that no person on the ground of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said facilities.

19.1.3 In the event of Airline’s breach of any of the Non-discrimination covenants described in subsection (b), above, the Authority shall have the right to terminate this Agreement, and to enter, re-enter and repossess the Premises and the facilities thereon, and hold the same as if this Agreement had never been made or issued. This subparagraph (c) shall not become effective until the procedures of 49 CFR Part 21 are followed and completed, including the expiration of appeal rights.

19.1.4 Airline, for itself, its personal representatives, successors in interest and assigns, as part of the consideration hereof, hereby covenants and agrees, as a covenant running with the land, that (i) no person on the ground of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said facilities, (ii) in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (iii) Airline shall use the Premises in compliance with all other requirements imposed by or pursuant to the Acts and Regulations.

19.1.5 In the event of Airline’s breach of any of the Non-discrimination covenants described in subsection (d), above, the Authority shall have the right to terminate this

Agreement, and to enter or re-enter and repossess the Premises and the facilities thereon, and hold the same as if this Agreement had never been made or issued. This subparagraph (e) shall not become effective until the applicable procedures of 49 CFR Part 21 are followed and completed, including the expiration of appeal rights.

19.1.6 Airline shall include these subsections (a) through (f), inclusive, in Airline's licenses, permits and other instruments relating to the Premises, and shall require that its licensees, permittees and others similarly include these statements in their licenses, permits and other instruments relating to the Premises.

19.2 Affirmative Action. Airline assures that: (a) it shall undertake an affirmative action program as required by the Authority, and by all federal and state laws, rules and regulations pertaining to Civil Rights (and any and all amendments thereto), including, without limitation, 49 CFR Part 21 and 49 U.S.C. § 47123, to assure that no person shall, on the grounds of race, creed, color, national origin, sex, or age be excluded from participation in or denied the benefits of the program or activity conducted with or benefitting from Federal financial assistance received by the Authority from the FAA; (b) it shall not engage in employment practices that result in excluding persons on the grounds of race, creed, color, national origin, sex, or age, from participating in or receiving the benefits of any program or activity conducted with or benefitting from Federal financial assistance received by the Authority from the FAA, or in subjecting them to discrimination or another violation of the regulations under any program covered by 49 CFR Part 21 and 49 U.S.C. § 47123; and (c) it shall include the preceding statements of this Section 19.2 in Airline's contracts and other applicable documents under this Agreement, and shall require that its contractors and others similarly include these statements in their subcontracts and applicable documents.

ARTICLE 20

ASSIGNMENT AND SUBLETTING

Airline shall not assign or transfer this Agreement or any interest therein nor sublet the whole or any portion of the Premises without first obtaining the Authority's written consent, nor shall this Agreement or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court, or otherwise without the consent of the Authority first had and obtained, which consent shall not be unreasonably withheld. Airline further agrees that if at any time during the Term more than one-half (1/2) of the outstanding shares of any class of stock of Airline's corporation shall belong to any stockholders other than those who own more than one-half (1/2) of the outstanding shares of that class of stock at the time of the execution of this Agreement or to members of their immediate families, such change in ownership of the stock of Airline shall be deemed an assignment of this Agreement within the meaning of this Section (unless Airline is a corporation whose stock is listed on the New York Stock Exchange or other major stock exchange, the stock is acquired by Airline's parent company and the parent company is listed on a major stock exchange, or Airline merges with its parent company and the Airline is then listed on a major stock exchange, in which case such an event will not be considered an assignment of this Agreement). Airline's entering into any operating agreement, license or other agreement whereunder a third party, other than a subsidiary, affiliate, or code share partner of Airline is given rights or privileges to utilize

portions of the Premises shall be considered an attempted assignment or subletting within the meaning of this Section. Notwithstanding the foregoing, Airline shall not be permitted to assign or transfer this Agreement or any interest therein nor sublet the whole or any portion of the Premises once it has provided the Authority with notice of its intent to terminate this Agreement pursuant to the provisions of subsection 22.3.2.

ARTICLE 21

SECURITY DEPOSIT

If, at any time during the Term, Airline shall fail duly and timely to pay any Landing Fees, Terminal Rent or any other rate or charge due under this Agreement, when due to the Authority, the Authority shall have the right to immediately impose the security deposit requirements of this Article 21, and shall provide Airline with reasonable written notice thereof. In such event, Airline shall obtain and deliver to the Authority at the address set forth in Section 1.1, a security deposit equal to three months of Landing Fees and Terminal Fees as estimated by the Authority. The security deposit shall be made by irrevocable letter of credit, surety bond or other instrument acceptable to the Authority no later than thirty (30) calendar days after Airline's receipt of the Authority's notice imposing the security deposit requirement, and shall remain in place at all times throughout the Term and throughout any holdover period. The Authority shall not pay interest on the security deposit, and the Authority shall not be required to keep the security deposit separate from its other accounts. No trust relationship is created with respect to the security deposit. Airline shall maintain such security deposit for the remainder of the Term. If Airline's security deposit is in the form of a letter of credit, and unless said letter of credit is automatically renewing, Airline shall, at least thirty (30) days prior to the maturity date of the letter of credit (or any replacement letter of credit) then held by the Authority, deliver to the Authority a replacement letter of credit that has a maturity date no earlier than the next anniversary of the Effective Date or one (1) year from its date of delivery to the Authority, whichever is later.

The Authority may apply all or part of the security deposit to any unpaid sums due under this Agreement. If the Authority depletes the security deposit in this way, Airline shall restore the security deposit within ten (10) days after Airline's receipt of the Authority's written request to do so. Notwithstanding the foregoing, if the Authority depletes the Security Deposit and an unpaid sum remains due under this Agreement, the Authority shall have the right to recover the total of such unpaid sum through the fees and charges mechanism set forth in Article 9; provided, however, that this shall not release nor in any way affect Airline's liability for such unpaid sums.

Should Airline comply with all of the terms, covenants and conditions of this Agreement and promptly pay all sums payable by Airline to the Authority hereunder, the Security Deposit or the remaining proceeds therefrom, as applicable, shall be returned to Airline within thirty (30) days after the expiration or earlier termination of the Term, less any portion thereof that may have been used by the Authority to cure an Event of Default. The Authority's rights under this Article 21 shall be in addition to all other rights and remedies provided to the Authority under this Agreement or by Applicable Laws.

ARTICLE 22

TERMINATION

22.1 Airline Defaults. The occurrence of any one or more of the following events shall constitute a breach of this Agreement and an “Event of Default” under this Agreement:

22.1.1 Airline shall fail duly and timely to pay any Landing Fees, Terminal Rent or any other rate or charge due under this Agreement, when due to Authority, and such failure shall continue for five (5) days beyond Airline’s receipt, pursuant to Section 26.21, of a written notice of such breach or default from President and CEO. Notwithstanding the foregoing, in the event there occur two (2) defaults in the payment of Landing Fees, Terminal Rent or other rate or charge due under this Agreement in any twelve (12) month period, thereafter Airline shall not be entitled to, and Authority shall have no obligation to give, notice of any further payment defaults. In such event, there shall be deemed to occur an “Event of Default” immediately upon Airline’s failure timely to pay Landing Fees, Terminal Rent or other payment due under this Agreement.

22.1.2 Airline shall fail duly and timely to remit to the Authority passenger facility charges (“PFCs”) collected by Airline from its passengers in accordance with 49 U.S.C. § 40117 and applicable implementing regulations adopted by the FAA, 14 CFR Pt. 158, as they may be amended from time to time.

22.1.3 Airline shall become insolvent, take the benefit of any present or future insolvency statute, make a general assignment for the benefit of creditors, file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement for its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws, or under any other law or statute of the United States or of any state, or consent to the appointment of a receiver, trustee, or liquidator of any or substantially all of its property, or petition under any part of the federal bankruptcy laws, or an action under any present or future insolvency law or statute shall be filed against Airline and shall not be dismissed within ninety (90) days after the filing thereof.

22.1.4 There shall occur a transfer subject to Article 20 without the prior approval of the Authority.

22.1.5 Airline shall abandon, desert, or vacate the Premises.

22.1.6 Any lien shall be filed against the Premises as a result of an act or omission of Airline, and shall not be discharged within sixty (60) days after receipt of notice by Airline.

22.1.7 Airline shall fail to obtain and maintain the insurance required by this Agreement, or provide copies of the policies or certificates to Authority as required.

22.1.8 Airline shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Agreement, and such failure shall continue for a period of more than thirty (30) days after delivery by President and CEO of a written notice of such failure or if satisfaction of such obligation requires activity over a period of time, if Airline

fails to commence the cure of such failure within thirty (30) days after receipt of such notice, or thereafter fails to diligently prosecute such cure, or fails to actually cause such cure within thirty days after the giving of such notice.

22.2 Authority Remedies.

22.2.1 General Remedies – Applicable to All Portions of the Premises.

(a) Whenever any default shall occur (other than a default pursuant to subsection 22.1.3 upon which termination of this Agreement, at the Authority’s option, shall be effective immediately without further notice), this Agreement and all of Airline’s rights thereunder shall terminate if the written notice of default so provides. The Authority shall be entitled to recover from Airline all unpaid rent and fees and damages incurred because of such default, including, but not limited to, reasonable attorneys fees and costs (“Termination Damages”), together with interest on all Termination Damages at the rate of 18% per annum, or the maximum rate permitted by applicable law, whichever is lower, from the date such Termination Damages are incurred by the Authority.

(b) In addition to Termination Damages, and notwithstanding termination, Airline’s liability for all rent and fees which, but for termination of the Agreement, would have become due over the remainder of the Agreement (“Future Charges”) shall not be extinguished and Airline agrees that the Authority shall be entitled, upon termination for default, to collect as additional damages a Rental Deficiency. As used in this subsection 22.2.1, a “Rental Deficiency” shall mean: an amount or amounts equal to Future Charges less the amount or amounts of rental, if any, which the Authority shall receive during the remainder of the Term from others to whom the Premises may be rented, in which case such Rental Deficiency shall be computed and payable at Authority’s option either: (i) in an accelerated lump sum payment or (ii) in monthly installments, in advance, on the first day of each calendar month following termination of the Agreement and continuing until the date of which the Term would have expired but for such termination, and any suit or action brought to collect any portion of Rental Deficiency attributable to any particular month or months, shall not in any manner prejudice the Authority’s right to collect any portion of Rental Deficiency by a similar proceeding.

(c) The Authority’s action pursuant to this subsection 22.2.1 shall not in any way limit the Authority in the pursuit of any other additional right or remedy available to the Authority in law or in equity by reason of Airline’s default.

22.2.2 Additional Remedies for Exclusive Premises.

(a) Whenever any default shall occur (other than a default pursuant to subsection 22.1.3 upon which termination of this Agreement, at the Authority’s option, shall be effective without further notice), this Agreement and all of Airline’s rights thereunder shall terminate if written notice of the default so provides. In the event such default involves space occupied by Airline on an exclusive use basis, in addition to those remedies for default set forth in subsection 22.2.1, above, upon termination the Authority may re-enter and take exclusive possession of any such Exclusive Premises and remove all persons and property from such Exclusive Premises, without Authority being liable to Airline for damage or loss thereby

sustained by Airline. The Authority shall be entitled to recover from Airline, in addition to Termination Damages, additional damages incurred because of such default, including but not limited to the costs of removing or storing any personal property from the Exclusive Premises, the cost of re-letting the Exclusive Premises and the costs of any necessary renovations or repairs and related expenses (“Additional Termination Damages”), together with interest on all Additional Termination Damages at the rate of 18% per annum, or the maximum rate permitted by applicable law, whichever is lower, from the date such Additional Termination Damages are incurred by the Authority. Airline shall have no right to or claim upon any improvements that may have been previously installed by Airline in or on the Exclusive Premises.

(b) If this Agreement terminates as a result of Airline’s default, the Authority shall use reasonable efforts to relet the Exclusive Premises or any part thereof, alone or together with other Exclusive Premises, for such term or terms and for such use or uses as the Authority in its sole discretion may determine. Airline’s obligations hereunder shall not be discharged by reason or failure of Authority to relet the Exclusive Premises.

(c) The Authority’s actions pursuant to this subsection 22.2.2 shall not in any way limit the Authority in pursuant of any other additional right of remedy available to the Authority in law or in equity by reason of Airline’s default.

22.3 Termination. This Agreement may be terminated in advance of its Expiration Date in the following events:

22.3.1 In the event that any federal, state or local government or agency or instrumentality thereof shall, by condemnation or deed or conveyance in lieu thereof, take title, possession or the right to possession of the Premises or any substantial portion of the Premises, the Authority may, at its option, terminate this Agreement as of the date of such taking; or

22.3.2 In the event that any court having jurisdiction in the matter shall render a decision which has become final and which will permanently or for a substantial period of time prevent the performance by the Authority of any of its material obligations under this Agreement, then either party hereto may terminate this agreement by written notice. This right of termination shall be and remain effective whether or not the Authority, by taking affirmative action or by inaction, could have prevented the rendering of the decision or could have caused the decision to be vacated before it became final.

22.3.3 In the event of termination of this Agreement under any of the above subsections, all rights and obligations of the parties (with the exception of any undischarged rights and obligations that accrued prior to the effective date of such termination) shall terminate, and if Airline is not in material default under any of the provisions of this Agreement on the effective date of termination, any rent prepaid by Airline shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Airline.

22.4 Authority’s Right to Partial Termination. In the event the Authority determines, after consultation with the Airline, that Airport operations or a Capital Improvement Project require the use of all or a portion of Airline’s Exclusive Premises, the Authority shall provide Airline with one-hundred eighty (180) days notice of termination of the required

Exclusive Premises. If Airline is required to move pursuant to this Section 22.4, the Authority shall relocate Airline to Exclusive Premises that are reasonably similar to those previously occupied by Airline, and shall pay for all reasonable costs of such relocation.

22.5 Authority's Right to Perform. All agreements and obligations to be performed by Airline under any of the terms of this Agreement shall be at its sole cost and expense and without any abatement of Terminal Rents or Landing Fees. If Airline shall fail to make any payment or perform any act on its part to be performed hereunder and such failure shall continue for ten (10) days, after notice thereof by Authority, Authority may, but shall not be obligated to do so, and without waiving or releasing Airline from any obligations of Airline, make any such payment or perform any such other act on Airline's part to be made or performed as provided in this Agreement. All sums so paid by Authority and all necessary incidental costs shall be deemed additional rent hereunder and shall be payable to Authority on demand, and Authority shall have (in addition to any other right or remedy of Authority) the same rights and remedies in the event of the nonpayment thereof by Airline as in the case of default by Airline in the payment of Terminal Rents or Landing Fees.

22.6 Rights Related to Termination. In the event of any termination by the Authority based on any breach by Airline of the covenants, terms and conditions contained in this Agreement, all rights, powers and privileges of Airline under this Agreement shall cease, and Airline shall immediately vacate any portions of the Premises occupied by it under this Agreement. Airline shall have no claim of any kind whatsoever against the Authority by reason of such termination or by reason of any act by the Authority.

22.7 Authority Defaults. The events described below shall be deemed events of default by the Authority:

22.7.1 The Authority fails to keep, perform or observe any material term, covenant or condition in this Agreement to be kept, performed, or observed by the Authority and such failure continues for thirty (30) days after receipt of written notice from Airline; or if by its nature such default cannot be cured within such thirty (30) day period, the Authority shall not commence to cure or remove such default within said thirty (30) days and to cure or remove the same promptly as reasonably practicable; provided, however, the Authority's performance under this subsection shall be conditioned by the force majeure provisions of Section 26.7 of this Agreement.

22.7.2 The Airport is closed to flights in general or to the flights of Airline, for reasons other than those circumstances within Airline's control, and Airport fails to be reopened to such flights within thirty (30) consecutive days from such closure.

22.7.3 The Airport is permanently closed as an air carrier airport by act of any Federal, state, or local government agency having competent jurisdiction; or Airline is unable to use Airport for a period of at least thirty (30) consecutive days due to any law or any order, rule or regulation of any governmental authority having jurisdiction over the operations of the Airport; or any court of competent jurisdiction issues an injunction preventing the Authority or the Airline from using the Airport for airport purposes, for reasons other than those

circumstances within Airline's control, and such injunction remains in force for a period of at least thirty (30) consecutive days.

22.7.4 The United States Government or any authorized agency of the same (by executive order or otherwise) assumes the operation, control or use of the Airport in such a manner as to substantially restrict Airline from conducting its operations, if such restriction be continued for a period of thirty (30) consecutive days or more.

22.8 Airline Remedy. So long as Airline is not in material default as set forth in Section 22.1 of this Agreement, including but not limited to payments due to the Authority hereunder, Airline may cancel this Agreement upon the occurrence of an event of default, as set forth in Section 22.7. In such event, Airline shall provide a thirty (30) day advance written notice of cancellation to the Authority. All rentals, fees and charges payable by Airline shall cease as of the date of such cancellation and Airline shall surrender the Airline Premises in accordance with ARTICLE 23.

ARTICLE 23

SURRENDER OF POSSESSION

Airline agrees to yield and deliver to Authority possession of the Premises as a result of: (i) the termination of this Agreement; (ii) the partial termination of Premises under Section 22.4; (iii) the reallocation of Premises under ARTICLE 4 or ARTICLE 5; or (iv) the termination of any holdover period. Upon surrender, all Premises shall be in good condition in accordance with Airline's obligations under this Agreement, except for damage or loss due to reasonable wear and tear, fire or other casualty, or other cause beyond Airline's control, and Airline shall have the right for thirty (30) days after the surrender of said Premises to remove all Airline furniture, equipment and trade fixtures; subject, however, to any valid lien which Authority may have thereon for unpaid rentals or fees. Such removal shall not damage the Premises. If damage results from such removal, Airline shall restore the Premises to as good condition as they were prior to removal, normal wear and tear excepted. If Airline fails to remove any Airline furniture, equipment or trade fixture within thirty (30) days after the surrender of its Premises, the Authority may remove such furniture, equipment or trade fixture at Airline's sole cost.

ARTICLE 24

HOLDING OVER

In the event Airline holds over, refuses, or fails to give up the possession of the Premises at the expiration or termination of this Agreement, or the relevant portion of Premises in the event of expiration or termination of the lease for said portion, without written consent of the Authority, Airline shall have only the status of a tenant at sufferance and no periodic tenancy will be deemed to have been created. Airline shall pay reasonable rentals, rates, and charges as then prescribed by the Authority and such rentals, rates, and charges may be different from those prescribed during the Term. Rent shall be paid on a pro rata basis for the period of time that Airline is in a hold over status. Further, in the event that Airline holds over, and if the Authority shall desire to regain possession of the Premises, then the Authority may re-enter and take

possession of the Premises with prior reasonable written notice. Furthermore, if the Authority so elects, it may accept rent and concurrently commence legal proceedings to regain possession of the Premises.

ARTICLE 25

ENVIRONMENTAL STANDARDS

25.1 Compliance with Environmental Laws and Restrictions on Hazardous Substances.

25.1.1 Airline shall at all times conduct its operations at the Airport in compliance with all applicable Environmental Laws.

25.1.2 Airline, its officers, agents, employees, contractors, subcontractors, permittees or invitees (excluding Airline's passengers) shall not, in the course of Airline's operations (a) use, store or Release on the Airport any Hazardous Substances in violation of any Environmental Law or allow any such Hazardous Substances to migrate to any stormwater collection or conveyance system, surface waters, groundwater, soils, or air on or off the Airport in violation of any Environmental Law or (b) Release any Hazardous Substances into any stormwater collection or conveyance system, surface waters, groundwater, soils, or air adjacent to the Airport in violation of any Environmental Law or allow any such Hazardous Substances to migrate onto the Airport in violation of any Environmental Law.

25.1.3 Airline shall take reasonable precautions to prevent its activities from causing any Release of Hazardous Substances to occur on the Airline Premises or the Airport and shall take all reasonable precautions to prevent any Release.

25.1.4 Airline shall obtain and maintain or cause its contractor to obtain and maintain all applicable licenses, permits and other governmental or regulatory approvals necessary for operations that Airline, its officers, agents, employees, contractors, subcontractors, permittees or invitees (excluding Airline's passengers) conduct or permit at the Premises to comply with any applicable Environmental Law. Airline shall provide or cause its contractor to provide the Authority with a copy of any application for a license, permit, or other governmental approval for use or storage of Hazardous Substances on the Premises within ten (10) days of submitting the application and shall also provide a copy of any permit received from such agency within thirty (30) days of receipt. Airline shall or cause its contractor to, if applicable, provide the Authority with Airline's USEPA Waste Generator Identification Number within thirty (30) days of receipt of said number.

25.2 Notice to Authority.

25.2.1 Airline shall promptly notify the Authority in writing should Airline become aware of: (a) any Release or threat of Release of a Hazardous Substances by Airline, its officers, agents, employees, contractors, subcontractors, permittees or invitees (excluding Airline's passengers) at the Airport or any real property adjoining the Airport; (b) any notice given to Airline from a government agency or any other third party with respect to any Release

or threat of Release of any Hazardous Substances at the Airport or any real property adjoining the Airport; or (c) the commencement of any litigation or investigation or any information relating to any threat of litigation or investigation relating to any alleged unauthorized Release of any Hazardous Substances or other environmental contamination or material environmental liability arising from or with respect to Airline's activities at the Airport. If Airline makes any written disclosure, or provides any report, to any governmental agency concerning a Release of Hazardous Substances at the Airport, Airline shall concurrently also provide a copy of such disclosure or report to the Authority.

25.2.2 In the interest of environmental stewardship, Airline agrees to notify the Authority should Airline become aware of any Release or threat of Release of a Hazardous Substance by a third party or the Authority at the Airport or any real property adjoining the Airport, but failure of Airline to notify Authority shall not make Airline responsible for such Release.

25.3 Obligations to Cure, Investigate and Remediate.

25.3.1 If Airline, its officers, agents, employees, contractors, subcontractors, permittees or invitees (excluding Airline's passengers) is in violation of any Environmental Law relating to its activities at the Airport, Airline shall promptly take action, at Airline's sole expense, to remedy and cure the violation of Environmental Law.

25.3.2 If there is a Release or threat of Release of Hazardous Substances on Airline's Premises, Airline shall promptly take action, at Airline's sole expense, to investigate and, subject to Section 25.3.4, remediate the Release or threat of Release of Hazardous Substances, unless Airline can demonstrate to the Authority that the violation or Release or threat of Release was not caused by or resulting from activities of Airline, its officers, agents, employees, contractors, subcontractors, permittees or invitees (excluding Airline's passengers).

25.3.3 If there is a Release or threat of Release on the Airport, but outside of Airline's Premises, caused by or resulting from activities of Airline, its officers, agents, employees, contractors, subcontractors, permittees or invitees (excluding Airline's passengers), including but not limited to any Release or discharge or threat of Release or discharge into soil, surface water, groundwater or air which was caused by or results in whole or in part from the activities of Airline, its officers, agents, employees, contractors, subcontractors, permittees or invitees (excluding Airline's passengers), Airline shall promptly take action, at Airline's sole expense, to investigate and remediate the Release or threat of Release of Hazardous Substances subject to Section 25.3.4.

25.3.4 Any remediation that Airline conducts pursuant to this Section 25.3 or Section 25.7 shall be to standards required by federal, state and local law and consistent with the current and anticipated use of the property as reasonably determined by the Authority.

25.4 Authority Remedies.

25.4.1 In addition to any and all other remedies for default set forth in this Agreement or available under any federal, state or local law, if Airline does not promptly take

action to remedy and cure a violation of Environmental Law as required in subsection 25.3.1 or investigate and remediate a Release or Threat of Release of Hazardous Substances as required in subsections 25.3.2 and 25.3.3, the Authority may provide written notice and a reasonable opportunity to Airline to cure the violation of Environmental Law or investigate and remediate a Release or Threat of Release of Hazardous Substances. If, within thirty (30) calendar days after receipt of such notice, Airline fails to implement corrective action to cure the violation, then Authority may come onto Airline's Premises, to act in place of Airline, and to take action to cure the violation of Environmental Law or investigate and remediate a Release or Threat of Release of Hazardous Substances.

25.4.2 If the Authority has a reasonable belief that Airline, its officers, agents, employees, contractors, subcontractors, permittees or invitees (excluding Airline's passengers) actions or inactions constitute or present a threat of a violation of Environmental Law concerning Hazardous Substances or present a threat of damage to Airline's Premises or other facilities or properties at the Airport, the Authority may provide written notice and a reasonable opportunity to cure the alleged violation of Environmental Law to Airline. If, within thirty (30) calendar days after receipt of such written notice, Airline fails to initiate action to cure the alleged violation, then the Authority may enter onto Airline's Premises and take such corrective or mitigating action as the Authority deems reasonably necessary, including but not limited to conducting environmental sampling.

25.4.3 The Authority's obligation to provide Airline with reasonable opportunity to cure under subsections 25.4.1 and 25.4.2 shall not apply to the extent that the violation or threat of violation poses an imminent harm to the environment, an imminent disruption of airport operations or other emergency situation.

25.4.4 All reasonable, documented costs and expenses, including attorney fees, incurred by the Authority in connection with corrective or mitigating action taken pursuant to this Section 25.4 shall become due and payable by Airline thirty (30) days after presentation of an invoice.

25.5 Environmental Inspection.

25.5.1 The Authority may conduct environmental inspections of Airline's Premises, provided that it gives Airline twenty four (24) hours advance written notice of its intent to conduct such inspection. No notice is required if there is a risk of imminent harm to the environment, health or safety. The Authority's notice of inspection may be given by email. The Authority will conduct the inspection in a manner that does not unduly interfere with Airline's operations. In addition, the Authority may access Airline's Premises at any reasonable time, with prior reasonable notice, for the purpose of conducting environmental testing. The Authority shall provide the results of such testing to Airline. In the event of such testing, Airline may (but is not required to) split samples with the Authority at Airline's expense.

25.5.2 Airline shall not conduct or permit others to conduct environmental testing on the Premises without prior written notification to the Authority. Airline shall promptly inform the Authority of the existence of any environmental study, evaluation, investigation or

results of any environmental testing conducted at the Premises whenever the same becomes known to Airline and shall make available copies thereof to the Authority.

25.6 Cessation of Activities.

25.6.1 Airline shall cease its activities on the Premises and the Airport, to the extent requested by the Authority and upon thirty (30) days' notice from the Authority, if the Authority determines, in its sole discretion, that such cessation is necessary to investigate, cure or remediate any Release of Hazardous Substances or any threat of a Release of Hazardous Substances; provided, however, that no notice from the Authority for the cessation of activities shall be required in the event of an emergency. The Authority shall temporarily accommodate Airline at suitable substitute space in the Airport during the required cessation of Airline activities. Airline shall pay for any such space according to the requirements of ARTICLE 9. Airline shall not recommence its activities on Airline's Premises or the Airport, as appropriate, until notified by the Authority that such Release or threat of Release of Hazardous Material has been investigated, cured and remediated in a manner satisfactory to the Authority.

25.6.2 Airline shall not be charged fees or charges for use of the Premises to the extent that Airline is required to cease activities on that portion of the Premises due to the Authority's efforts to investigate, cure or remediate contamination, unless the Release or threat of Release is one for which Airline is responsible under this Agreement.

25.7 Termination. Prior to vacating any of Airline's Premises, Airline shall (a) remove Hazardous Substances and any related storage tanks and containers installed or owned by Airline, its contractors or its subcontractors, from the Premises; and (b) remediate Hazardous Substances Released by Airline, its officers, agents, employees, contractors, subcontractors, permittees or invitees (excluding Airline's passengers) in or on any Airline's Premises, the Airport or surface waters, groundwater, soils, or air adjacent to the Airport in accordance with applicable Environmental Laws and the clean-up standards in subsection 25.3.4. Airline agrees to provide any environmental investigations reasonably required by the Authority.

25.8 Stormwater Permitting.

25.8.1 Airline acknowledges that the Premises and the Airport are subject to the Clean Water Act and the National Pollution Discharge Elimination System Program ("NPDES") and the regulations thereunder relating to stormwater discharges under 40 CFR Part 122, as amended from time to time, for operations that occur at the Airport. Airline further acknowledges that (a) it is familiar with the NPDES stormwater regulations; (b) it will conduct operations subject to the applicable provisions of 40 CFR Part 122, as amended from time to time; and (C) it is aware that its operations may need to be altered from time to time to ensure compliance with the NPDES permit.

25.8.2 Airline acknowledges that, at all times during the term of this Agreement, it will reasonably cooperate with the Authority in complying with the Clean Water Act and the NPDES stormwater discharge permit, together with any subsequent amendments, extensions or renewals thereof. Airline agrees to be bound by all applicable portions of such permit, amendments, extensions or renewals. The Authority and Airline both acknowledge that their

cooperation may improve compliance with any stormwater discharge permit terms and conditions and may help to reduce the cost of compliance.

25.8.3 Airline acknowledges that it is to minimize the exposure of stormwater to significant materials generated, stored, handled or otherwise used by Airline by implementing and maintaining “Best Management Practices” as defined in 40 CFR Part 122.2, as amended from time to time. Airline agrees to provide the Authority with monthly deicing reports, including the number of aircraft deiced and the amounts of Type I and IV of propylene glycol used per day.

25.8.4 Airline acknowledges that the Premises and the Airport are managed to meet the applicable requirements of the Clean Water Act and, to the extent required under applicable Environmental Laws, Airline, or its contractor, has Stormwater Pollution Prevention (SWPP) and Spill Pollution Control and Countermeasure (SPCC) Plans in place. Airline agrees to manage its operations to comply with applicable provisions of the Clean Water Act and the regulatory and procedural requirements within applicable SWPP and SPCC Plans.

25.9 Sustainability. Airline and the Authority jointly agree that protection of the environment is a mutual goal. Airline agrees to cooperate to the extent reasonably possible with the Authority in the development of programs to address issues of climate change, air emissions, pollution, traffic congestion, water quality and recycling. Airline will consider deploying new technologies or best practices which are mutually beneficial in improving environmental stewardship. Subject to FAA policies, pilot discretion, Airline discretion, and aircraft manufacturing specifications related to safety and operational requirements, Airline agrees to:

25.9.1 Connect to fixed ground power and preconditioned air units as soon as practical upon arrival at a Gate, if available;

25.9.2 Collaborate with the Authority in recycling:

25.9.3 Work with Authority to update Airline’s list of equipment on an annual basis; and

25.9.4 Utilize 400 Hz power where available.

25.10 Air Quality. Airline shall comply with all applicable Environmental Laws relating to the quality of air in any confined indoor spaces or outdoor spaces constituting part of the Premises. Airline acknowledges that the air quality attainment designation under the federal Clean Air Act for region around the Airport may change over the duration of this Agreement to non-attainment for one or more National Ambient Air Quality Standards.

25.11 Environmental Indemnity. Except for Excluded Environmental Claims, Airline agrees that it shall defend, indemnify and hold the Authority and its directors, officers, employees, agents and volunteers free and harmless from any and all claims, causes of action, regulatory demands, liabilities, fines, penalties, losses, and expenses, including without limitation clean-up or other remedial costs (and including actual incurred reasonable attorney fees, court costs, expert fees and all other reasonable litigation expenses when incurred and

whether incurred in defense of actual litigation or in reasonable anticipation of litigation), arising from (a) any Hazardous Substance on Airline's Premises, (b) the Release of any Hazardous Substance from Airline's Premises onto other properties or into the surrounding environment, or (c) any violation of Environmental Law that is directly attributable to Airline's actions during Airline's use or occupancy of the Airport. Claims for indemnification for environmental matters under this Agreement are limited to this Section 25.11 and are not subject to the general indemnity provisions in ARTICLE 15.

25.12 Release of Hazardous Substances Claims Against Authority. Airline releases, acquits and forever discharges the Authority from any and all claims, actions, causes of action, demands, rights, damages, costs, including but not limited to loss of use, lost profits, or expenses, which Airline may now have, or which may hereafter accrue on account of or in any way growing out of all known and unknown, foreseen and unforeseen bodily and personal injuries and property damage, and the consequences thereof resulting or arising out of the presence or cleanup of any Hazardous Substance on Airline Premises or the Airport, but only to the extent the presence of such Hazardous Substance was not caused by or did not result from the negligence, willful misconduct, acts or omissions of the Authority, the Authority's officers, agents, employees, contractors, subcontractors, permittees or invitees (excluding Airline's passengers). This release shall not apply to any claims for contribution that Airline may have against the Authority in the event that Airline incurs any cost in undertaking any cleanup of a Hazardous Substance from the Premises or the Airport ordered by a governmental agency, to the extent that the cleanup order and costs result from a Release of a Hazardous Substance for which Airline is not responsible and liable under this Agreement.

25.13 Survival of Obligations. Airline's obligations under this ARTICLE 25 shall survive the expiration, termination, or early cancellation of this Agreement.

ARTICLE 26

MISCELLANEOUS PROVISIONS

26.1 No Personal Liability.

No director, officer, agent or employee of either party shall be charged personally or contractually liable by or to the other party under any term or provision of this Agreement or because of any breach of this Agreement or because of their execution or attempted execution of this Agreement.

26.2 Governing Law.

This Agreement shall be deemed to have been made in, and be construed in accordance with the laws of, the State of Tennessee.

26.3 No Waiver.

No waiver of default of any of the terms, covenants and conditions of this Agreement to be performed, kept and observed by the other party shall be construed as, or operate as, a waiver

of any subsequent default of any of the terms, covenants or conditions of this Agreement to be performed, kept and observed by the other party.

26.4 No Exclusive Remedy.

No remedy provided by this Agreement shall be deemed to be exclusive.

26.5 Subordination to Sponsor's Assurance Agreement.

This Agreement shall be subordinate and subject to the terms of any "Sponsor's Assurance Agreement" or like agreement that has been or may be furnished to the FAA by the Authority or required by law.

26.6 SEC Rule 15c2-12.

Airline, upon request by the Authority, shall provide the Authority with such information as the Authority may reasonably request in writing to comply with the Authority's continuing disclosure requirements under SEC Rule 15c2-12 as it may be amended from time to time, provided, however, that Airline may in lieu of providing the requested information direct the Authority to an Airline or SEC website where the requested information is then currently available.

26.7 Force Majeure.

Neither the Authority nor Airline shall be deemed in violation of this Agreement if it is prevented from performing any of its obligations under this Agreement by reason of strikes, boycotts, labor disputes subject to the provisions of Section 26.22, embargoes, shortages of material, acts of terrorism, riots, rebellion, sabotage or any other casualty which is not within its control; provided, however, that these provisions shall not excuse Airline from payment of the Landing Fees, Terminal Rents and other rates and charges specified in ARTICLE 9 except as otherwise allowed under Section 13.5.3.

26.8 Severability.

In the event any covenant, condition or provision in this Agreement is held to be invalid by a court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision in this Agreement, provided the invalidity of any such covenant, condition or provision does not materially prejudice either the Authority or Airline in their respective rights and obligations contained in the valid covenants, conditions and provisions of this Agreement.

26.9 Headings.

The headings of the several sections of this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provisions of this Agreement, and shall not be construed to affect in any manner the terms and provisions, of or the interpretation or construction, of this Agreement.

26.10 Exclusiveness of Airline's Rights.

Nothing contained in this Agreement shall be deemed to grant to Airline any exclusive right or privilege within the meaning of 49 U.S.C. § 40103(e) with respect to activity on the Airport, except that, subject to the terms and provisions of this Agreement, Airline shall have the right to exclusive possession of any Exclusive Premises made available to Airline under the provisions of this Agreement.

26.11 Withholding Required Approvals.

Whenever the approval or consent of the, Authority or Airline is required by this Agreement, no such approval or consent shall be unreasonably refused, withheld or delayed.

26.12 Successors and Assigns.

All of the terms, provisions, covenants, stipulations, conditions and considerations in this Agreement shall extend to and bind the legal representatives, successors, and assigns of each party to this Agreement.

26.13 Taxes.

Airline recognizes and understands that this Agreement may create a possessory interest subject to property taxation, including state leasehold tax, and that Airline may be subject to the payment of property taxes levied on such interest. Airline shall be liable for, and shall pay throughout the Term, all taxes payable for, or on account of, the activities conducted by Airline on the Airport and all taxes on the personal property of Airline on the Premises and any taxes on the Premises or on any property interest created by this Agreement and any taxes levied in lieu of a tax on any such property interest and any taxes levied on, or measured by, the Terminal Rents and other charges payable under this Agreement, whether imposed on Airline or on the Authority. Airline shall reimburse the Authority for all such taxes paid or payable by the Authority. With respect to any such taxes payable by the Authority that are levied on, or measured by, the Terminal Rents or other charges payable under this Agreement, Airline shall pay to the Authority with each payment an amount equal to the tax levied on, or measured by, that particular payment. All other tax amounts for which the Authority is or will be entitled to reimbursement from Airline shall be payable by Airline to the Authority at least fifteen (15) days prior to the due dates of the respective tax amounts involved, provided that Airline shall be entitled to a minimum of ten (10) days written notice of the amounts payable by it.

26.14 Exhibits.

All exhibits referred to in this Agreement and which may, from time to time, be referred to in any duly executed amendment to this Agreement are (and with respect to future amendments, shall be) by such reference incorporated in this Agreement and shall be deemed a part of this Agreement as fully as if set forth within it.

26.15 Entire Agreement.

This Agreement supersedes all Prior Airline Use and Lease Agreements, if any, between Airline and the Authority and by executing this Agreement, Airline terminates all Prior Airline Use and Lease Agreements; provided, however, that any approvals obtained from either party under the provisions of Prior Airline Use and Lease Agreements shall survive its termination. The parties intend that this Agreement shall be the final expression of their agreement with respect to its subject matter and may not be contradicted by evidence of any prior or contemporaneous written or oral agreements or understandings. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts of the Agreement) may be introduced in any judicial, administrative or other legal proceeding involving this Agreement.

26.16 Amendments.

Except as specifically provided herein, neither this Agreement, nor any of its term or provisions, may be changed, waived, discharged or terminated, except by a written instrument signed by the party against which the enforcement of the change, waiver, discharge or termination is sought.

26.17 No Third-Party Beneficiaries.

There are no third-party beneficiaries to this Agreement.

26.18 No Joint Venture.

It is expressly agreed that the Parties are not, in any way or for any purpose, partners and therefore do not assume any responsibilities for one another.

26.19 Attorneys' Fees.

In the event that either party shall be required to bring any action to enforce any of the provisions of this Agreement, or shall be required to defend any action brought by the other party with respect to this Agreement, and in the further event that one party shall substantially prevail in such action, the losing party shall pay all of the prevailing party's reasonable costs and reasonable attorneys fees as determined by the court. In the event the Authority or Airline is represented by in-house attorneys in such action, such attorneys' fees shall be computed at hourly rates charged by attorneys of comparable experience in private practice in Nashville; provided, however, that Airlines shall only be required to pay to the Authority the difference between the total attorneys fees owed by Airline and the amount direct billed to the Authority by its in-house counsel.

26.20 Liens and Encumbrances.

Airline shall keep the Premises free and clear of any liens and encumbrances arising or growing out of Airline's use and occupancy of the Premises or activities at the Airport. Airline agrees to fully indemnify and defend the Authority in connection with any such liens filed against the Premises. At the Authority's request, Airline shall furnish the Authority with written proof of payment of any item that would or might constitute the basis for such a lien on the

Premises if not paid or with proof that the Airline has posted any required bond or collateral while it disputes such lien.

26.21 Notices.

All notices and payments under this Agreement may be delivered or mailed. If delivered by messenger or courier (including overnight air courier), they shall be deemed delivered when received at the street addresses listed in ARTICLE 1. If mailed, they shall be sent to the Authority's Address and Airline's Address as provided in ARTICLE 1, respectively, or to such other respective addresses as either party may from time to time designate in writing. All notices and payments mailed by regular post (including first class) shall be deemed to have been given on the second business day following the date of mailing, if properly mailed and addressed. Notices and payments sent by certified or registered mail shall be deemed to have been given on the third business day following the date of mailing, if properly mailed and addressed. For all types of mail, the postmark affixed by the United States Postal Service shall be conclusive evidence of the date of mailing.

26.22 Labor Disputes.

Airline agrees to use its commercially reasonable efforts to avoid disruption to the Authority, its tenants or members of the public, arising from labor disputes involving Airline, and in the event of a strike, picketing, demonstration or other labor difficulty involving Airline, to use its good offices, including the utilization of available legal remedies, to minimize or eliminate any disruption to the Authority, its tenants or members of the public, arising from such strike, picketing, demonstration or other labor difficulty.

26.23 Agreement Not to Grant More Favorable Terms.

During the Term, the Authority agrees not to enter into any lease, contract or other agreement with any other Air Carrier conducting operations at the Airport that contains rates, charges or terms more favorable to such Air Carrier than the rates, charges or terms Airline has agreed to under this Agreement, unless the Authority also makes those more favorable rates, charges or terms available to Airline. The provisions of this Section 26.23 shall in no way limit, impair or interfere with the Authority's ability to charge or establish such rates and charges as the Authority may deem applicable when entering into any lease, contract or other agreement with any party that is not an Air Carrier.

26.24 Irrevocable Election Not to Claim Depreciation or an Investment Credit.


Pursuant to Internal Revenue Code Section 142(b)(1)(B)(i), Airline hereby makes an irrevocable election, which shall be binding on the Airline and all successors in interest under this Agreement, not to claim depreciation or an investment credit with respect to any property leased hereunder.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the Effective Date.

METROPOLITAN NASHVILLE AIRPORT AUTHORITY


a public corporation

ATTEST:

By: 
Robert J. Walker
Board Secretary

By: 
Juli H. Mosley
Chair

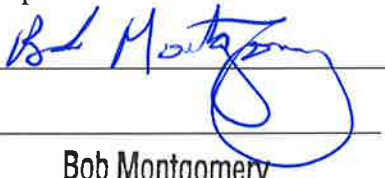
APPROVED AS TO
FORM AND LEGALITY:

By: 
Robert C. Watson
Senior Vice President and
Chief Legal Officer

By: 
Robert R. Wigington
President and Chief Executive Officer

SOUTHWEST AIRLINES CO.

a Texas corporation

By: 
Name: _____
Title: Bob Montgomery
Vice President - Airport Affairs

STATE OF TENNESSEE)

) ss.

COUNTY OF DAVIDSON)

I certify that I know or have satisfactory evidence that Robert R. Wigington is the person who appeared before me, and said person acknowledged that (he/~~she~~) signed this instrument, on oath stated that (he/~~she~~) was authorized to execute the instrument and acknowledged it as the PRESIDENT & CEO of the METROPOLITAN NASHVILLE AIRPORT AUTHORITY, a public corporation of the State of Tennessee, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

SUBSCRIBED AND SWORN to before me this 24th day of September, 2015.



Joyce A. Holloway

Notary Public in and for the State of Tennessee, residing at: DAVIDSON

My Commission Expires: 7/2/2018

STATE OF Texas)

) ss.

COUNTY OF Dallas)

I certify that I know or have satisfactory evidence that Bob Montgomery is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the U.P. Airport Affairs of Southwest Airlines, a Corporation of the State of Texas, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

SUBSCRIBED AND SWORN to before me this 20 day of July, 2015.



Cynthia J. Penley

Notary Public in and for the State of TX, residing at: 2702 Love Field Dr. Dallas, TX

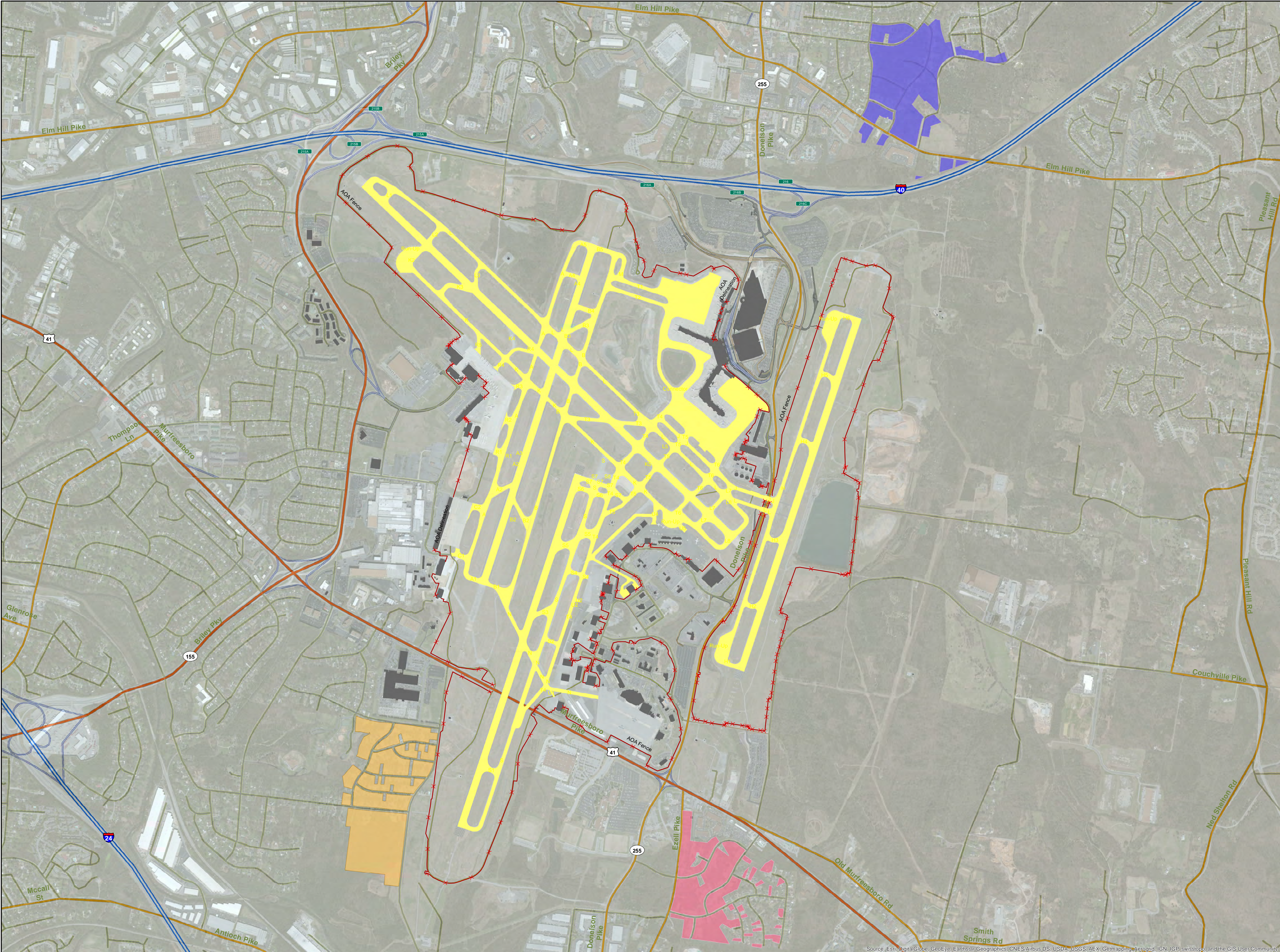
My Commission Expires: 9-6-15

EXHIBIT A

AIRFIELD

1 PAGE

Exhibit A: Airfield - Nashville International Airport (BNA)



- NonLease Pavement
- AOA Fence
- Noise Land**
- Airport Estates
- Elm Hill Estates
- Town Park

Total Airfield Pavement:
25,560,478 SF or 586.79 Ac.

**Non-Leased Pavement
(Less Cargo Ramps):**
19,520,952 SF or 448.14 Ac.



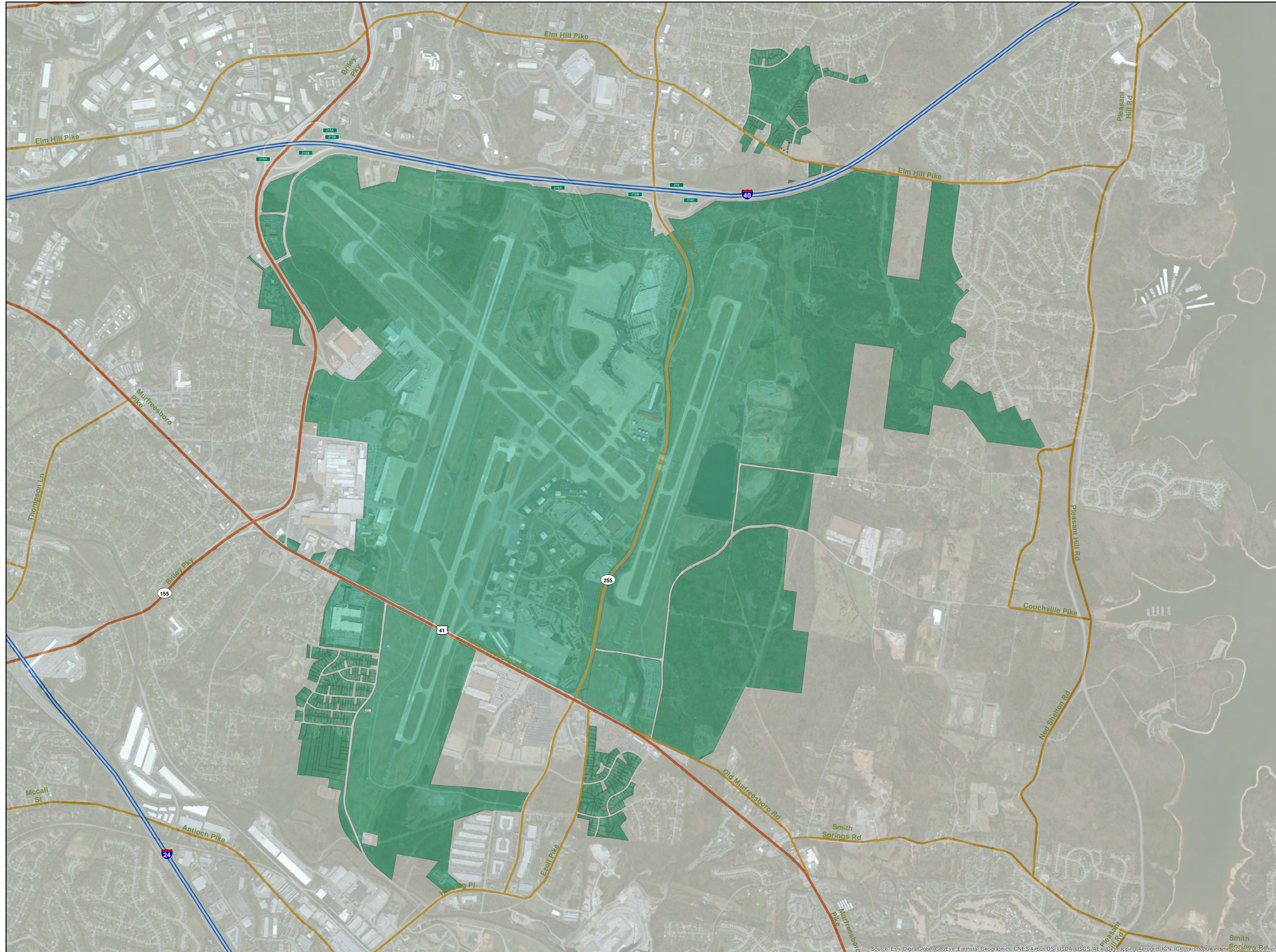
Sources: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Geomatics, AeroGRID, IGN, IGP, swisstopo, and The GIS User Community

EXHIBIT B

AIRPORT

1 PAGE

Exhibit B: Airport - Nashville International Airport (BNA)



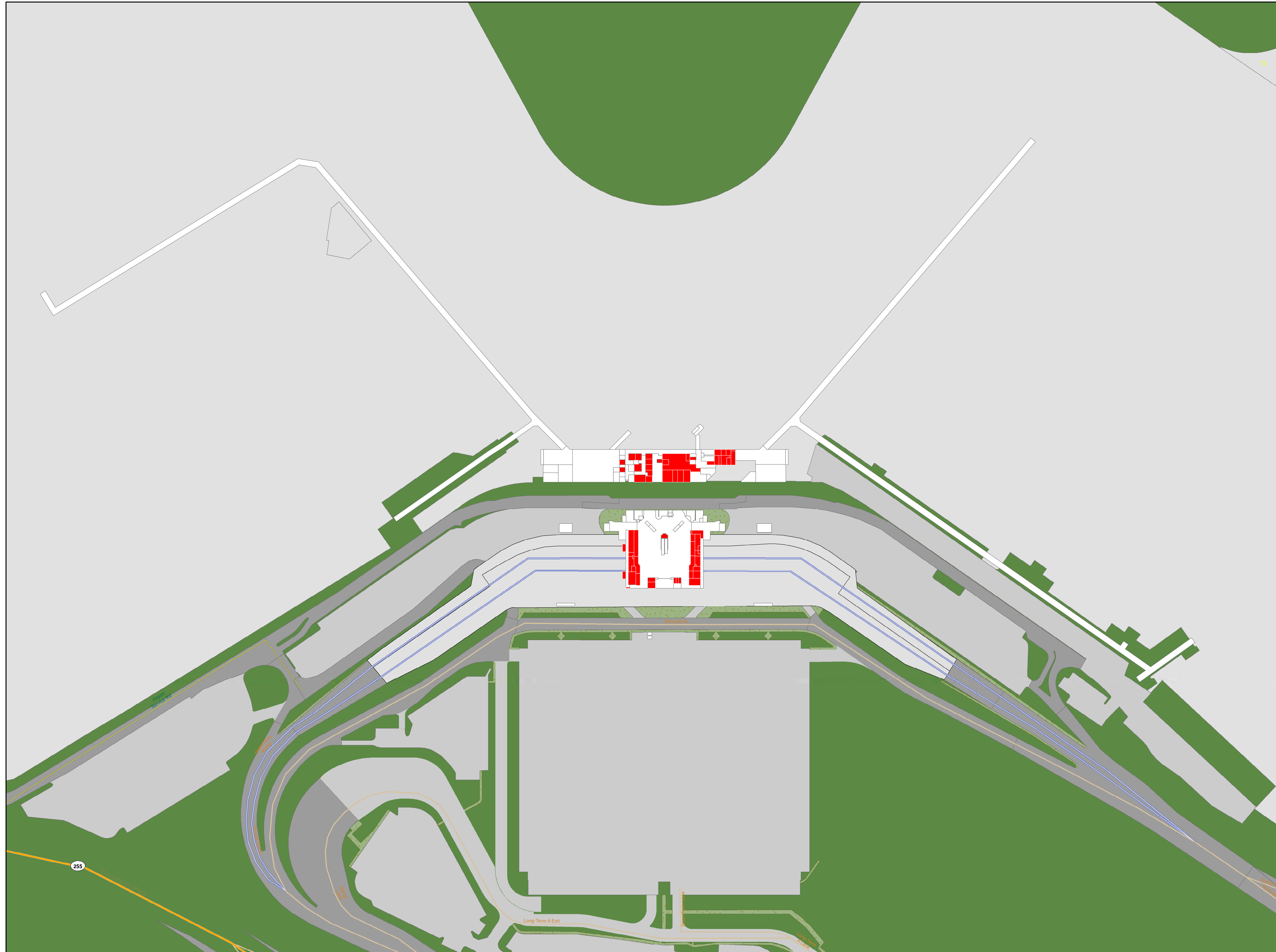
MNAA Owned Property:
Total 194,505,784 SF
or 4,465.24 Ac.



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroX, GeoEye, IGN, ISP, Swisstopo, and The GeoEye Community

EXHIBIT C
RENTABLE SPACE
4 PAGES

Exhibit C1: Ground Transportation Level - Nashville Int'l Airport (BNA)



Legend

Ground Trans - Tunnels

SPACE TYPE

- Non-Rentable Areas
- Rentable Space

Ground Transportation Level
Total Gross: 92,849 SF

Rentable Space: 13,539 SF

15% Rentable



Exhibit C2: Baggage/Ramp Level - Nashville International Airport (BNA)



Legend

Baggage Claim - Ramp Level

SPACE TYPE

- Non-Rentable Areas
- Rentable Space

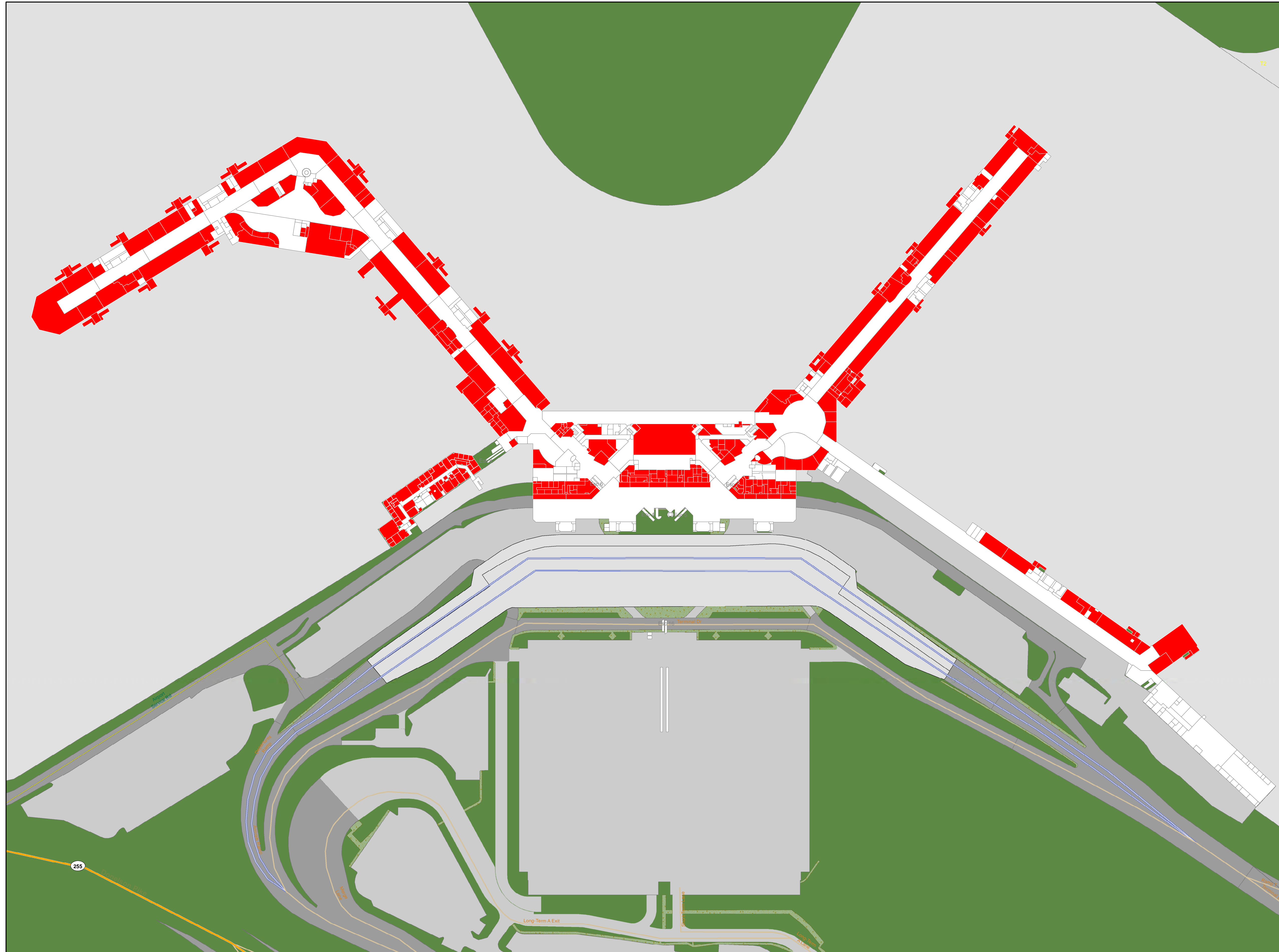
Baggage Claim - Ramp Offices
Total Gross: 302,999 SF

Rentable Space: 210,129 SF

69% Rentable



Exhibit C3: Concourse Level - Nashville International Airport (BNA)



Legend

Ticketing - Concourse Level

- Non-Rentable Areas
- Rentable Space

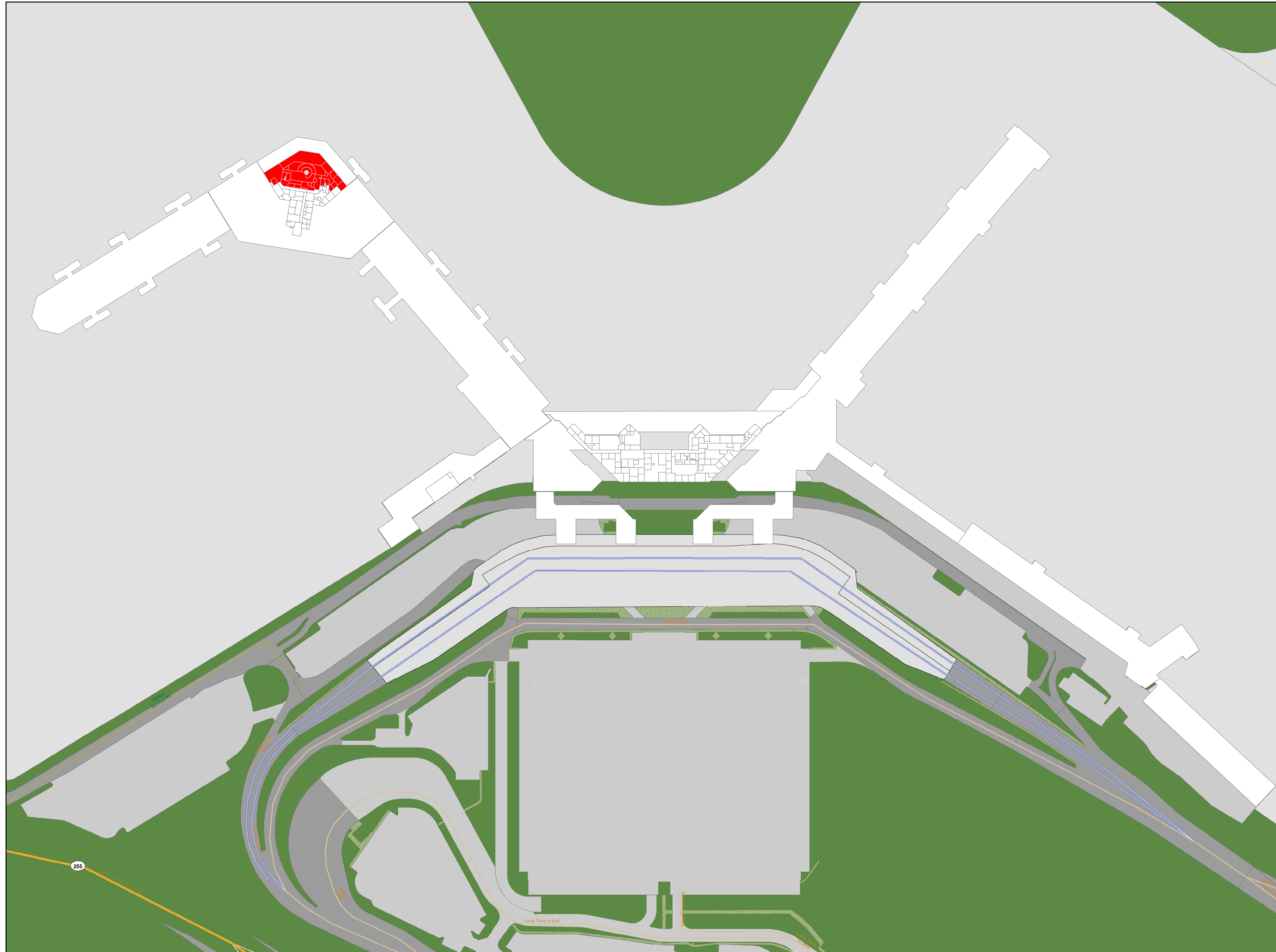
Ticketing - Concourses Level
Total Gross: 451,167 SF

Rentable Space: 202,300 SF

45% Rentable

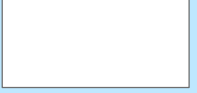



Exhibit C4: Mezzanine/Admin Level - Nashville International Airport (BNA)



MNAA Offices - Admirals Club

SPACE TYPE

-  Non-Rentable Areas
-  Rentable Space

Mezzanine - Admiral's Club Level

Total Gross: 41,657 SF

Rentable Space: 8,725 SF

21% Rentable

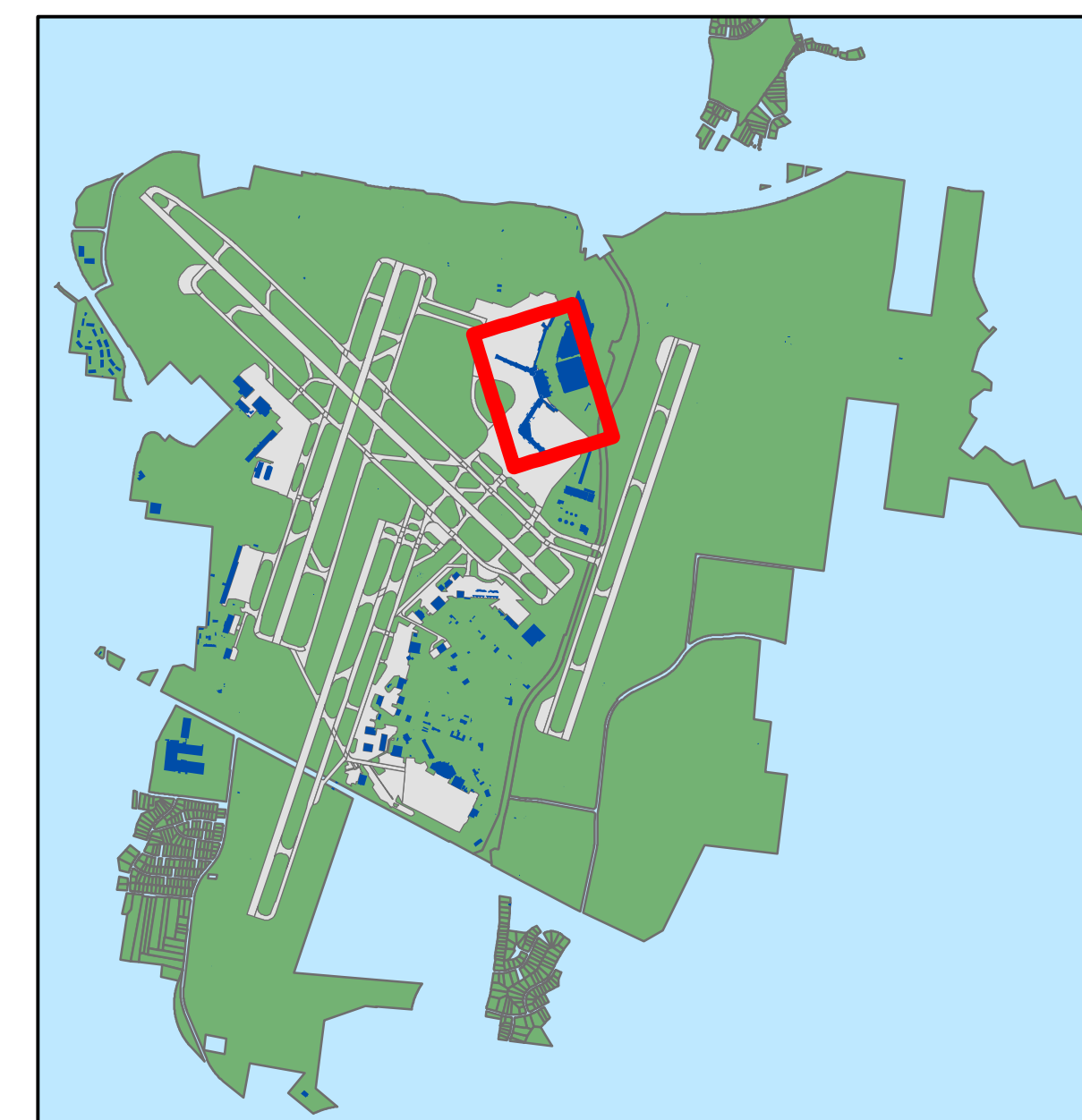
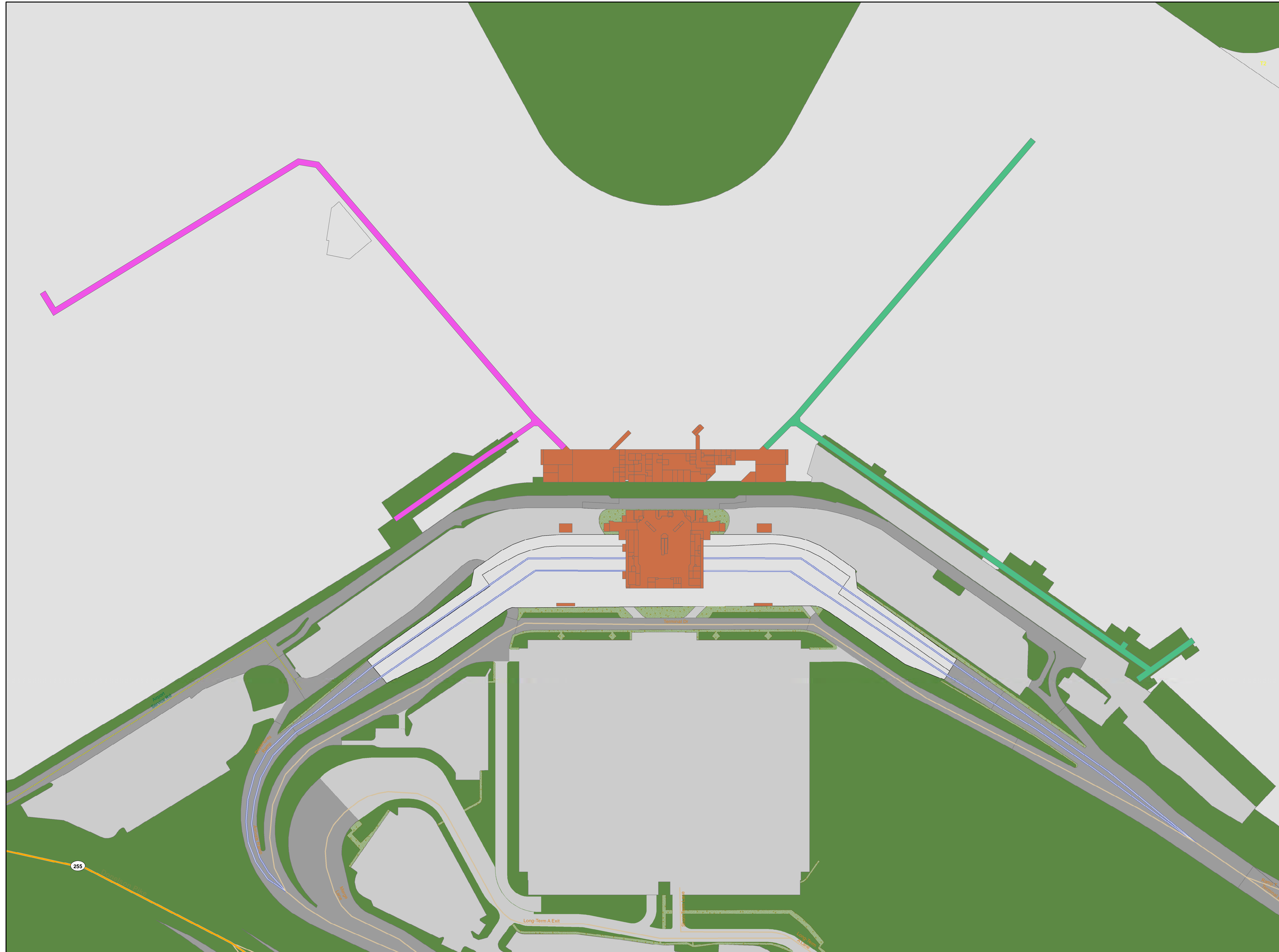


EXHIBIT D

TERMINAL




4 PAGES

Exhibit D1: Ground Transportation Level - Nashville Int'l Airport (BNA)



Ground Transportation Level and Tunnels

LOCATION

-  North Concourses
-  South Concourses
-  Terminal

Ground Transportation Level
Total Gross: 109,426 SF

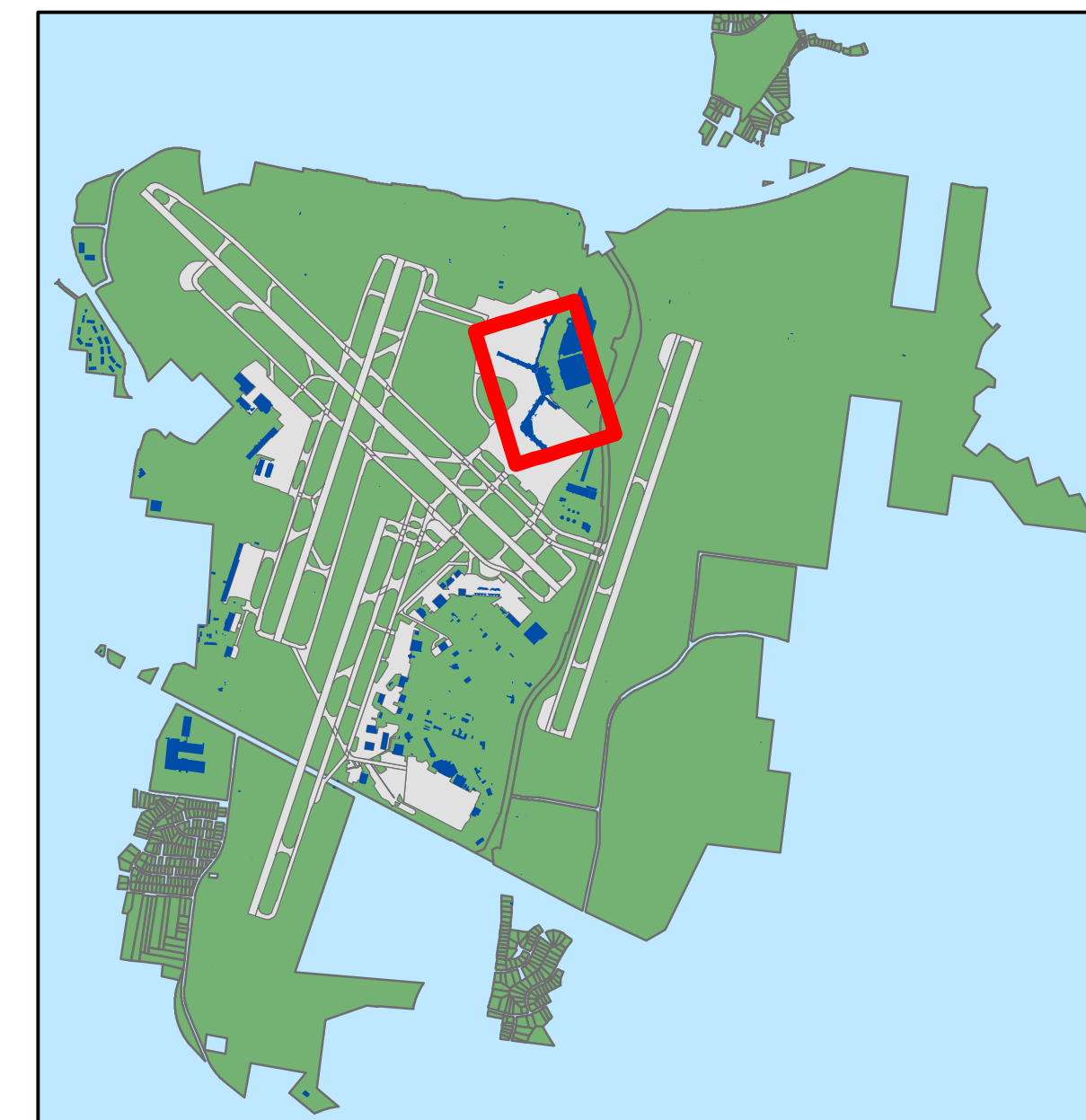
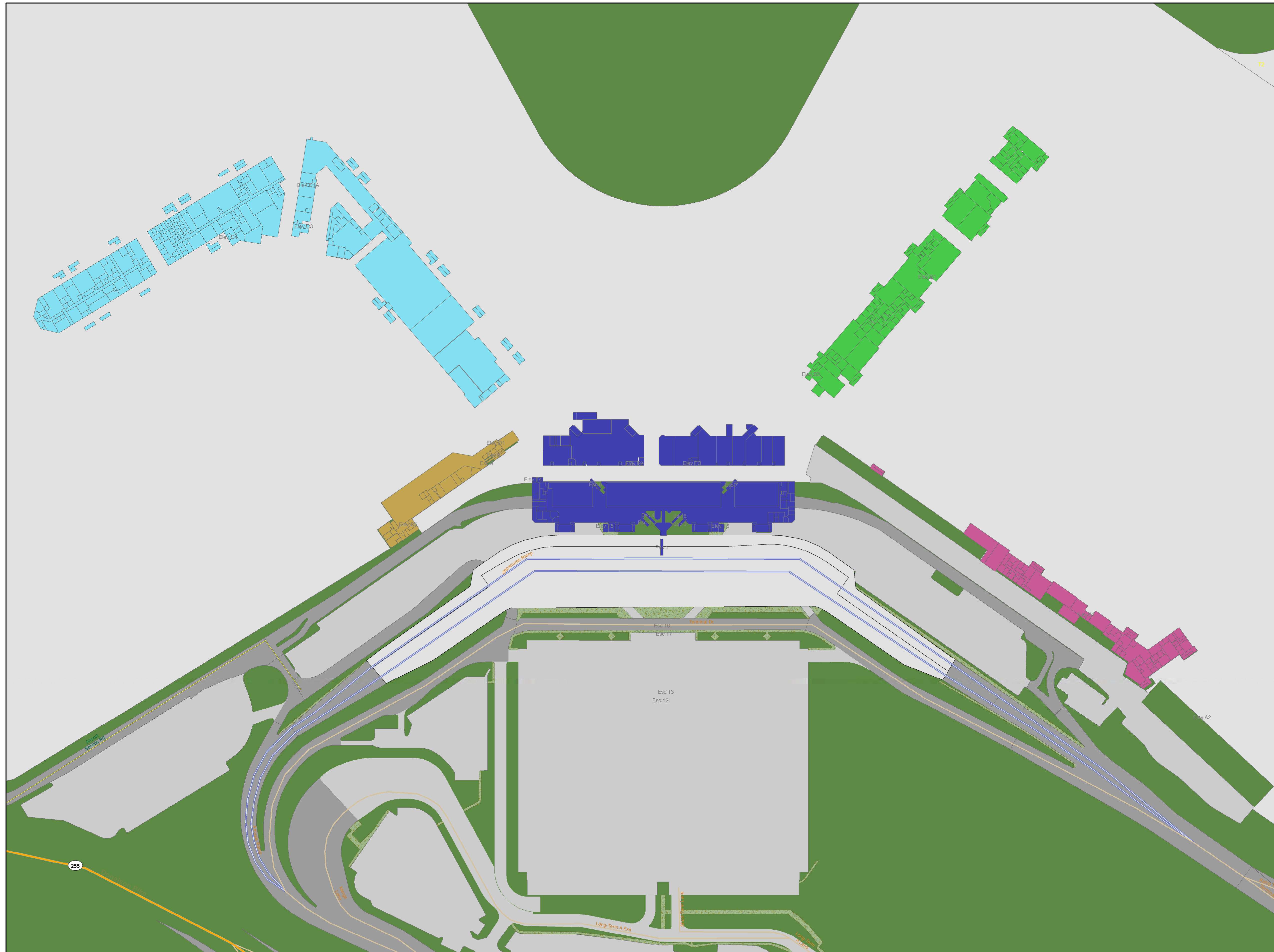


Exhibit D2: Baggage/Ramp Level - Nashville International Airport (BNA)



Baggage Claim - Ramp Level

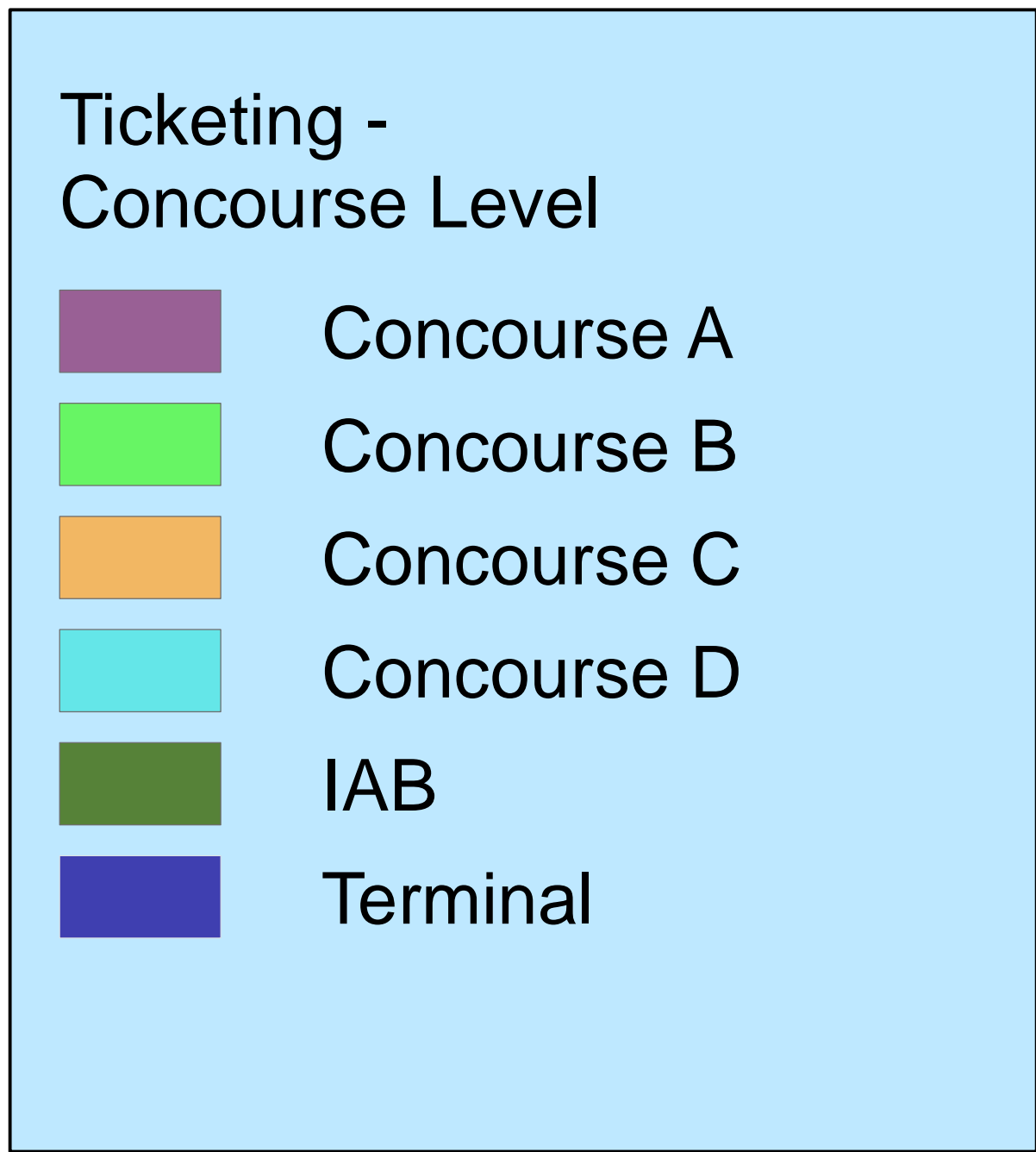
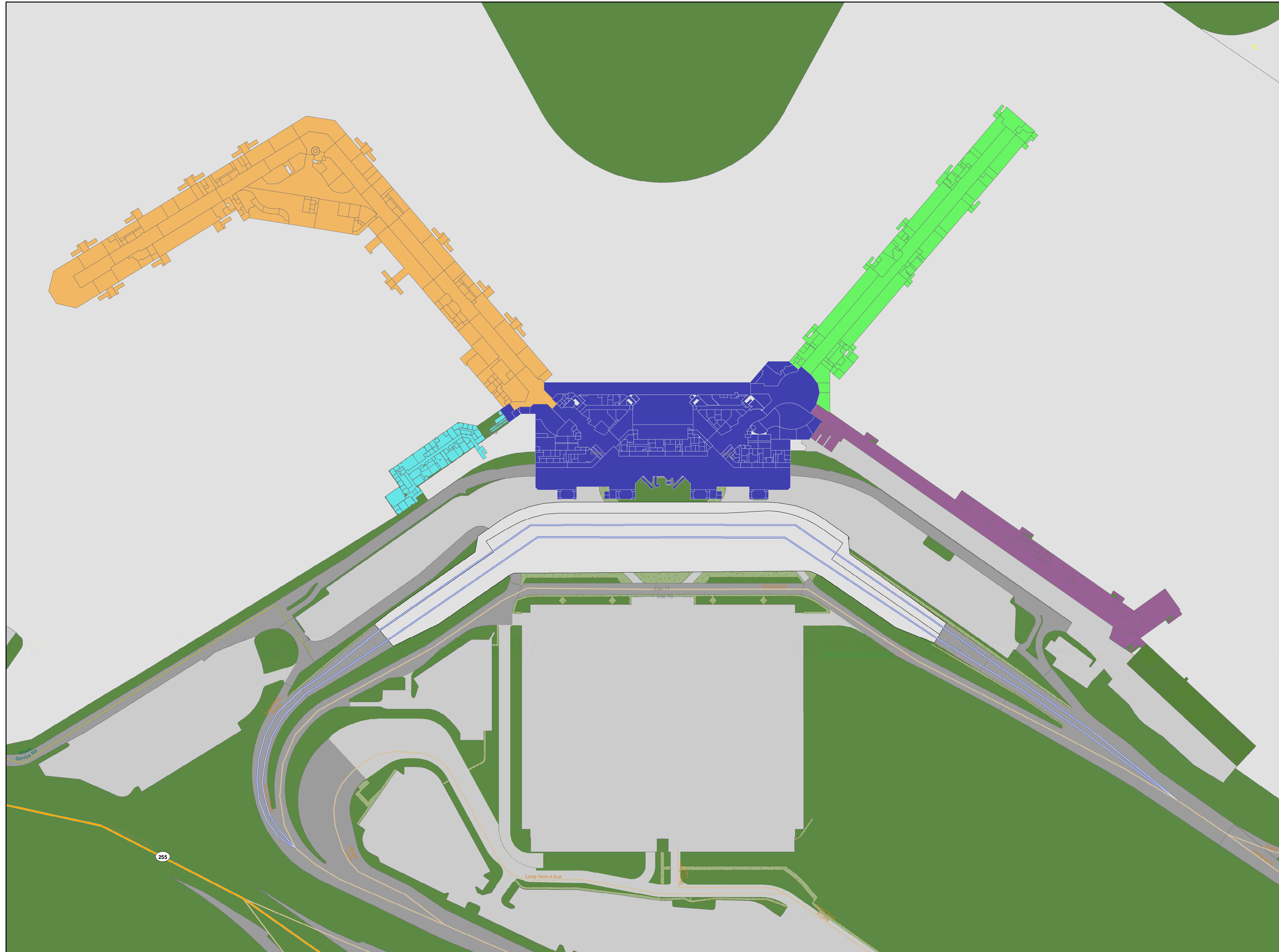
LOCATION

- Concourse A
- Concourse B
- Concourse C
- Concourse D
- Terminal

Baggage Claim - Ramp Offices
Total Gross: 302,999 SF



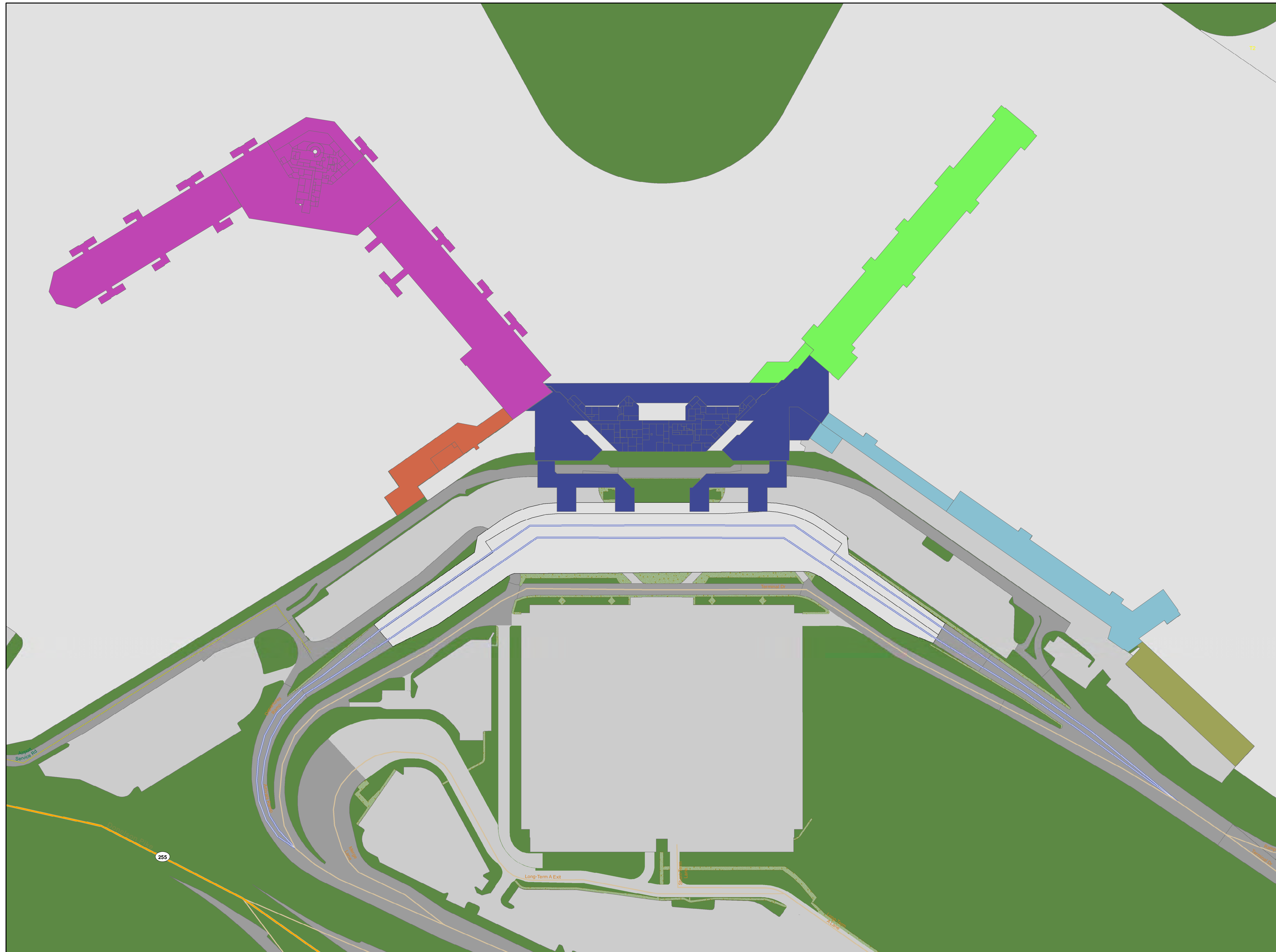
Exhibit D3: Ticketing / Concourses Level - Nashville Int'l Airport (BNA)



Ticketing - Concourses Level
Total Gross: 451,167 SF



Exhibit D4: Mezzanine/Admin Level - Nashville International Airport (BNA)



MNAA Offices - Admirals Club

LOCATION

- Concourse A
- Concourse B
- Concourse C
- Concourse D
- IAB
- Terminal

Mezzanine - Admiral's Club Level
Total Gross: 423,621 SF

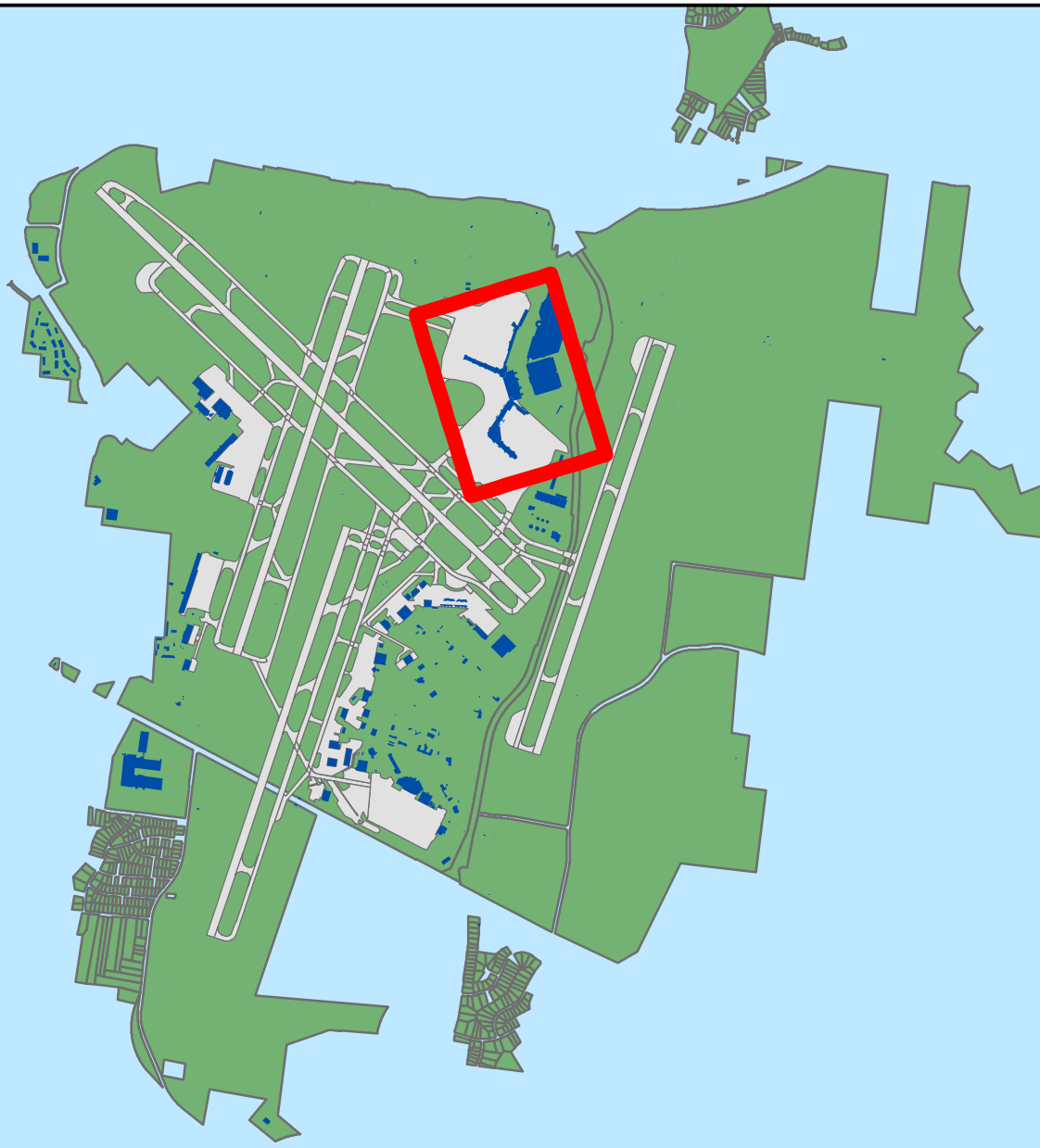
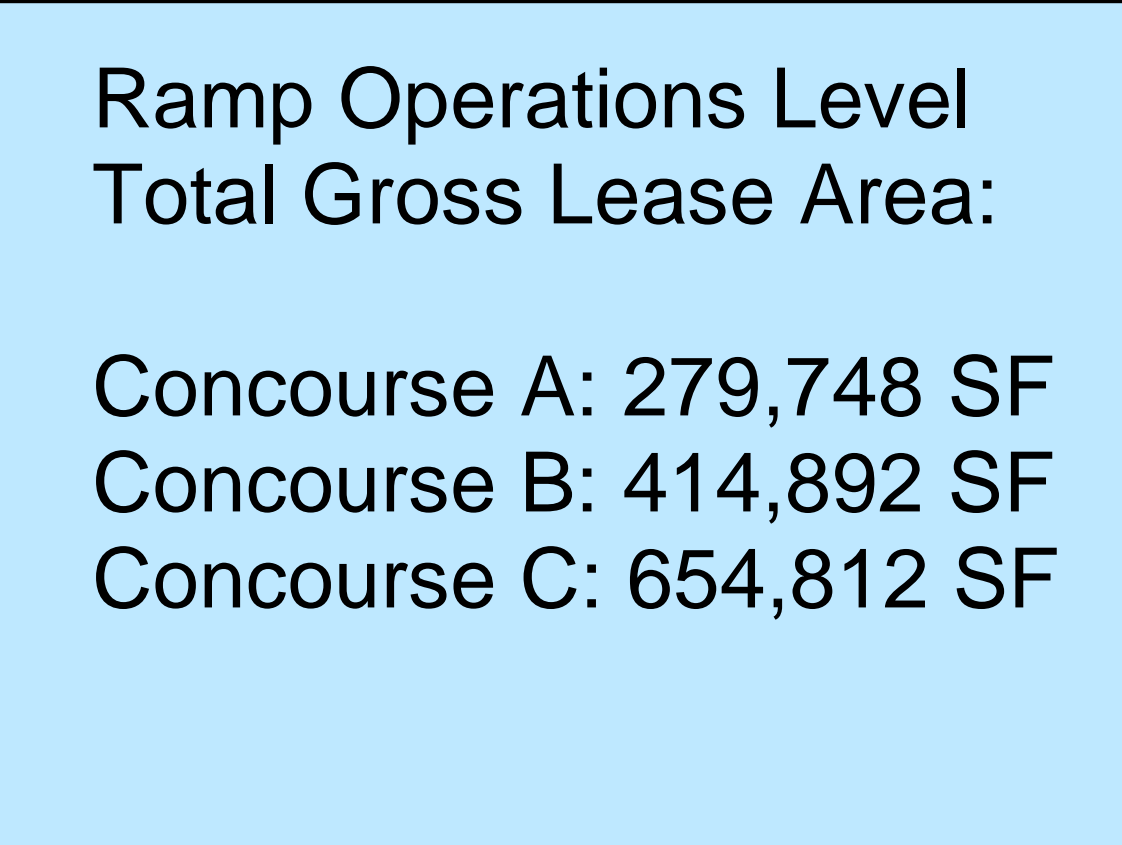
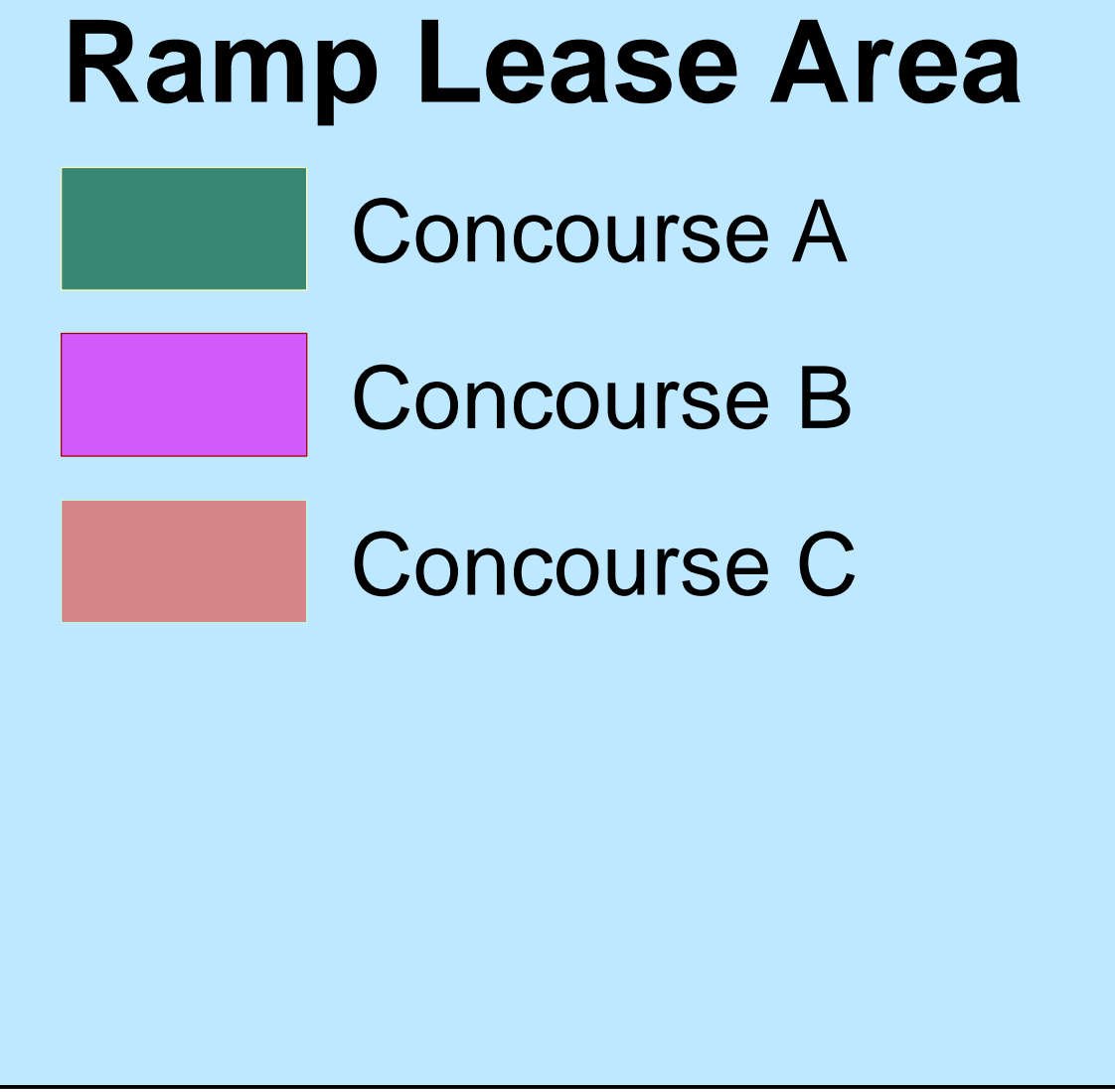
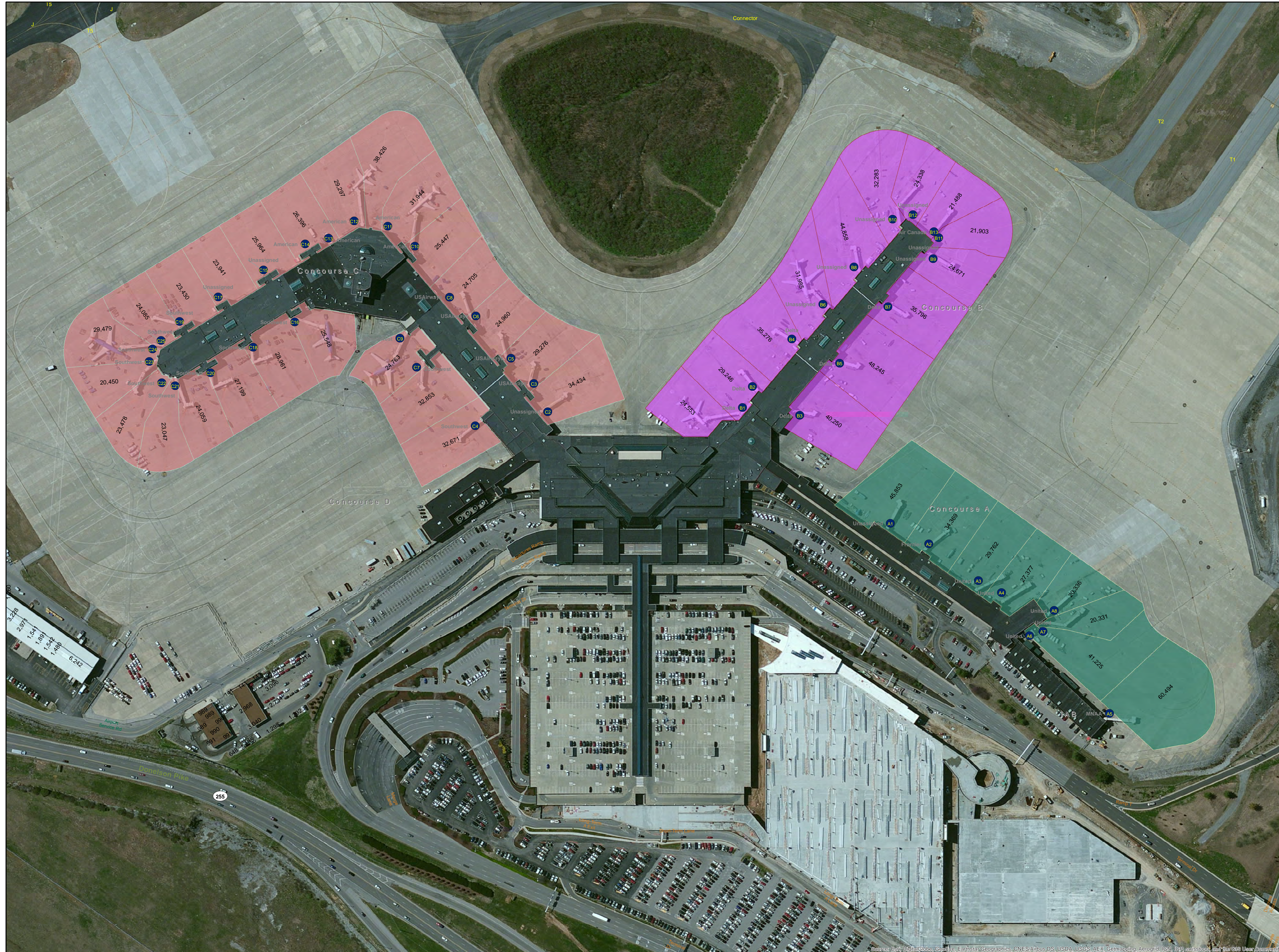


EXHIBIT E

TERMINAL RAMP AREA

1 PAGE

Exhibit E: Terminal Ramp Area - Nashville International Airport (BNA)



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroX, GeoEye, IGN, SIP, swisstopo, and The 6th User (compactly)

EXHIBIT F

PREMISES NOTICE

6 PAGES – Southwest

TERMINAL
EXHIBIT F - PREMISES NOTICE
NASHVILLE INTERNATIONAL AIRPORT
SOUTHWEST AIRLINES

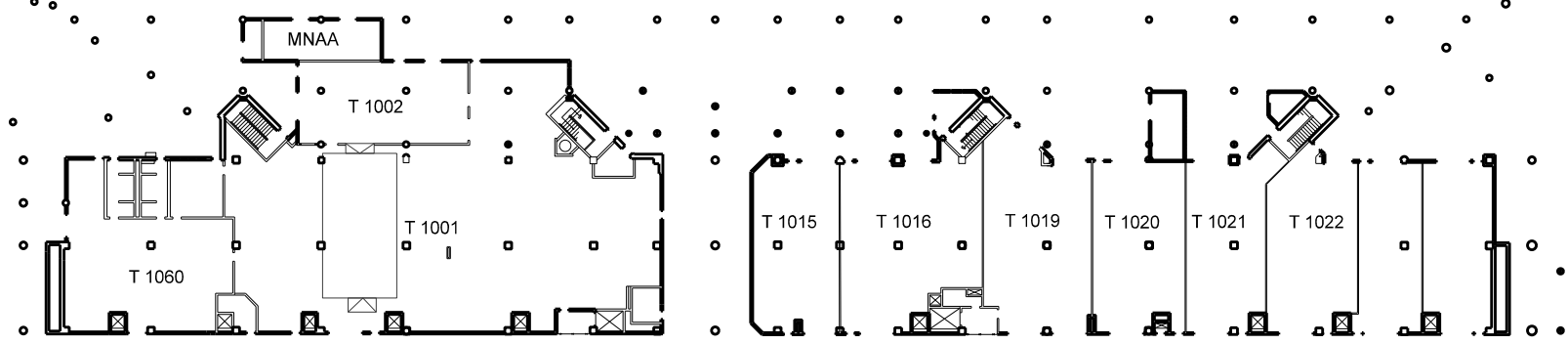
EFFECTIVE DATE: JULY 1, 2015

Location	Area	Square Feet		
		Exclusive	Preferential	Joint Use
Main Terminal	Ticket Counter		1,497	
	Ticket Office	3,405		
	Ticket Kiosks			
	Bag Make-up			
	Bag Claim			42,010
	Baggage Service Office	743		
	Other			
Concourse A	Holdroom			
	Office			
	Operations			
	VIP Club			
Concourse B	Holdroom			
	Office			
	Operations			
	VIP Club			
Concourse C	Holdroom		22,835	
	Office	1,518		
	Operations	13,589		
	Bag Make-up		20,071	
	VIP Club			
Total Terminal Square Footage		19,255	44,403	42,010
Adjustment*			739	
Effective Billed Terminal Square Footage		19,255	43,664	42,010
Unimproved Space	Terminal			
	Concourse A			
	Concourse B			
	Concourse C			
Total Unimproved Square Footage		-	-	-
Terminal Ramp Area	Concourse A			
	Concourse B			
	Concourse C		270,978	
Total Terminal Ramp Square Footage		-	270,978	-

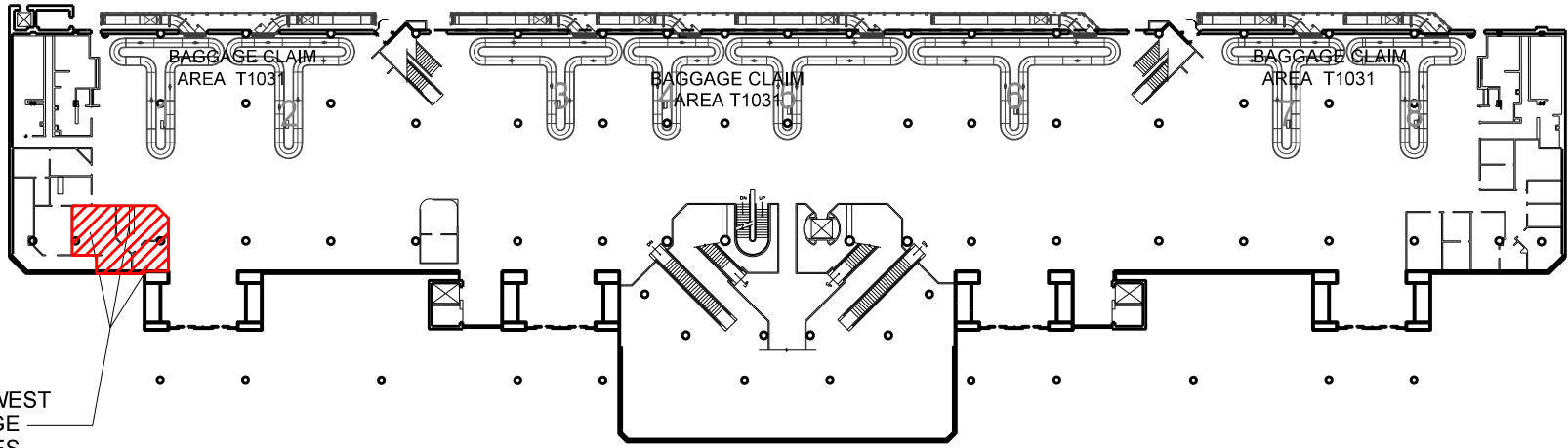
Curb-Side Baggage Check

Loading Bridge Number Leased -

*Adjustment reflects upcoming move of from C16 to C17



INBOUND BAGGAGE T 1009



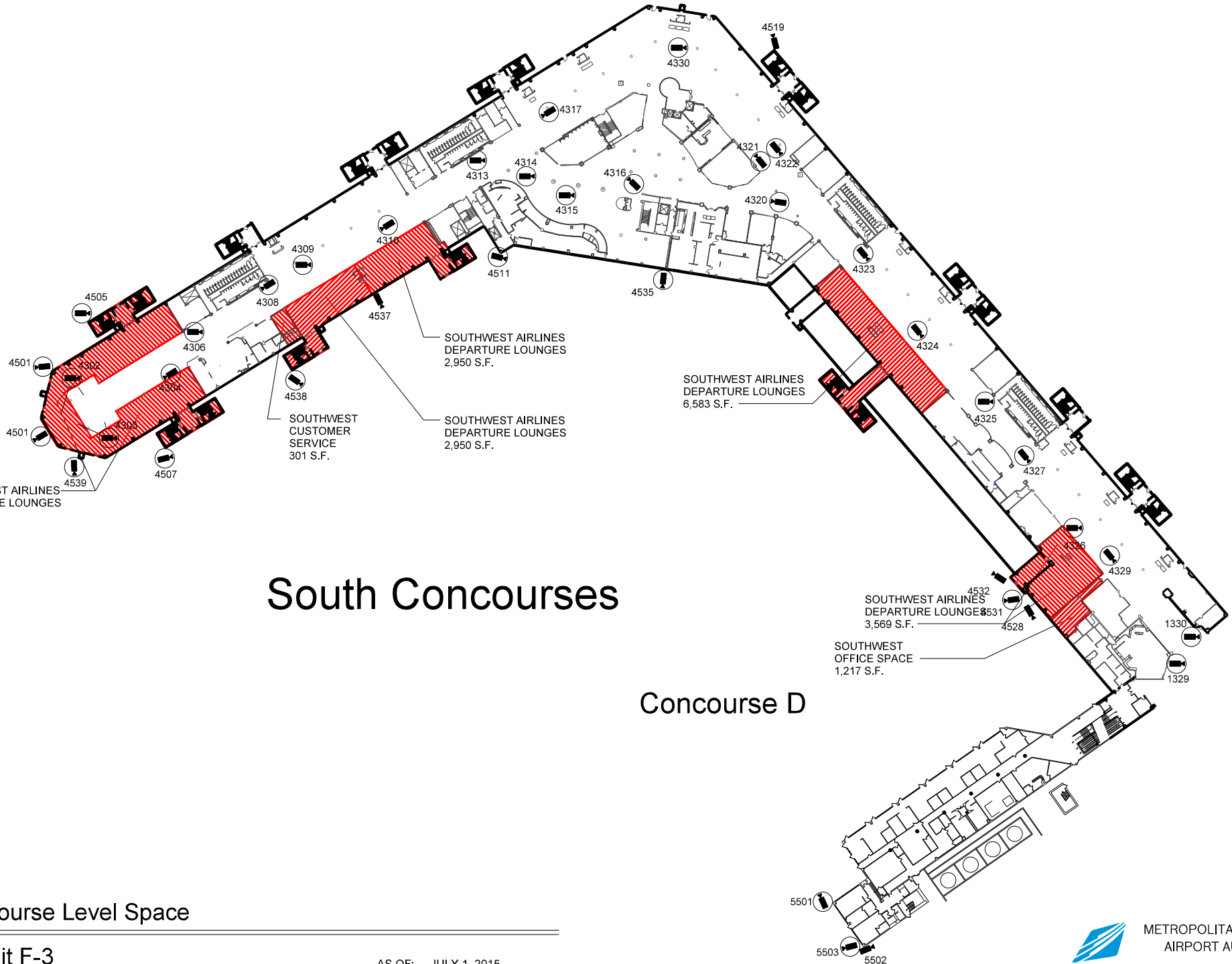
SOUTHWEST BAGGAGE SERVICES
743 S.F.

Baggage Claim Space

Exhibit F-2

AS OF: JULY 1, 2015

Concourse C



South Concourses

Concourse D

Concourse Level Space

Exhibit F-3

AS OF: JULY 1, 2015



Concourse C

SOUTHWEST
BAGGAGE
MAKEUP
20,071 SF.

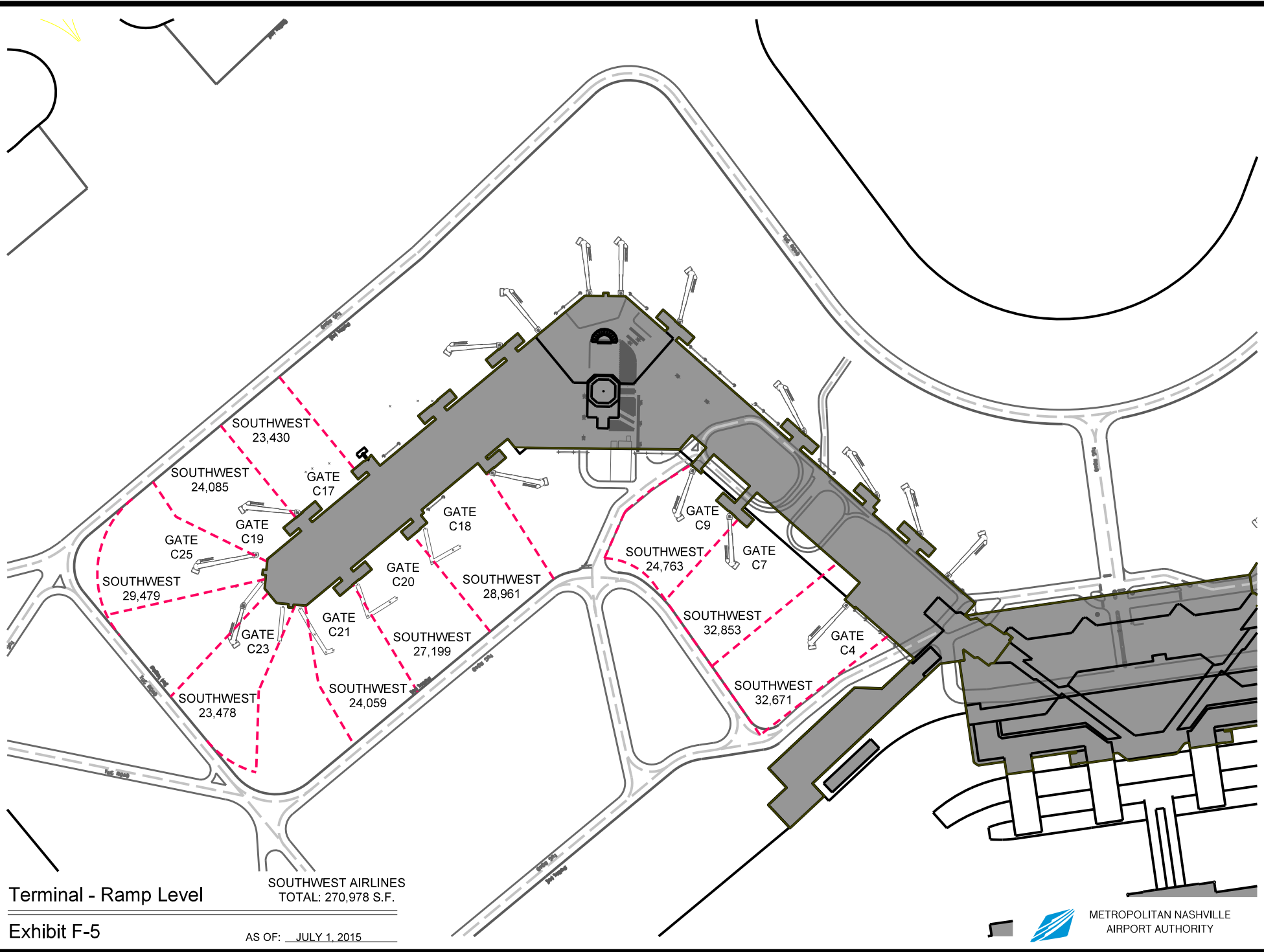
SOUTHWEST
OPERATIONS
OFFICES
13,589 SF.

Concourse D

Concourse Space, Operations Level

Exhibit F-4

AS OF: JULY 1, 2015



Terminal - Ramp Level

SOUTHWEST AIRLINES
TOTAL: 270,978 S.F.

Exhibit F-5

AS OF: JULY 1, 2015

EXHIBIT G

GATE USE, ASSIGNMENT AND SCHEDULING PROCEDURE

8 PAGES



Metropolitan Nashville
Airport Authority SM

Original Date: June 16, 2015

GATE USE, ASSIGNMENT AND SCHEDULING PROCEDURES
(BNA)

PURPOSE: To establish procedures for the assignment of the non-preferential use of Gates and facilities.

APPLICABILITY: All aircraft owners/operators utilizing the terminal for commercial aircraft operations.

DEFINITIONS: The following words, terms and phrases, whenever used herein, shall have the following meaning.

Adhoc Planning Process – as defined in Section I.C.2 herein.

Adhoc Flight - flight not submitted for or during the Advance Planning Process.

Advance Planning Process – as defined in Section I.C herein.

Affiliate Airline – an Air Carrier providing air service at the Airport that (i) (a) is a parent or subsidiary, or a subsidiary of the parent company, of Airline, or is under the same parental control as Airline, or (b) otherwise operates under essentially the same trade name as Airline at the Airport and uses essentially the same livery as Airline at the Airport, and (ii) is properly designated as an Affiliate by Airline in accordance with the current Airport Use and Lease Agreement.

Airline – company engaged in the business of commercial air transportation of persons, property, cargo, and mail as a scheduled or unscheduled air carrier and is certificated or otherwise authorized by the United States Government to engage in such business. Airline definition shall include Charter Airline.

Airport Operations – a representative or designee of the President and CEO responsible for enforcing airport rules and regulations and responsible for Gate Assignments and other activities relating to terminal facilities.

Available Gate Time – the time interval between the Period of Use of one aircraft and the Period of Use of a subsequent aircraft on the same gate.

Charter Airline – the on-demand or commercial operator whose entire aircraft is hired by a third party for carrying passengers.

Common Use Facilities - those facilities at BNA designated by the MNAA for use on a non-exclusive basis. This includes: Baggage claim units, Gates, Check-in counters, Baggage make-up areas.

Customs and Border Protection (CBP) – the Federal Agency whose mission is to enforce Federal regulations by inspecting International arriving aircraft, crew, customers and cargo.

Existing Flight – the right afforded a certain airline that held the previous Gate Assignment in the immediate prior calendar month to carry forward the same access and assignment.

Federal Inspection Services (FIS) Facility – those areas, together with the fixtures and equipment located therein, used by various agencies of the United States Government for the inspection and processing of arriving international passengers.

Gate – those portions of the Terminal individually comprised of a passenger loading bridge, if any, a passenger hold room and associated portion of the Terminal Ramp Area.

Gate Assignment – privilege-having access to a specific Gate at a given time for a given scheduled use, as approved by Airport Operations.

Ground Handling Company – a company that provides aircraft ground handling services including but not necessarily limited to the following; on and off loading of passengers (including ticketing), baggage, mail or cargo, into-plane fueling, servicing aircraft lavatories, providing ground power, potable water and preconditioned air, cleaning the interior of the aircraft and any other similar ground handling services.

Incumbent Airline – Airline that operated regular flights into BNA during the previous scheduling period: (previous calendar month for domestic and 90 days for international)

International Arrival - an arriving aircraft originating in a foreign country (except Pre-cleared Flights). These flights require the use of the FIS facilities.

Metropolitan Nashville Airport Authority (MNAA) –

New Entrant Airline – Airline that did not operate regular flights into BNA during the prior scheduling period

Non-Preferential Gate User – Airline that is assigned the use of a Gate that it does not lease.

Period of Use – as defined in Section IV.B herein.

Permissible Ticket Counter Time – as defined in Section IV.C herein.

Pre-cleared Flight – a flight operated by an Air Carrier that originates in foreign country whose passengers were processed and cleared through an FIS located either at the point of origin or an intermediate stop and arrives at BNA, typically, without a requirement for further FIS clearances.

Preferential Gate – Gate leased to an airline under the Signatory Airline Use and Lease Agreement and airline holds the gate preference as defined in that agreement.

President and CEO – the President and Chief Executive Officer of the Authority or his/her designee.

RON – acronym referring to an aircraft that “remains overnight”.

Requesting Airline – a Scheduled Airline without adequate Gate Access desirous of operating from the Airport.

Signatory Airline Use and Lease Agreement – the agreement between the Authority and an airline operating at BNA describing the terms and conditions for airport and terminal facility use and lease.

Unleased Gate – any non-leased Gate.

PROCEDURES:

I. REVIEW PROCEDURES

- A. Adhoc Flight review is a continued on-going activity. Airport Operations will prioritize Gate Assignment request by two distinct timeframes, prior to the start of an upcoming month.
 1. Advance Planning Process: Thirty (30) day advance reviews. Only submitted flight schedules received thirty (30) full days prior to the month in review will be considered for inclusion in the Advance Planning Process.
 2. Adhoc Planning Process: Submitted Gate Assignment request at any time following the close of the Advance Planning Process. In the case of an Adhoc Flight, review and Gate Assignment is on a continuous basis.
- B. Airlines shall submit electronic flight schedules on approved Authority format to Airport Operations prior to the first day of each calendar month, including the anticipated gate assignments, for the succeeding calendar month.
- C. Airport Operations will conduct monthly reviews of such submitted flight schedules (on or near first day of each calendar month) to identify Available Gate Times, current gate utilization (departures per gate per day) and make

monthly Gate Assignments for Non-Preferential Gate Users.

- D. The advanced planning, review, and Gate Assignment process shall be monthly.

II. GATE ASSIGNMENT CRITERIA AND PROCEDURES

- A. All Unleased Gates and associated facilities are under MNAA jurisdiction, the President and CEO or his designee shall have final authority over all Unleased Gate Assignments. Airport Operations will schedule and manage all Unleased Gate Assignments in accordance with the procedures set out herein.
- B. No Airline has the exclusive use of any Gate.
- C. New Entrant Airlines are to contact MNAA Properties for initiating airline service, and must have agreements in place prior to service
- D. MNAA Properties will notify Airport Operations of approved New Entrant Airline
- E. The Non-Preferential Gate User will notify Airport Operations anytime delays are greater than 15 minutes for both arrivals and departures.
- F. The following information shall be provided Airport to Operations upon initial contact for adhoc or new service:
 - 1. Airline and/or aircraft owner;
 - 2. Aircraft type and registration number/letters;
 - 3. ETA and ETD;
 - 4. Ground Handling Company information, if different from airline/owner;
 - 5. Contact person and phone number;
 - 6. Name of company the aircraft is flying for, if under contract.
- G. In determining gate/facility assignments, the following shall be observed:
 - 1. Airport Operations will determine the type of aircraft gate required (ADG III /standard gate, or other (ADG IV) gate/hardstand) and the Available Gate Time required;
 - 2. Affiliate flights will be permitted to operate from the Airline's Preferential Gate (exempt from II.F.6 below) with a priority over all Non-Preferential Gate Users assigned to that Gate.
 - 3. All Airline flights, except an Airline using its Preferential Gate, shall be assigned an Unleased Gate if available.
 - 4. In the event that an Unleased Gate does not have an Available Gate Time sufficient to accommodate the desired flight time Airport Operations will determine if such window is available on a Preferential Gate in accordance with Article 4 of the Signatory Airline

Use and Lease Agreement

5. In accordance with the Signatory Airline Use and Lease Agreement, Airport Operations will coordinate such assignment on a Preferential Gate;
6. In determining which Preferential Airline facility to coordinate with, Airport Operations will prioritize by greatest Available Gate Time, greatest number of leased gates and lowest departures per gate per day, but all assignment decisions shall first consider location of support facilities such as ticket counters and other mitigating factors.
7. Gate Assignments by Airport Operations may include unleased ticket counters or preferential ticket counters according to the Permissible Ticket Counter Time referenced herein.
8. Airport Operations has the sole discretion for all final Gate Assignment decisions.

III. GATE ASSIGNMENT CONFLICTS ON GATES

Airline with a Preferential Gate shall have scheduling priority on its leased gate(s).

In the event two or more Non-Preferential Gate Users compete for the same Available Gate Time, the following priority will be observed:

- A. Advance Planned Flights - Flights submitted for inclusion in the Advance Planning Process will be prioritized on the basis of the following characteristics (domestic and international):
 1. Existing Flight (excluding Charter Airline)
 2. Incumbent Airline (excluding Charter Airline)
 3. New Entrant Airline (excluding Charter Airline)
 4. Charter Airline

International flights will take precedent on International capable gates. In the event two or more Incumbent, New Entrant, or Charter Airlines compete for the same Available Gate Time (in the Advanced Planning Process and within the respected categories above), the Gate Assignment shall be provided to the airline with the highest number of departures per week at BNA. In the event two or more airlines competing for the same Available Gate Time have the same number of departures per week, then the airline that first provided a schedule to Airport Operations shall have the Gate Assignment.

- B. Adhoc Flights - Flight prioritized as first come first served basis, but at all times, assignment decisions shall first consider location of support facilities such as ticket counters and other mitigating factors and Airport Operations in their sole discretion will make the final Gate Assignment decision.

IV. GATE AND FACILITY OPERATION (domestic and international)

- A. Airlines are permitted to use any Ground Handling Company which has an active Aviation Support Services License with the Authority. The contracting Airline shall be responsible for their contractors.

Period of Use for a Scheduled Operation means:

(a) For arrivals of aircraft the Period of Use shall commence thirty (30) minutes prior to a scheduled arrival. The Period of Use shall terminate sixty (60) minutes after scheduled arrival or upon the completion of the deboarding process, whichever is the earlier to occur.

(b) For departures of aircraft the Period of Use shall commence sixty (60) minutes prior to a scheduled domestic departure and ninety (90) minutes prior to a scheduled international departure. The Period of Use for such an originating flight shall terminate upon the actual departure of the aircraft from the Gate or thirty (30) minutes after scheduled departure time, whichever is the earliest to occur. The departure time shall be extended if the originating aircraft is being boarded and actively prepared for departure. In such instances, the extension shall extend only to the completion of the active boarding process.

There shall be no Period of Use for which Airline has a scheduling preference under ARTICLE 4 of the Signatory Airline Use and Lease Agreement with respect to any operation of Airline that occurs at the Airport pursuant to a published schedule that is not made available to the Authority by Airline within the time limits required for a Scheduled Operation.

- B. Permissible Ticket Counter Time – the permissible time allowed for use of the ticket counter, baggage claim, and baggage make-up facilities shall be the following:

<u>Aircraft Category</u>	<u>Counter (2 pos)</u>	<u>Permissible</u>
ADG III	1 (Domestic)	2.0 hours
	2 (International)	3.0 hours
ADG IV	2 (Domestic)	3.0 hours
	4 (International)	3.0 hours

- C. Non-Preferential Gate User shall have reasonable access to the assigned Gate including adequate area for ground support equipment. This shall include space associated with use of a Preferential Airline Gate facility by a Non-Preferential Gate User. All ground support equipment tools, vehicles, and other support equipment associated with Non-Preferential Gate User use of the Gate shall be removed with the removal/departure of the aircraft.

- D. Operational Delays on an Unleased Gate – Aircraft operating off-schedule shall

make every attempt to minimize the occupancy time on the Gate to avoid impacting other previously scheduled operations. In the event Airport Operations determines that such delay will affect a subsequent user of the Gate, the delayed aircraft must be towed from the Gate; however, Airport Operations will make every reasonable effort to accommodate either the delayed aircraft or subsequent aircraft on another Gate.

- E. Operational Delays on a Preferential Gate – Aircraft operating off-schedule shall make every attempt to minimize the occupancy time on the Gate to avoid impacting other previously scheduled operations. In the event Airport Operations determines that such delay will affect a subsequent user of the Gate, the delayed aircraft of the Airline leasing the gate will take priority over any Non-Preferential Gate User. Airport Operations will make every reasonable effort to accommodate the Non-Preferential Gate User aircraft on another Gate.
- F. Early/Late Arrivals – Flights operating in advance of scheduled ETA will either hold for the assigned gate in a designated area if the gate is occupied, or contact Airport Operations for another gate assignment. Flights arriving past ETA may require another gate assignment (if available) depending on the remaining Available Gate Time on the original gate assignment.
- G. Airport Operations may extend the Period of Use and/or the Permissible Ticket Counter Time upon request, but additional fees and charges could apply.
- H. Airline's exceeding the above stated times will promptly vacate the Gate or facility immediately upon Airport Operations request.
- I. An aircraft Gate operation (arrival or departure) has priority over a RON aircraft. If requested by Airport Operations to relocate a RON aircraft or an aircraft remaining beyond the Period of Use, the owner/operator will do so immediately
- J. All Joint Use baggage claim devices (domestic and international) will be assigned by Airport Operations.

V. FEES, CHARGES, AND STATISTICAL REPORTS

- A. Airlines occupying an Unleased Gate beyond the Period of Use shall be subject to parking charges.
- B. Airlines utilizing a gate or other facility for which it does not lease will pay the rates and charges established by MNAA to MNAA for such facilities.

- C. Airlines utilizing a gate or other facility for which it does not lease will complete all MNAA required self-invoicing and statistical reporting documents.

VI. MISCELLANEOUS

- A. Cleaning of all debris, trash and/or spills resulting from minor maintenance or normal operations will be the responsibilities of the aircraft owner/operator and/or their Ground Handling Company.
- B. Airport Operations must prior approve minor aircraft maintenance on Gates.
- C. Major aircraft maintenance on Gates will not be authorized on a gate.
- D. MNAA may deny access to the Gates and Facilities for Airline breach or non-compliance of any of the procedures herein.
- E. All international carrier operations will be responsible for their regulated trash.

VII. MODIFICATIONS, ALTERATION, ADDITIONS FOR DELETIONS FROM PROCEDURES

The foregoing operating procedures will remain in effect until and unless modified, altered, added to, or deleted by the President and CEO.

EXHIBIT H

AFFILIATE DESIGNATION LETTER

1 PAGE

(Current date)

Director of Properties
Metropolitan Nashville Airport Authority
One Terminal Drive
Suite 501
Nashville, TN 37214-4114

Re: Affiliate Designation

Director of Properties:

In accordance with Article 6 of the Signatory Airline Use and Lease Agreement between (name of Signatory Airline) (“Airline”) and the Metropolitan Nashville Airport Authority (“Authority”), (name of Affiliate airline) (“Affiliate”) will be operating at the Nashville International Airport on behalf of Airline beginning (date, at least 30 days from date on letter).

Please mark one choice below:

- Airline will pay to the Authority all Landing Fees, Terminal Rents, and other charges due to the Authority on account of the Affiliate.
- Airline will guarantee to the Authority all Landing Fees, Terminal Rents, and other charges due to the Authority on account of the Affiliate.

Affiliate will pay to the Authority all PFCs that it collects on account of enplaning passengers at the Airport. However, Airline shall remain fully liable. Airline shall be responsible for all Activity Reports related to operations of the Affiliate.

Status as an Affiliate for the Airline may be terminated with not less than thirty (30) days written notice to the Authority.

Sincerely,

(name)
(title of Signatory Airline Representative)

EXHIBIT I

Illustrative Calculations of Signatory Airline Rates and Charges

21 PAGES

Exhibit A

SUMMARY OF SIGNATORY AIRLINE RATES AND CHARGES

Fiscal Years 2015 and 2016, Ending June 30
Metropolitan Nashville Airport Authority

DESCRIPTION	Exhibit or Table Reference	Budget FY 2015	Budget FY 2016	Budget FY 2016 -- By Signatory Airline						
				Signatory Airlines (Passenger Carriers)					FedEx	TOTAL
				Southwest	American	Delta	United	Total		
LANDING FEES										
Landing Fee (per 1,000-pound unit)	A-1	n.a.	\$ 3.18							
Maximum Gross Landed Weight (1,000-pound units)*	Table 1	n.a.	6,596,600	3,681,400	1,263,600	1,025,600	431,100	6,401,700	194,900	6,596,600
Signatory Airline Airfield Requirement	A-1	n.a.	\$ 20,987,049	\$ 11,712,355	\$ 4,020,137	\$ 3,262,941	\$ 1,371,542	\$ 20,366,975	\$ 620,073	\$ 20,987,049
TOTAL LANDING FEES		n.a.	<u>\$ 20,987,049</u>					<u>\$ 20,366,975</u>		<u>\$ 20,987,049</u>
TERMINAL RATES, FEES AND CHARGES										
Terminal Rental Rate										
Rental Rate per Square Foot	A-2	n.a.	\$ 90.00							
Airline Leased Space	Table 2	n.a.	158,675	63,126	48,598	31,369	15,582	158,675	-	158,675
Signatory Airline Terminal Rentals	A-2	n.a.	\$ 14,280,750	\$ 5,681,340	\$ 4,373,820	\$ 2,823,210	\$ 1,402,380	\$ 14,280,750	\$ -	\$ 14,280,750
Terminal Ramp Area Rate										
Average rate per square foot	A-3	n.a.	\$ 1.71							
Square footage (Terminal)	Table 2	n.a.	879,790	270,978	256,415	213,366	139,031	879,790	-	879,790
Amount required	A-3	n.a.	\$ 1,500,535	\$ 462,169	\$ 437,331	\$ 363,909	\$ 237,126	\$ 1,500,535	\$ -	\$ 1,500,535
Baggage Fees										
Baggage Fees	A-4/Table 3	n.a.	\$ 5,050,448							
Signatory Airline Baggage Fees				\$ 2,536,296	\$ 1,104,634	\$ 914,559	\$ 494,958	\$ 5,050,448	\$ -	\$ 5,050,448
Passenger Loading Bridge Fees										
Loading Bridge Charges per bridge	A-5	n.a.	\$ -							
Number of Bridges	Table 2	n.a.	-	-	-	-	-	-	-	-
Amount Required	A-5	n.a.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unimproved Space Rental Rate										
Rental Rate	See Agreement	n.a.	\$ 2.00							
Airline Leased Space	Table 2	n.a.	23,728	-	9,261	11,666	2,801	23,728	-	23,728
Total payment		n.a.	\$ 47,456	\$ -	\$ 18,522	\$ 23,332	\$ 5,602	\$ 47,456	\$ -	\$ 47,456
TOTAL TERMINAL RATES, FEES AND CHARGES		enter	<u>\$ 41,866,238</u>	<u>\$ 20,392,161</u>	<u>\$ 9,954,444</u>	<u>\$ 7,387,951</u>	<u>\$ 3,511,609</u>	<u>\$ 41,246,164</u>	<u>\$ 620,073</u>	<u>\$ 41,866,238</u>

DESCRIPTION	Exhibit or Table Reference	Budget FY 2015	Budget FY 2016	Budget FY 2016 -- By Signatory Airline				
				Signatory Airlines (Passenger Carriers)				
				Southwest	American	Delta	United	Total
SIGNATORY AIRLINE (PASSENGER CARRIER) EFFECTIVE LANDING FEE AND COST PER ENPLANED PASSENGER								
Total Signatory Passenger Airline Landing Fee payments		n.a.	\$ 20,366,975	\$ 11,712,355	\$ 4,020,137	\$ 3,262,941	\$ 1,371,542	\$ 20,366,975
less:								
Revenue Share per Signatory Airline Enplanement		n.a.	\$ 1.77					
Signatory Airline Enplanements*		n.a.	5,633,000	3,184,000	1,188,000	923,000	338,000	5,633,000
Revenue Share		n.a.	\$ 9,954,900	\$ 5,626,913	\$ 2,099,489	\$ 1,631,169	\$ 597,329	\$ 9,954,900
Signatory Airline Landing Fee payments after Revenue Share		n.a.	\$ 10,412,075	\$ 6,085,442	\$ 1,920,648	\$ 1,631,772	\$ 774,213	\$ 10,412,075
Maximum Gross Landed Weight (1,000-pound units)		n.a.	6,401,700	3,681,400	1,263,600	1,025,600	431,100	6,401,700
EFFECTIVE SIGNATORY AIRLINE LANDING FEE		enter	\$ 1.63	\$ 1.65	\$ 1.52	\$ 1.59	\$ 1.80	\$ 1.63
add:								
Total Signatory Airline Terminal Rentals, Fees and Charges		n.a.	\$ 20,879,189	\$ 8,679,806	\$ 5,934,308	\$ 4,125,009	\$ 2,140,066	\$ 20,879,189
TOTAL SIGNATORY AIRLINE PAYMENTS			\$ 31,291,264	\$ 14,765,248	\$ 7,854,955	\$ 5,756,782	\$ 2,914,279	\$ 31,291,264
Enplaned Passengers*	Table 1	n.a.	5,633,000	3,184,000	1,188,000	923,000	338,000	5,633,000
SIGNATORY AIRLINE COST PER ENPLANED PASSENGER		enter	\$ 5.55	\$ 4.64	\$ 6.61	\$ 6.24	\$ 8.62	\$ 5.55

* Includes properly designated Affiliates
n.a. = not applicable.

Exhibit A-1

CALCULATION OF LANDING FEE
 Fiscal Years 2015 and 2016, Ending June 30
 Metropolitan Nashville Airport Authority

DESCRIPTION	Exhibit or Table Reference	Budget FY 2015	Budget FY 2016
Operating costs			
Operation and Maintenance Expenses	Exhibit B	n.a.	\$ 17,477,804
Capital Costs			
Airline Facilities Investment Account (Positive MII received)	Exhibit C-1	n.a.	1,215,035
Debt Service	Exhibit D		
Historical		n.a.	3,550,000
New (Positive MII received)		n.a.	-
Reliever Airport Contribution			
John C. Tune Airport	See Agreement	n.a.	400,000
Reserve Fund Requirements			
Replenishment of Operation and Maintenance Reserve Fund	None	n.a.	-
Replenishment of Renewal and Replacement Fund	None	n.a.	-
		n.a.	\$ 22,642,839
Less:			
Non-Airline Airfield Revenues	Exhibit E	n.a.	485,000

Exhibit A-1 (continued)

Page 2 of 2

DESCRIPTION	Exhibit or Table Reference	Budget FY 2015	Budget FY 2016
Airfield Requirement		n.a.	\$ 22,157,839
Non-signatory landed weight	Table 1		294,400
Non-Signatory Landing Fee Rate (per 1,000 pound unit)			\$ 3.98
Non-Signatory Payment	Exhibit E		\$ 1,170,790
Signatory Airline Net Requirement	Exhibit A		\$ 20,987,049
Signatory Landed weight (in 1,000 pound units)	Table 1		6,596,600
Required Signatory landing fee rate (per 1,000 pound unit)	Exhibit A		\$ 3.18
x Signatory Cargo Carrier Landed Weight	Table 1		194,900
Signatory Cargo Carrier Payment			\$ 620,073
x Signatory Passenger Airline Landed Weight	Table 1		6,401,700
Signatory Passenger Airline Payment			\$ 20,366,975
Total Signatory Airline Payment	Exhibit A		\$ 20,987,049

Exhibit A-2

CALCULATION OF TERMINAL RENTAL RATE

Fiscal Years 2015 and 2016, Ending June 30
Metropolitan Nashville Airport Authority

DESCRIPTION	Calculation Example	Exhibit or Table Reference	Budget FY 2015	Budget FY 2016
Rate per Agreement	[A]	See Agreement	n.a.	\$90.00
Unforeseen Terminal Expenses (none)	[B]		n.a.	\$0.00
Rentable Space	[C]		n.a.	426,462
Unforeseen Terminal Expenses Rate	[B] ÷ [C] = [D]		n.a.	\$0.00
Terminal Rental Rate	[A] + [D] = [E]		n.a.	\$90.00
Signatory Airline leased space (excluding Joint Use)	[F]	Table 2	n.a.	158,675
Signatory Airline Terminal Rentals	[E] * [F]		n.a.	\$ 14,280,750

n.a. = not applicable.

Exhibit A-3

CALCULATION OF TERMINAL RAMP AREA

Fiscal Years 2015 and 2016, Ending June 30

Metropolitan Nashville Airport Authority

DESCRIPTION	Exhibit or Table Reference	Budget FY 2015	Budget FY 2016
Operating costs			
Operation and Maintenance Expenses	Exhibit B	n.a.	\$ 2,113,946
Capital Costs			
Authority Facilities Investment Account	Exhibit C-3	n.a.	92,685
Debt Service	Exhibit D		
Historical		n.a.	94,000
New		n.a.	-
Terminal Ramp Area Requirement		n.a.	\$ 2,300,631
Terminal Ramp Area (square feet)	Table 2	n.a.	1,348,900
Terminal Ramp Area Rate (\$ per square foot)		n.a.	\$ 1.71
Signatory Airline leased space	Table 2	n.a.	879,790
Signatory Airline Terminal Ramp Rentals		n.a.	\$ 1,500,535

n.a. = not applicable.

Exhibit A-4

CALCULATION OF BAGGAGE FEES
 Fiscal Years 2015 and 2016, Ending June 30
 Metropolitan Nashville Airport Authority

DESCRIPTION	Exhibit or Table Reference	Budget FY 2015	Budget FY 2016
Baggage Claim Areas			
Terminal Rental Rate	Exhibit A-2	n.a.	\$ 90.00
Total Baggage Claim Areas	Table 2	n.a.	42,010
Baggage Claim Areas Rental			
		n.a.	\$ 3,780,900
Baggage Claim Equipment and Baggage Make-up Equipment			
Operating costs			
Operation and Maintenance Expenses	Exhibit B	n.a.	\$ 1,394,548
Capital Costs			
Authority Facilities Investment Account	Exhibit C-3	n.a.	-
Debt Service	Exhibit D		
Historical		n.a.	-
New		n.a.	-
Total Baggage Claim Equipment and Baggage Make-up Equipment			\$ 1,394,548
Total Baggage Fees		n.a.	\$ 5,175,448

n.a. = not applicable.

Exhibit A-5

CALCULATION OF PASSENGER LOADING BRIDGE FEES

Fiscal Years 2015 and 2016, Ending June 30

Metropolitan Nashville Airport Authority

DESCRIPTION	Exhibit or Table Reference	Budget FY 2015	Budget FY 2016
Operating costs			
Operation and Maintenance Expenses	Exhibit B	n.a.	\$ -
Capital Costs			
Authority Facilities Investment Account			
Debt Service	Exhibit D		
New		n.a.	-
Passenger Facility Charge (PFC) offset		n.a.	-
Passenger Loading Bridge Requirement		n.a.	\$ -
Number of Passenger Loading Bridges		n.a.	-
Required Passenger Loading Bridge Charge (per Loading Bridge)		n.a.	\$ -
Signatory Airline Leased Passenger Loading Bridges		n.a.	-
Passenger Loading Bridge Fees		n.a.	\$ -

n.a. = not applicable.

Exhibit A-6

CALCULATION OF SIGNATORY AIRLINE (PASSENGER CARRIER) REVENUE SHARE

Fiscal Years 2015 and 2016, Ending June 30

Metropolitan Nashville Airport Authority

DESCRIPTION	Calculation Example	Exhibit or Table Reference	Budget FY 2015	Budget FY 2016
Revenue Share				
Terminal Concessions	[A]	Exhibit E	n.a.	\$10,507,000
Percentage share	[B]	See Agreement	n.a.	70.0%
Amount of Terminal Concession Revenue Share	[A] * [B] = [C]		n.a.	\$ 7,354,900
Rental Car Concessions	[D]	Exhibit E	n.a.	\$13,000,000
Percentage share	[E]	See Agreement	n.a.	20.0%
Amount of Rental Car Concessions Revenue Share	[D] * [E] = [F]		n.a.	\$ 2,600,000
Total Revenue Share	[C] + [F] = [G]		n.a.	\$ 9,954,900
Signatory Passenger Enplanements				
Southwest		Table 1	-	3,184,000
American			-	1,188,000
Delta			-	923,000
United			-	338,000
	[H]		-	<u>5,633,000</u>
Revenue Share per Signatory Airline Enplanement	[G] / [H] = [I]		n.a.	<u>\$ 1.77</u>
Allocation of Revenue Share to Signatory Airlines				
Southwest			n.a.	\$ 5,626,913
American			n.a.	2,099,489
Delta			n.a.	1,631,169
United			n.a.	597,329
			n.a.	<u>9,954,900</u>

n.a. = not applicable.

Exhibit B

OPERATION AND MAINTENANCE EXPENSES

Fiscal Years 2015 and 2016, Ending June 30
Metropolitan Nashville Airport Authority

Description	Budget FY 2015	From Exhibit	Budget FY 2016	To Exhibit
By Category				
Personnel Expense			\$ 43,985,000	
Purchased Services			30,390,000	
Business Promotion			1,271,000	
Materials & Supplies			4,110,000	
Utilities			7,787,000	
Insurance Expense			1,680,000	
Membership & Training			905,000	
Travel Expenses			457,000	
Other Operating Expenses			450,000	
Other Non-Operating Expenses			1,625,000	
	<u>\$ -</u>		<u>\$ 92,660,000</u>	
By Cost Center				
Airfield	n.a.	Exhibit B-1	\$ 17,477,804	Exhibit A-1
Terminal	n.a.	Exhibit B-1	\$ 37,360,676	n.a.
Terminal Ramp	n.a.	Exhibit B-1	\$ 2,113,946	Exhibit A-3
Baggage	n.a.	Exhibit B-1	\$ 1,394,548	Exhibit A-4
Passenger Loading Bridges	n.a.	Exhibit B-1	\$ -	Exhibit A-5
Other (Incl. JWN and MPC)		Exhibit B-1	\$ 34,313,027	n.a.
	<u>\$ -</u>		<u>\$ 92,660,000</u>	

n.a. = not applicable.

Exhibit B-1

OPERATION AND MAINTENANCE EXPENSES -- DETAIL

Fiscal Years 2015 and 2016, Ending June 30

Metropolitan Nashville Airport Authority

Description	Total	Direct						Allocable
		Airfield	Terminal	Terminal Ramp	Baggage	Passenger Loading Bridges	Other (incl JWN & MPC)	Administration and Overhead
Personnel Expense	\$ 43,985,000	\$ 6,845,017	\$ 10,246,469	\$ 1,048,589	\$ -	\$ -	\$ 3,819,280	\$ 22,025,644
Purchased Services	30,390,000	1,765,712	4,461,942	70,787	1,394,548	-	14,158,606	8,538,405
Business Promotion	1,271,000	3,474	1,707	330	-	-	286,699	978,791
Materials & Supplies	4,110,000	917,297	1,539,740	60,694	-	-	358,963	1,233,306
Utilities	7,787,000	224,627	4,721,667	29,049	-	-	1,135,221	1,676,435
Insurance Expense	1,680,000	74,667	341,038	11,647	-	-	56,905	1,195,743
Membership & Trainin	905,000	91,640	80,747	17,922	-	-	64,981	649,710
Travel Expenses	457,000	31,348	22,675	4,989	-	-	25,816	372,173
Other Operating Expe	450,000	334,956	3,683	420	-	-	15,732	95,208
Other Non-Opert Expe	1,625,000	-	-	-	-	-	277,005	1,347,995
Total	\$ 92,660,000	\$ 10,288,740	\$ 21,419,669	\$ 1,244,426	\$ 1,394,548	\$ -	\$ 20,199,209	\$ 38,113,409
Allocation of Administration and Overhead	\$ 38,113,409	\$ 7,189,064	\$ 15,941,007	\$ 869,519	Incl. w/ Terminal	Incl. w/ Terminal	\$ 14,113,819	
	<u>\$ 92,660,000</u>	<u>\$ 17,477,804</u>	<u>\$ 37,360,676</u>	<u>\$ 2,113,946</u>	<u>\$ 1,394,548</u>	<u>\$ -</u>	<u>\$ 34,313,027</u>	
Allocation Percentage								
Personnel Expense	100.0%	31.2%	46.7%	4.8%	0.0%	0.0%	17.4%	
Purchased Services	100.0%	8.1%	20.4%	0.3%	6.4%	0.0%	64.8%	
Business Promotion	100.0%	1.2%	0.6%	0.1%	0.0%	0.0%	98.1%	
Materials & Supplies	100.0%	31.9%	53.5%	2.1%	0.0%	0.0%	12.5%	
Utilities	100.0%	3.7%	77.3%	0.5%	0.0%	0.0%	18.6%	
Insurance Expense	100.0%	15.4%	70.4%	2.4%	0.0%	0.0%	11.8%	
Membership & Trainin	100.0%	35.9%	31.6%	7.0%	0.0%	0.0%	25.5%	
Travel Expenses	100.0%	37.0%	26.7%	5.9%	0.0%	0.0%	30.4%	
Other Operating Expe	100.0%	94.4%	1.0%	0.1%	0.0%	0.0%	4.4%	
Other Non-Opert Expe	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
Total	100.0%	18.9%	39.3%	2.3%	2.6%	0.0%	37.0%	

Exhibit C-1

AIRFIELD COST CENTER CAPITAL PROJECTS -- ESTIMATED PROJECT COSTS AND SOURCES OF FUNDS
 Fiscal Year 2016, Ending June 30
 Metropolitan Nashville Airport Authority

			Sources of Funds							Airfield Facilities Investment Account (equity funded)	
Description	Illustration Reference	Total Estimated Project Cost	FAA AIP Entitlement	FAA AIP Discretionary	State	PFCs Pay-Go or Debt	MNAA GARB	MNAA Total Share			
Direct											
1	P243	Taxiway November, N / T-4 Intersection	[to come]	\$ 4,000,000	\$ -	\$ -	\$ -	\$ 4,000,000	\$ -	n.a.	\$ -
2		Taxiway Sierra South (S to N)	[to come]	8,900,000	2,300,000	-	-	2,225,000	4,375,000	n.a.	-
3		Perimeter Road AOA Fence	[to come]	1,270,000	-	-	-	1,270,000	-	n.a.	-
4		Annual Airfield Rehabilitation	[to come]	1,500,000	-	-	1,425,000	-	-	n.a.	75,000
5	P312	Extreme Duty Dump Truck/Snow Plow	[to come]	300,000	-	-	-	-	-	n.a.	300,000
6		Replace Storm Water Pipe (Phase II)	[to come]	1,000,000	-	-	-	-	1,000,000	n.a.	-
7		Sweeper (MEQ 6403)	[to come]	60,000	-	-	-	-	-	n.a.	60,000
8	P267	Airfield Mower (MEQ 6448)	[to come]	100,000	-	-	-	-	-	n.a.	100,000
9		RSA Determination Study for 2C	[to come]	300,000	-	225,000	-	-	-	n.a.	75,000
				<u>\$ 17,430,000</u>	<u>\$ 2,300,000</u>	<u>\$ 225,000</u>	<u>\$ 1,425,000</u>	<u>\$ 7,495,000</u>	<u>\$ 5,375,000</u>		<u>\$ 610,000</u>
Check Total										\$ 17,430,000	
Allocable											
[Of Total MNAA Share, Percent (%) allocable to Airfield Facilities Investment Account]											
31.2%											
1	P252	Crane Truck (MEQ 6244)	[to come]	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 62,343	
2	P276	CSF Build-Out (Phase III)	[to come]	1,000,000	-	390,000	-	-	610,000	190,145	
3		Airport Emergency Operations Center	[to come]	2,000,000	-	-	2,000,000	-	-	-	
4		Excavator (MEQ 6297)	[to come]	225,000	-	-	-	-	225,000	70,135	
5		Physical Security Information Management (PSIM)	[to come]	300,000	-	-	-	-	300,000	93,514	
6	P264	1/2 Ton Truck (MEQ 6373)	[to come]	30,000	-	-	-	-	30,000	9,351	
7		ERP (Phase III)	[to come]	540,000	-	-	250,000	-	290,000	90,397	
8	P259	Maintenance 1/2 Ton Truck (MEQ 6470)	[to come]	30,000	-	-	-	-	30,000	9,351	
9	P260	Maintenance 1-Ton Truck/Crane (MEQ 6420)	[to come]	46,000	-	-	-	-	46,000	14,339	
10	P261	D&E 1/2 Ton Truck (MEQ 6451)	[to come]	30,000	-	-	-	-	30,000	9,351	
11	P262	Maintenance 3/4 Ton Truck (MEQ 6475)	[to come]	35,000	-	-	-	-	35,000	10,910	
12	P263	DPS SUV (MEQ 6485)	[to come]	35,000	-	-	-	-	35,000	10,910	
13	P265	Purchasing 3/4 Ton Van (MEQ 6397)	[to come]	30,000	-	-	-	-	30,000	9,351	
14	P266	D&E SUV (MEQ 6419)	[to come]	30,000	-	-	-	-	30,000	9,351	
15	P334	DPS K-9 SUV (MEQ 6462)	[to come]	50,000	-	-	-	-	50,000	15,586	
				<u>\$ 4,581,000</u>	<u>\$ -</u>	<u>\$ 390,000</u>	<u>\$ 250,000</u>	<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ 1,941,000</u> [A]	<u>\$ 605,035</u> [B]
				<u>\$ 22,011,000</u>	<u>\$ 2,300,000</u>	<u>\$ 615,000</u>	<u>\$ 1,675,000</u>	<u>\$ 9,495,000</u>	<u>\$ 5,375,000</u>	<u>\$ 1,941,000</u>	<u>\$ 1,215,035</u>
[Portion of Allocable not allocated to Airfield Facilities Investment Account--68.8% (this amount paid from Authority Facilities Investment Account--see Exhibit C-2)]										\$ 1,335,965 [A - B]	

n.a. = not applicable.

Exhibit C-2

OTHER AIRPORT CAPITAL PROJECTS -- ESTIMATED PROJECT COSTS AND SOURCES OF FUNDS

Fiscal Year 2016, Ending June 30

Metropolitan Nashville Airport Authority

Description			Cost Center	Total Estimated Project Cost	FAA AIP Entitlement	FAA AIP Discretionary	State	PFC Pay-Go or Debt	MNAA GARB	Authority Facilities Investment Account (equity funded)
All Areas of the Airport, Excluding those Projects in the Airfield Cost Center										
1	P282	New Moving Sidewalks to Short Term Garage (Level 1)	Other	\$ 1,350,000	\$ -	\$ -	\$ 675,000	\$ -	\$ -	\$ 675,000
2	P247	Replace Moving Sidewalks (Short Term Garage Levels 2/3)	Other	2,000,000	-	-	1,000,000	-	1,000,000	-
3	P248	Terminal Generator Replacement (Phase I)	Terminal	925,000	-	-	-	925,000	-	-
4	P309	Switchgear, Phase IV (Units 4, 5, 6, and 7)	Terminal	3,500,000	-	-	-	2,835,000	665,000	-
5		Remote Group Check-In	Terminal	500,000	-	-	-	500,000	-	-
6	P346	AHU & IAB HVAC Replacement	Terminal	1,100,000	-	-	-	737,000	363,000	-
7		Holdroom and Terminal Seating	Terminal	3,000,000	-	-	-	3,000,000	-	-
8	P239	Concourse Curtain Wall Replacement	Terminal	900,000	-	-	-	900,000	-	-
9		Long Term Garage Design	Other	2,400,000	-	-	1,200,000	-	-	1,200,000
10		Replace Short Term Garage Sweeper / Cleaner	Other	150,000	-	-	-	-	-	150,000
11		Replace Flooring in Walkway to Short Term Garage	Other	350,000	-	-	-	-	-	350,000
12		Renovate Economy & Cab Holding Restroom Building	Other	400,000	-	-	-	-	-	400,000
13		Centralized Irrigation System	Terminal	115,000	-	-	-	-	115,000	-
14		Annual Terminal Roadway Rehabilitation	Terminal	500,000	-	-	-	-	500,000	-
15	P310	Cargo Apron Slab Replacement (Phase III)	Other	750,000	-	-	-	-	-	750,000
16		Modernize Cargo Building	Other	650,000	-	-	250,000	-	-	400,000
17		Lift for Window Cleaners	Terminal	150,000	-	-	-	-	150,000	-
18		Concourse C, Arts at the Airport, Stage Renovation	Terminal	200,000	-	-	-	-	200,000	-
19		License Plate Recognition	Terminal	300,000	-	-	-	-	-	300,000
20		Terminal Building, First Floor Slab Repairs	Terminal	700,000	-	-	-	-	700,000	-
21		JWN Local Match	Other	500,000	-	-	-	-	-	500,000
22		Concourse C Adjustments	Terminal	500,000	-	-	-	-	-	500,000
23		Passenger Loading Bridges, Phase I	Passenger Loading Bridges	9,900,000	-	-	-	9,900,000	-	-
		Portion of Allocable Projects Not Included in Airfield Costs	[see Exhibit C-1]	1,335,965						1,335,965
				<u>\$ 32,175,965</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,125,000</u>	<u>\$ 18,797,000</u>	<u>\$ 3,693,000</u>	<u>\$ 6,560,965</u>

Exhibit C-3

ALLOCATION OF OTHER CAPITAL IMPROVEMENT PROJECTS

Fiscal Years 2015 and 2016, Ending June 30

Metropolitan Nashville Airport Authority

Description	From Exhibit	Budget FY 2016	To Exhibit
Total Equity Funding Other Capital Improvement Projects (Deposit to Authority Facilities Investment Account)	Exhibit C-2	\$ 6,560,965	n.a.
 Allocation to Cost Centers			
Terminal		\$ 1,705,691	n.a.
Baggage System		-	
Passenger Loading Bridges		-	
Terminal Ramp	n.a.	92,685	Exhibit A-3
All Other	n.a.	4,762,588	n.a.
		\$ 6,560,965	

n.a. = not applicable.

Exhibit D

DEBT AND DEBT SERVICE -- EXISTING AND NEW

Fiscal Year 2016, Ending June 30

Metropolitan Nashville Airport Authority

Description	Total Outstanding 07/01/15	Total Debt Service FY 2016	Allocation of Debt Service				
			Airfield	Terminal Ramp	Baggage System	Pass. Loading Bridge	Other
Debt							
Existing							
GARB Bonds							
Series 2003B (Pension)	[to come]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Series 2008A	[to come]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Series 2010C	[to come]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
New							
GARB Bonds							
None	-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	<u>\$ -</u>						
Debt Service							
Existing							
GARB Bonds							
Series 2003B (Pension)	n.a.	\$ 1,357,000	\$ 433,000	\$ 66,000	\$ -	\$ -	\$ 858,000
Series 2008A	n.a.	1,739,000	1,739,000	-	-	-	-
Series 2010C	n.a.	1,792,000	1,378,000	28,000	-	-	386,000
		<u>\$ 4,888,000</u>	<u>\$ 3,550,000</u>	<u>\$ 94,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,244,000</u>
New							
GARB Bonds							
None	n.a.	-	-	-	-	-	-
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
		<u>\$ 4,888,000</u>	<u>\$ 3,550,000</u>	<u>\$ 94,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,244,000</u>
					Check total		\$ 4,888,000
		Allocation percentages	72.6%	1.9%	0.0%		25.5%
					Check total		100.0%

n.a. = not applicable.

Exhibit E

REVENUES

Fiscal Years 2015 and 2016, Ending June 30
Metropolitan Nashville Airport Authority

Description	Budget FY 2015	From Exhibit	Budget FY 2016	To Exhibit	
Signatory Airline Revenues					
Landing Fees	[to come]	Exhibit A-1	\$ 20,987,049	n.a.	
Terminal Rents	[to come]	Exhibit A-2	14,280,750	n.a.	
Terminal Ramp Fees	[to come]	Exhibit A-3	1,500,535	n.a.	
Baggage Fees	[to come]	Exhibit A-4	5,050,448	n.a.	
Loading Bridge Fees	[to come]	Exhibit A-5	-	n.a.	
Unimproved Space Fees			47,456		
Signatory Airline Revenue Share			(9,954,900)		
	\$ -		\$ 31,911,338		31885
Percent of total Revenue	???		29.9%		
Non-Signatory Airline Revenues					
Landing Fees	[to come]	n.a.	\$ 1,170,790	Exhibit A-1	
Terminal Rents	[to come]	n.a.	67,500	n.a.	
Terminal Ramp Fees	[to come]	n.a.	-	Exhibit A-3	
Baggage Fees	[to come]	n.a.	125,000	Exhibit A-4	
Loading Bridge Fees	[to come]	n.a.	-	Exhibit A-5	
Other Per Use Fees			392,500		
	\$ -		\$ 1,363,290		
Percent of total Revenue	???		1.3%		
Non-Airline Revenues					
Airfield	[to come]	n.a.	\$ 485,000	Exhibit A-1	
Parking/Ground Transportation	[to come]	n.a.	40,381,000	n.a.	
Rental Cars	[to come]	n.a.	13,000,000	Exhibit A-6	
In-Terminal Concessions	[to come]	n.a.	10,507,000	Exhibit A-6	
Other Buildings and Areas	[to come]	n.a.	8,911,000	n.a.	
Miscellaneous	[to come]	n.a.	230,000	n.a.	
	\$ -		\$ 73,514,000		
Percent of total Revenue	???		68.8%		
	\$ -		\$ 106,788,628		

n.a. = not applicable.

Table 1

ENPLANED PASSENGERS AND LANDED WEIGHT

Fiscal Years 2015 and 2016, Ending June 30

Metropolitan Nashville Airport Authority

DESCRIPTION		Budget FY 2015	Budget FY 2016
Enplaned Passengers			
Signatory Airlines			
Domestic			
WN	Southwest Airlines	3,090,889	3,184,000
AA	American Airlines	492,510	507,000
AAA	American Affiliates	322,240	332,000
US	US Airways	172,993	178,000
USA	US Airways Affiliates	165,755	171,000
	<i>Subtotal American Airlines</i>	<i>1,153,498</i>	<i>1,188,000</i>
DL	Delta Air Lines	606,633	625,000
DLA	Delta Affiliates	286,575	295,000
	<i>Subtotal Delta Air Lines</i>	<i>893,208</i>	<i>920,000</i>
UA	United Airlines	33	-
COAXE	Continental Affiliates (ExpressJet)	-	-
UAAXE	United Affiliates (ExpressJet)	298,729	308,000
UAA	United Affiliates (Other)	29,048	30,000
	<i>Subtotal United Airlines</i>	<i>327,810</i>	<i>338,000</i>
	<i>Subtotal Signatory Airlines</i>	<i>5,465,405</i>	<i>5,630,000</i>
International			
	Southwest Airlines		-
DLI	Delta Air Lines	-	3,000
	United Airlines	2,522	-
	<i>Subtotal</i>	<i>5,467,927</i>	<i>5,633,000</i>
NSPC	Non-Signatory	130,280	133,000
NSPCI	International Charters	3,491	4,000
	Total	5,601,698	5,770,000

Table 1 (continued)

Page 2 of 2

DESCRIPTION		Budget FY 2015	Budget FY 2016
Landed Weight			
	Signatory Airlines		
WN	Southwest Airlines	3,591,561	3,681,400
AA	American Airlines	560,685	574,700
AAA	American Affiliates	312,092	319,900
US	US Airways	195,643	200,500
USA	US Airways Affiliates	164,425	168,500
	<i>Subtotal American Airlines</i>	<i>1,232,845</i>	<i>1,263,600</i>
DL	Delta Air Lines	676,345	693,300
DLA	Delta Affiliates	324,210	332,300
	<i>Subtotal Delta Air Lines</i>	<i>1,000,555</i>	<i>1,025,600</i>
UA	United Airlines	8,917	9,100
COAXE	Continental Affiliates (ExpressJet)	-	-
UAAXE	United Affiliates (ExpressJet)	282,952	290,000
UAA	United Affiliates (Other)	128,786	132,000
	<i>Subtotal United Airlines</i>	<i>420,655</i>	<i>431,100</i>
SC	Signatory Cargo Carriers	190,167	194,900
		6,435,783	6,596,600
NSPC	Non-Signatory Airlines	173,740	179,200
NSPCI	International Charters	8,952	9,200
NSC	Non-Signatory Cargo Carriers	103,459	106,000
	Total	6,721,935	6,891,000

Table 2

AIRLINE LEASED SPACE, LOADING BRIDGES, AND OTHER

Fiscal Years 2015 and 2016, Ending June 30

Metropolitan Nashville Airport Authority

DESCRIPTION	Budget FY 2015	Budget FY 2016
Exclusive/Preferential Terminal Space		
Southwest Airlines	68,472	63,126
American Airlines	50,961	48,598
Delta Air Lines	31,735	31,369
United Airlines	15,605	15,582
Joint Use		
Baggage Claim	42,010	42,010
Total Terminal Leased Space	208,783	200,685
Unimproved Terminal Space		
Southwest Airlines	0	-
American Airlines	9,261	9,261
Delta Air Lines	11,666	11,666
United Airlines	2,801	2,801
Total Unimproved Terminal Space	23,728	23,728
Loading Bridges		
Southwest Airlines	0	-
American Airlines	0	-
Delta Air Lines	0	-
United Airlines	0	-
Total Loading Bridges	-	-
Terminal Ramp Space		
	LF	SF
Southwest Airlines	1,629	270,978
American Airlines	1,179	256,415
Delta Air Lines	1,026	213,366
United Airlines	592	139,031
Unleased		469,110
Total Terminal Ramp Space	4,426	1,348,900

Exhibit I
Illustrative Calculation of Rates and Charges
Page 19 of 21

Table 3

CALCULATION OF 20/80 ALLOCATION OF BAGGAGE FEES

Fiscal Years 2015 and 2016, Ending June 30

Metropolitan Nashville Airport Authority

DESCRIPTION	Exhibit or Table Reference	Budget FY 2015	Budget FY 2016
Signatory Enplanements	Table 1		
Southwest Airlines		3,090,889	3,184,000
American Airlines		1,153,498	1,188,000
Delta Air Lines		893,208	923,000
United Airlines		330,332	338,000
Total Signatory Enplanements		5,467,927	5,633,000
% Signatory Enplanements			
Southwest Airlines		56.5%	56.5%
American Airlines		21.1%	21.1%
Delta Air Lines		16.3%	16.4%
United Airlines		6.0%	6.0%
Total		100.0%	100.0%
Total Baggage Fees	Exhibit A-4	enter	\$ 5,175,448
Less: Non-Signatory Airline Payments		n.a.	\$ 125,000
Total Signatory Airline Baggage Fees Required		enter	\$ 5,050,448

Table 3 (continued)

Page 2 of 2

DESCRIPTION	Exhibit or Table Reference	Budget FY 2015	Budget FY 2016
20% Share Evenly		enter	\$ 1,010,090
Southwest Airlines		enter	\$ 252,523
American Airlines		enter	252,523
Delta Air Lines		enter	252,523
United Airlines		enter	252,523
Total		enter	\$ 1,010,090
80% Share Enplanements		enter	\$ 4,040,358
Southwest Airlines		enter	\$ 2,283,774
American Airlines		enter	852,112
Delta Air Lines		enter	662,036
United Airlines		enter	242,436
Total		enter	\$ 4,040,358
Total Baggage Fees			
Southwest Airlines		enter	\$ 2,536,296
American Airlines		enter	1,104,634
Delta Air Lines		enter	914,559
United Airlines		enter	494,958
Total		\$ -	\$ 5,050,448

n.a. = not applicable.

EXHIBIT J

AIRLINE ACTIVITY REPORT

1 PAGE

EXHIBIT J

Nashville International Airport - BNA

Airline Activity Report

Marketing Airline:

Operating Airline:

For the Period:

Passenger Activity

Enplanements	Total	Domestic	International
Local Passengers	0		
Transfer Passengers	0		
Charter Passengers	0		
Total Enplanements	0	0	0
Deplanements			
Deplaned Passengers	0		
Charter Passengers	0		
Total Deplanements	0	0	0

Cargo Activity

Freight (lbs.)	Total	Domestic	International
Enplaned	0		
Deplaned	0		
Total	0	0	0
Cargo (lbs.)			
Enplaned	0		
Deplaned	0		
Total	0	0	0
Mail (lbs.)			
Enplaned	0		
Deplaned	0		
Total	0	0	0

Submitted by:

Date Submitted:

Phone:

Email:

I certify, to the best of my knowledge, that the above information is accurate and complete.

Signature:

Enplanement: A passenger boarding an aircraft at BNA, to include revenue, non-revenue, scheduled, or diverted

Deplanement: A passenger exiting an aircraft at BNA, to include revenue, non-revenue, scheduled, or diverted

Local Passenger: A passenger whose trip originates at BNA.

Transfer Passenger: A passenger whose trip originates somewhere besides BNA, but changes aircraft at BNA

Charter Passenger: A pre-arranged passenger on a flight that is not regularly scheduled service at BNA

Freight: Cargo that is carried on a passenger aircraft

Cargo: Cargo that is carried on a cargo only aircraft

Mail: Cargo that is carried for a national postal service

EXHIBIT K
MAINTENANCE MATRIX

1 PAGE

EXHIBIT K
Nashville International Airport

Operation and Maintenance Responsibilities*

	Exclusive Premises	Preferential Holdroom & Ticket Counter	Preferential Baggage Make-up	Joint Use Premises & Public Areas	Unimproved Space	Terminal Ramp Area
Building Exteriors	MNAA	MNAA	MNAA	MNAA	MNAA	-
Loading Bridges (1)	-	MNAA	-	-	-	-
Baggage Claim and Make-up Equipment (1)	-	MNAA	MNAA	MNAA	-	-
Elevators, Escalators and Moving Walkways (2)	Airline	MNAA	-	MNAA	-	-
Installed Central HVAC System	MNAA	MNAA	MNAA	MNAA	-	-
Decorating and Redecorating	Airline	MNAA	Airline	MNAA	-	-
Plumbing	Airline	MNAA	MNAA	MNAA	-	-
Electric Lighting and Relamping	Airline	MNAA	Airline	MNAA	Airline	MNAA
Janitorial Cleaning	Airline	MNAA	Airline	MNAA	Airline	Airline (3)
Trash Collection	Airline	MNAA	Airline	MNAA	Airline	Airline
Exterior Window Cleaning	MNAA	MNAA	MNAA	MNAA	MNAA	-
Interior Window Cleaning	Airline	MNAA	Airline	MNAA	-	-
Pest Control	Airline	MNAA	Airline	MNAA	-	-
Restroom Janitorial/Maintenance	Airline	-	-	MNAA	-	-
Signage	Airline	Airline (4)	-	MNAA	-	MNAA
Aircraft Apron Pavement Maintenance (5)	-	-	-	-	-	MNAA
Pavement Striping	-	-	-	-	-	MNAA

(1) Authority shall provide maintenance (including preventative and corrective maintenance) for all Authority-owned passenger loading bridges and Authority-owned baggage equipment.

(2) Only Authority owned and Authority installed elevators, escalators and moving walkways.

(3) Airline shall keep area neat, clean, safe, sanitary, and sightly way and periodically remove grease and oil.

(4) Ticket Counter and Gate Podium Backwall signage only.

(5) Maintenance of the hydrant fuel system and all of its components are not part of this Agreement.

* Airline shall repair and maintain all Airline-installed improvements and systems regardless of the location of such Airline-installed improvements and systems.

MNAA = Authority

To the extent a discrepancy is identified between the language in the Use and Lease Agreement and this Exhibit K, the language in the Use and Lease shall control.

**FIRST AMENDMENT
TO THE SIGNATORY AIRLINE USE AND LEASE AGREEMENT**

This First Amendment to the Signatory Airline Use Lease Agreement (“First Amendment”) is made and entered into as of March 16, 2022 by and between the METROPOLITAN NASHVILLE AIRPORT AUTHORITY (the “Authority”), a public corporation existing under the laws of the State of Tennessee, and SOUTHWEST AIRLINES CO., a Texas Corporation (“Airline”).

RECITALS

WHEREAS, the Authority and Airline entered into a Signatory Airline Use and Lease Agreement (the “AULA”) granting to Airline certain rights and privileges concerning the occupancy and use of the Nashville International Airport (the “Airport”) with an Effective Date of July 1, 2015 that terminates on June 30, 2022;

WHEREAS, the Authority and Airline wish to extend the AULA for one year; and

WHEREAS, a one-year extension raises immediate issues related to ongoing construction at the Airport, gate allocations and usage and certain fixed rates and charges provisions.

NOW THEREFORE, in consideration of the mutual covenants and representations contained in this First Amendment, the Authority and Airline agree, each for itself and its successors, to amend and extend the AULA as follows:

Section 1. Term

Section 1.1 of the AULA is amended by changing the Expiration Date from June 30, 2022 to June 30, 2023.

Section 2. Definition of Reliever Airport Support Costs

The definition of Reliever Airport Support Costs in Section 1.2 of the AULA is amended by adding the following at the end of the definition:

Fiscal Year 2023 \$487,000

Section 3. Average Gate Utilization Target

Section 4.6 of the AULA is amended by deleting it in its entirety and inserting the following:

4.6 Recapture of Underutilized Preferential Use Gates. Airline acknowledges that the Authority has established an Average Gate Utilization target of four (4) daily Turns, and effective July 1, 2022, such Average Gate Utilization target shall be five and three

quarters (5.75) daily Turns. The activity of Airline's Affiliates, if any, shall be counted towards Airline's Average Gate Utilization. If Airline and its Affiliates, if any, fail to meet the Average Gate Utilization target during the most recent six-month period ("Utilization Deficiency"), the Authority may, in its sole discretion and without any obligation to do so, issue notice to Airline of its intent to recapture Preferential Use Gates ("Initial Recapture Notice"). The Initial Recapture Notice for the Average Gate Utilization target of 4 daily Turns may be issued at any time; however, for the Average Gate Utilization target of 5.75 daily Turns effective July 1, 2022, the Initial Recapture Notice may be issued no earlier than January 1, 2023. Upon the Authority's delivery of the Initial Recapture Notice, Airline shall have an opportunity to cure the Utilization Deficiency. If Airline consistently meets the Average Gate Utilization target for three (3) consecutive months after receipt of the Initial Recapture Notice ("Cure Period"), Airline's Utilization Deficiency shall be deemed cured; provided, however, that Airline thereafter meets the Average Gate Utilization target for a period of at least six (6) consecutive months following the Cure Period. If, following the expiration of the Cure Period, Airline has not cured the Utilization Deficiency, the Authority may, in its sole discretion and without any obligation to do so, issue to Airline a Final Recapture Notice. The Preferential Gates so recaptured by the Authority under this Section 4.6 will be that number of Gates needed to allow Airline to meet the applicable Average Gate Utilization target for the next three (3) consecutive months based on the data then available to the Authority. Prior to recapturing the Preferential Use Gate of any Signatory Airline, the Authority will install or otherwise make available, to the extent reasonably practicable, common use cabling and/or equipment at Unleased Gates and Preferential Use Gates that are sufficient to support the then-current Scheduled Operations of that Signatory Airline. The Authority shall have the right to select the number and location of the Preferential Use Gates where common use cabling and/or equipment may be installed. In the case of the Authority's recapture of less than all of the Preferential Use Gates in the Premises, the Authority, subject to consultation with Airline regarding Airline's operational needs, shall designate which Preferential Use Gate(s) shall be subject to such recapture and assignment. The Authority shall revise the Premises Notice issued to Airline to reflect the deletion of any Gates from the Premises as a result of the Authority's recapture thereof under this Section 4.6 and shall issue said revised Premises Notice to Airline promptly after the Authority's delivery of the Final Recapture Notice.

Section 4. Authority Rights to Reallocate and Relocate Airline Premises

Section 4 of the AULA is amended by adding the following Section 4.10 at the end of the section:

Section 4.10. Authority Rights to Reallocate and Relocate Airline Premises

From time to time during the Term of this Agreement, part or all of the Premises may be required for implementation of improvements at the Airport. In said event, Authority may, in the sole discretion of the CEO and upon ninety (90) days' advance written notice, require the demolition or reconstruction of certain portions of the Premises, or the reallocation or relocation, in whole or part, of Airline from its

Premises. In the event of any reallocation or relocation, Authority will provide, to the extent available and requested by Airline, a comparable location and facility in terms of size, condition and proximity to Airline's operations at the Airport. In the event of a partial reallocation or relocation, Authority shall, to the extent available and requested by Airline, provide a location adjacent to or within reasonable proximity to Airline's remaining Premises. In no event shall the Authority require Airline to relocate any Preferential Use Gate to a different concourse from Airline's VIP Lounge. Authority shall consult with Airline regarding the exact number of square feet of Airline's Premises to be demolished, reconstructed, reallocated or relocated. The Premises Notice shall be revised immediately upon the completion of any reallocation or relocation from or modification to Airline's Premises and Authority shall reimburse Airline for Airline's costs to relocate or construct and install improvements in its new Premises; provided, however, that with respect to any Airline trade fixture and other movable property, if removal from the existing Premises and reinstallation at Airline's new Premises is possible and not unreasonable, Airline shall not be entitled to a new fixture or to new property. Airline shall, however, at Authority's cost and expense, remove all trade fixtures and other movable property of Airline from its existing Premises whether or not reinstallation is possible.

Section 5. Calculation of the Terminal Rental Rate

Section 9.3 of the AULA is amended by adding the following to the end of Section 9.3.2:

Fiscal Year 2023 \$116.55 per square foot

Section 6. Unimproved Space Rental Rate

Section 9.7 of the AULA is amended by adding the following at the end of the section:

Fiscal Year 2023 \$4.00 per square foot

All other terms and conditions of the AULA shall remain in full force and effect.

AUTHORITY:

**THE METROPOLITAN NASHVILLE
AIRPORT AUTHORITY**

ATTEST:




Joydelyn Stevenson
Board Secretary

APPROVED:



William H. Freeman
Board Chairman



Marge Basral
Executive Vice President & CFO



Douglas E. Kreulen, A.A.E.
President & CEO

**APPROVED AS TO
FORM & LEGALITY:**




Legal Counsel

AIRLINE:

SOUTHWEST AIRLINES CO.

APPROVED:

By: Mark Shaw

Signature: 

Title: EVP
