

CITY OF CHARLOTTE
AIRLINE USE AND LEASE AGREEMENT

January 1, 2027 – June 30, 2037

AIRLINE:

DRAFT

CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT

DISCLAIMER: This draft represents the material terms of the proposed deal between the City and qualifying airlines. Minor modifications to language may occur as final legal approval is underway.

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This AIRLINE USE AND LEASE AGREEMENT (“Agreement”) is made by and between the **City of Charlotte** (the “City”), a municipal corporation of the State of North Carolina, and **[Airline]** (“Airline”), a corporation organized and existing under the laws of the State of [State] and authorized to do business in the State of North Carolina.

RECITALS

The City owns and operates the Charlotte Douglas International Airport (the “Airport”) and has the power and authority to grant to Airline rights and privileges concerning the occupancy and use of the Airport.

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

In consideration of the terms and conditions described below, the sufficiency of which is hereby acknowledged, the City 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:

City:	City of Charlotte, North Carolina.
City’s Overnight Delivery and Street Address:	5601 Wilkinson Boulevard, Charlotte, NC 28208.
City’s Post Office and Payment Address:	City of Charlotte, P.O. Box 63091, Charlotte, NC 28263.
Airline:	
Airline’s Overnight Delivery and Street Address:	
Agreement:	This Airline Use and Lease Agreement, together with each Premises Notice issued by the City to Airline in accordance with Section 2.3.1.
Term:	As provided in Section 1.2.
Permitted Uses:	As provided in Article 3.
Premises:	(a) Exclusive Use Premises; (b) Preferential Use Premises; (c) Joint Use Premises; (d) Common Use Premises; and (e) Unenclosed Space, all as further described in Article 2; provided, however, that in the case of

Common Use Premises and Joint Use Premises, such areas will only constitute “Premises” during the period of time for which Airline has the right to use such areas. Premises shall not include any areas leased by Airline in the Terminal Complex or otherwise on the Airport pursuant to an instrument, license, permit, or agreement other than this Agreement.

Security Deposit: As provided in Article 17.

Exhibits: The following Exhibits are attached to this Agreement:

- Exhibit A: Physical Layout of the Airport
- Exhibit B: Operation and Maintenance Expenses and Responsibilities
- Exhibit C: Procedures for Parking and Gate Use, Assignment and Scheduling
- Exhibit D: Common Use and Preferential Use Gate Assignments as of Effective Date
- Exhibit E: Pre-Approved Projects
- Exhibit F: Premises Notice
- Exhibit G: Illustrations of Rate Calculations
- Exhibit H: List of Cost Centers (Including Cost Center Map)
- Exhibit I: Form of Affiliate Operating Agreement
- Exhibit J: Form of Non-Affiliate Non-Signatory Operating Agreement
- Exhibit K: Terminal Building Space Descriptions as of Effective Date
- Exhibit L: Illustrations of Gate Utilization Calculations

1.2 Term and First Year Distribution.

1.2.1 Effective Date: January 1, 2027, provided that the provisions of Article 10 shall take effect as of July 1, 2027. From January 1, 2027 through June 30, 2027, the provisions of Article 10 in the 2016 Lease shall continue to apply; provided, however, that Section 10.7 of this Agreement shall govern the sharing of Net Remaining Terminal Complex Revenue for Fiscal Year 2027 at the Airline Percentage for Fiscal Year 2027, which the City and Airline acknowledge reflects blending the rate applicable under the 2016 Lease for the first half of Fiscal Year 2027 and the rate applicable under this Agreement for the second half of Fiscal Year 2027.

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

1.2.3 Expiration Date and Extension: June 30, 2037, unless extended as follows:

(a) Automatic Extension.

(i) The Agreement shall be extended for five (5) years, to June 30, 2042, if any Extension Project is approved for design and construction in accordance with Article 7 of this Agreement, provided that any Airline that provides written approval for the Extension Project(s) shall automatically be subject to the five (5) year extension, and any other Airline may assent to the extension by providing written notice to the City by April 1, 2037.

(ii) The Agreement shall be extended for five (5) years, to June 30, 2042, if any Capital Improvement Project with a total cost of at least \$300,000,000 is approved by the City in accordance with the exemption from Majority-in-Interest review under Section 7.2.1(c) of this Agreement within the last five (5) years of the original Term, provided that the Air Carrier described in Section 7.2.1(c)(ii) shall automatically be subject to the five (5) year extension, and any other Airline may assent to the extension by providing written notice to the City by April 1, 2037.

(b) Optional Extension. The City may, in its sole discretion, offer one five (5) year extension, to June 30, 2042, by giving notice to all Signatory Airlines no later than February 1, 2037. Acceptance of the City's optional extension offer requires approval by a majority of the Signatory Airlines using the same method for determining a Majority-in-Interest. If Majority-in-Interest approval is not provided by April 1, 2037, the offer will be deemed rejected. If Majority-in-Interest approval is provided, the Term shall be extended only for those Signatory Airlines that approve the extension.

1.2.4 First Year Distribution. For any Signatory Airline that has executed this Agreement on or before December 31, 2026, the City shall pre-fund the first-year distribution of Net Remaining Terminal Complex Revenue with a one-time payment to each Signatory Airline equal to such Signatory Airline's pro-rata share of forty percent (40%) of the Fiscal Year 2026 Net Remaining Terminal Complex Revenue (if any) ("First Year Distribution"). This payment shall be made in a single lump sum no later than February 28, 2027, and is in addition to, and shall not reduce, offset, or otherwise affect, the ordinary distribution of Net Remaining Terminal Complex Revenue pursuant to Article 10. **Exhibit G-10B** displays for illustrative purposes only the timing and method of this payment. Any Signatory Airline that executes this Agreement on or after January 1, 2027, shall not be entitled to the First Year Distribution.

1.3 **Additional Defined Terms.**

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

"1985 Lease" means the Airline Use and Lease Agreement that was in effect until June 30, 2016.

“2016 Lease” means the Airline Use and Lease Agreement effective as of July 1, 2016.

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

“Additional Project” means a Capital Improvement Project that is not an Approved Project or an Exempt Project.

“Additional Termination Damages” means, collectively, additional damages incurred by the City because of Airline’s default under Section 18.1 as it relates to Airline’s Exclusive Use and Preferential Use Premises, including but not limited to the costs of removing or storing any personal property from the Airline’s Exclusive Use and Preferential Use Premises, the cost of re-letting such Exclusive Use and Preferential Use Premises, and the costs of any necessary renovations or repairs and related expenses therefor, all as further described in Section 18.2.1(c).

“Advance Schedule” means an Air Carrier’s flight schedule submitted in the form required by the City’s Airport Operations Division prior to, or on, the designated due date for participation in the sixty (60)-day and ninety (90)-day review thereof by such Division pursuant to **Exhibit C**, subject to Airline’s right to amend its Advance Schedule in accordance with Section 4.11.3.

“Affiliate” shall mean a Passenger Carrier providing air service at the Airport that (i)(a) is a parent or subsidiary of a Signatory Airline, or a subsidiary of said Signatory Airline’s parent company, or is under the same parental control as said Signatory Airline; or (b) shares an International Air Transport Association (IATA) flight designator code with said Signatory Airline; or (c) otherwise operates at the Airport under essentially the same trade name as said Signatory Airline and uses essentially the same livery as said Signatory Airline, and (ii) is properly designated as an Affiliate by said Signatory Airline in accordance with Article 6; provided, however, that no Passenger Carrier with annual operating revenues of \$1 billion or more shall be classified as an Affiliate of another Passenger Carrier with annual operating revenues of \$1 billion or more unless either clause (i)(a) or clause (i)(c) above defines the relationship between such Passenger Carriers at the Airport.

“Affiliate Operating Agreement” means the agreement described in Section 6.1.1, the form of which is attached as **Exhibit I**.

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

“Air Service Incentive Program” means each program made up of air service incentives at the Airport that the City may adopt and implement in order to enhance existing air service or attract new air service to the Airport, each of which shall be consistent with applicable federal requirements and may include, without limitation, rates and charges waivers and marketing support, as further described in Section 21.7.

“Airfield” (which is designated as “Public Aircraft Facilities” or “P.A.F.” under the Revenue Bond Order and shown on Exhibit H attached thereto) means those areas and facilities described in **Exhibit H**.

“Airfield Pavement” means paved areas of the Airport including runways and taxiways and ramps, but excluding gate areas as further shown on **Exhibit H**.

“Airline Entities” means employees, contractors, subcontractors, agents, licensees, sublessees, and vendors, that Airline expressly authorizes to use its Premises and any other airline, including an Affiliate as well as other parties under Airline’s direction or control that come onto the Airport in connection with Airline’s use or occupancy of the Airport or for whose acts the Airline is responsible.

“Airline Leased Terminal Space” means all space within the Terminal Building that is leased to or used by the Air Carriers operating at the Airport, including the sum of all leased Exclusive Use Premises, Preferential Use Premises, Common Use Premises, Joint Use Premises, and the FIS Facility.

“Airline Percentage” means, for Fiscal Year 2027, forty-two and one-half percent (42.5%) of the Net Remaining Terminal Complex Revenue (if any) for such Fiscal Year, and for Fiscal Years 2028 through 2036 (or Fiscal Year 2041 if the Term is extended), forty-five percent (45%) of the Net Remaining Terminal Complex Revenue (if any) for each such Fiscal Year, which shall be available for revenue sharing, and allocated to the Signatory Airlines pursuant to Section 10.7.

“Airline Rate-Based Project Costs” means costs for a Capital Improvement Project paid from Included Cost Centers.

“Airport” means the realty and improvements generally known and designated as the “Charlotte Douglas International Airport.” The improvements on the realty consist of the Airfield, ramps and parking aprons, the Terminal Buildings, freight buildings, hangars, vehicle roadways, parking facilities and all other improvements presently existing or hereafter constructed on such realty. The term “Airport” shall also include any adjacent or nearby realty presently owned or hereafter acquired by the City for Airport purposes and all improvements presently existing or hereafter constructed on, located at, or affixed to such realty. A current depiction of the physical layout of the Airport is set forth in **Exhibit A**.

“Airport Fees and Charges” means, for any Fiscal Year, all rents, charges and fees payable by all Signatory Airlines and Affiliates for such Fiscal Year as determined and adjusted pursuant to Article 10.

“Airport Proprietary Content” means all content and assets generated, owned, controlled or exclusively possessed by City (virtual or real world, including data) as it relates to its ownership of the Airport, including any derivative products therefrom, which such content may or may not be evidenced by an intellectual property ownership interest, including, without limitation, trademark, patent or copyright.

“Airport Rules and Regulations” means, collectively, all rules, procedures, requirements and regulations currently effective and hereinafter amended, adopted or established by the City, including without limitation the Procedures for Parking and Gate Use, Assignment and Scheduling attached as **Exhibit C**, the City’s advertising policies and guidelines and the City’s “Tenants’ Rules and Regulations”, all of which are incorporated into and made a part of this Agreement, provided that such Airport Rules and Regulations do not conflict with applicable provisions of state or federal law or the provisions of this Agreement.

“Airport Services” means administration, operation and maintenance services provided by the City at the Airport, as further described in **Exhibit H**.

“Airport Services Facilities” or “ASF” means the property, property rights and facilities used by the City to provide the Airport Services, as further described in **Exhibit H**.

“Airport Services Facilities Costs” means the City’s total costs to provide and operate the Airport Services and Airport Services Facilities, including the Capital Expense attributable thereto, as further described in **Exhibit H**.

“Amortization of City Investment” means the sum of the amounts of each City Investment amortized on the basis of the economic life of the asset that is the subject of such City Investment beginning with the first full year following the asset’s placement into service, and including a return on the unamortized portion of each such City Investment calculated using an interest rate set to equal the municipal market data published in the Bond Buyer Revenue Bond Index (associated with the City’s then applicable average credit rating) on December 31 of the year in which such asset is put in service.

“Ancillary Airfield Revenues” means all amounts that are received by the City from users of the Airfield other than the Signatory Airlines and Affiliates.

“Applicable Laws” means, collectively, 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, sanitation and safety; (ii) the environment, including without limitation the Environmental Laws; (iii) access for persons with disabilities, including without limitation the Americans with Disabilities Act, 42 U.S.C. §§ 12101 *et seq.*; and (iv) airport security, including without limitation the regulations of the TSA, 49 CFR Parts 1540, 1542, 1544 *et seq.* and security directives applicable to pipeline safety, security and cybersecurity with respect to airport facilities and fuel systems.

“Approved Projects” means, collectively, the Pre-Approved Projects and those items approved by a Majority-in-Interest vote pursuant to Section 7.3.

“Average Minimum Use Level” means the average minimum number of Turns or the average minimum number of Seats calculated by the City based on the highest ten of the past twelve months of an Air Carrier’s Turns or Seats (as applicable) across all of an Air Carrier’s Preferential Use Gates, as further described in Section 4.4.

“Baggage Claim Areas” means the areas located in the Terminal Building where inbound baggage is unloaded and made available for delivery to or claim by arriving passengers.

“Baggage Make-up Areas” means the areas located in the Terminal Building where outbound baggage is sorted for delivery to departing aircraft.

“Capital Equipment Depreciation” means the straight line depreciation for each item of capital equipment during each Fiscal Year, over the useful life of such capital equipment.

“Capital Expense” for any Fiscal Year means the sum of (i) Debt Service and (ii) Amortization of City Investment, each for such Fiscal Year.

“Capital Improvement Project” means an addition or improvement to the Airport’s physical plant or equipment, and the acquisition of land or rights in land for expansion or operation of the Airport (including judgments and awards related to claims for inverse condemnation), or for avigation easements acquired from property owners releasing the City from any claims or liability arising from the flight of aircraft landing at or departing from the Airport.

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

“Catastrophe Period” is defined in Section 10.4.4.

“Catastrophe Year” means any Fiscal Year for which total enplaned passengers at all United States commercial service airports, as reported by the U.S. Department of Transportation, Bureau of Transportation Statistics declines by more than twenty-five percent (25%) from total United States enplaned passengers for the immediately preceding Fiscal Year that is not a Catastrophe Year.

“Chief Executive Officer” or “CEO” means the Chief Executive Officer of the Airport or his/her successor, or the person, division, department, bureau, or agency designated by the City to exercise functions equivalent to those now exercised by the Chief Executive Officer or his/her successor.

“City Investment” means the amount invested by the City in Capital Improvement Projects from Airport funds or other City funds net of any PFCs or federal or state grants.

“City-Occupied Premises” means areas of the Terminal Complex that are occupied for the City’s exclusive use at the City’s discretion.

“City-Owned Equipment” means, collectively, those certain fixtures, equipment, systems and improvements owned by the City 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 PLBs owned by the City and the Shared Use Terminal Equipment.

“Common Use Gates” means the Gates designated by the City in accordance with Article 4 to be used in common by Air Carriers operating at the Airport, and shall not be deemed to include any Preferential Use Gates.

“Common Use Premises” means those areas within the Terminal Complex, including Common Use Gates (including associated Gate Ramps) and Common Use Ticket Counters, that are made available by the City to Airline and to one or more other Air Carriers, subject to Section 2.3.4 and as more fully described in the Premises Notice.

“Common Use Premises Regulations” means the City’s procedures and requirements for scheduling and use of Common Use Premises or other common use facilities, which are set forth in **Exhibit C**, as the same may be amended from time to time by the City.

“Common Use Ticket Counter Annual Hours Used” means, for any Fiscal Year, the total number of hours during which the Common Use Ticket Counters are used by Air Carriers at the Airport, as recorded by the City’s resource management system.

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

“Concession Premises” means areas in the Terminal Building or the Concourses that are leased to, licensed to, or used (with the City’s written consent) by a person or entity to conduct a business at the Airport, and for which such lease, license, or use the City receives rentals, concession fees, or other payments, as the same may be amended from time to time by the City.

“Concourses” means the buildings connected to the Terminal Building and leased to or used by Signatory Airlines and other Air Carriers for enplaning and deplaning passengers, as such buildings presently exist and may hereafter be expanded, modified, constructed, or relocated.

“Concourse C Expansion Project” means the Pre-Approved Project involving the construction of new Gates and associated Terminal Building space and facilities at Concourse C.

“Cost Centers” means those areas of the Airport grouped together for the allocation of Capital Expense, O&M Expenses and Airport Services Facilities Costs to calculate Airport Fees and Charges. The Cost Centers used to calculate Airport Fees and Charges are the Terminal Complex and the Airfield, and are listed on **Exhibit H**, as the same may be amended from time to time by the City.

“Debt Service” means, collectively, Revenue Bond Debt Service and any other debt service on obligations issued by the City.

“Debt Service Coverage” means, for each Fiscal Year, the ratio of Net Airport Revenues for such Fiscal Year to Debt Service for the same Fiscal Year, as further illustrated on **Exhibit G-11**.

“Debt Service Coverage Charge” means the supplemental payment payable by the Signatory Airlines under Section 10.4.

“Early Bag Storage System” shall mean a dedicated baggage system connected to the main baggage handling system used to sort and store checked baggage that arrives prior to when a Passenger Carrier would typically load baggage onto an aircraft, and that automatically retrieves stored baggage when a flight is scheduled to depart and sends it to traditional baggage carousels at the Airport.

“Enplanement” means any passenger boarding an aircraft, including any such passenger that previously disembarked from another aircraft of the same or a different Air Carrier, or from the same aircraft previously operating under a different flight number.

“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 Hazardous Substances 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 injury to property or natural resources occurring upon or off the Premises, foreseeable or unforeseeable, including without limitation, interest and penalties and claims brought on behalf of employees of Airline or the City; (ii) interference with the City’s use or planned use of the Premises; and (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 Laws” means all Applicable Laws and all permits, orders or approvals implementing the same relating to the environment or Hazardous Substances, and any state and federal policies and guidance that implement any of the foregoing.

“Event of Default” means the occurrence of any one or more of the events described in Section 18.1 that shall constitute a breach of, and shall entitle the City to exercise its remedies under, this Agreement.

“Excluded Cost Centers” means revenues and O&M Expenses generated in or allocable to Cost Centers other than the Terminal Complex (which includes the Terminal Building, Ground Transportation and Fueling Sub-Cost Centers), the Airfield and the ASF, as further described in **Exhibit H**.

“Exclusive Use Premises” means any office space, storage area, VIP Lounge, employee break room, baggage service office or other areas of the Terminal Complex designated for Airline’s exclusive use, subject to Section 2.3.2 and as more fully described in the Premises Notice.

“Exempt Project” means a Capital Improvement Project described in Section 7.2.

“Extension Project” means any Capital Improvement Project with a total estimated budget of at least Five Hundred Million Dollars (\$500,000,000), including design and planning, that adds or replaces Gate capacity. Any replacement does not need to be of the same or higher

Gate count. An Extension Project, if approved for design and construction in accordance with Article 7, shall automatically extend the Term of this Agreement by five (5) years as described in Section 1.2.3(a).

“FAA” means the Federal Aviation Administration or its successor.

“FIS Facility” means the Federal Inspection Services Facility located in the Terminal Building and the sterile areas utilized for such purposes on the ticketing level of the Terminal Building as shown on **Exhibit H**.

“Final Audit” means the annual audit report described in Section 10.6.1.

“Fiscal Year” means a year beginning July 1 and ending June 30, as may be amended or changed by the City from time to time.

“Future Charges” means, collectively, the amounts of all Airport Fees and Charges which, but for termination of the Agreement pursuant to Section 18.2.1(a), would have become due over the remainder of the Agreement, as all further described in Section 18.2.1(b).

“Gate” means an area of the Terminal Building made up of a Holdroom and a portal or stairwell, if any, through which passengers must pass to board or deplane an aircraft.

“Gate Ramp” means the ramp area associated with a Gate.

“Gate Requesting Airline” means a Scheduled Airline seeking to operate at a Preferential Use Gate that is leased to a Signatory Airline, as further described in Section 4.11.

“Guaranteed Coverage Level” means a Debt Service Coverage of 1.50 for each Fiscal Year, provided that the Guaranteed Coverage Level shall be lowered to 1.25 for a Catastrophe Period as described in Section 10.4.4.

“Hazardous Substance” means any substance, chemical compound, product, solid, gas, liquid, waste, by-product, pollutant, contaminant or material which is classified or regulated as “hazardous” or “toxic” pursuant to any Environmental Law, including, without limitation, asbestos, polychlorinated biphenyls, PFOS and PFOA, and petroleum (including crude oil or any fraction thereof).

“Holdrooms” means areas associated with Gates for the staging of passengers waiting to board an aircraft at Gates.

“Included Cost Centers” means revenues and O&M Expenses generated in or allocable to the Terminal Complex (which includes the Terminal Building, Ground Transportation and Fueling Sub-Cost Centers), the Airfield and the ASF Cost Centers, as further described in **Exhibit H**.

“Independent Accountant” means a certified public accountant or firm of certified public accountants selected by the City.

“Inline Baggage Handling System” means all equipment owned, operated and maintained by the City that is associated with the transportation of baggage from Ticket Counters to baggage make-up devices.

“Inline Baggage Handling System Requirement” means the Technology and Equipment Costs, the Amortization of City Investment, and the O&M Expenses allocable to the Inline Baggage Handling System.

“International Arriving Passenger” means a passenger arriving from a destination outside of the United States of America who is required to be screened for entry at the FIS Facility.

“International Gate” means a Gate that provides passengers deplaning from arriving international aircraft direct access to the FIS Facility.

“Irregular Operation” means an off-schedule arrival or departure of a Scheduled Operation at a particular Gate or any flight that is not a Scheduled Operation at a particular Gate, but needs to operate at that Gate for reasons outside Airline’s control or for other commercially reasonable purposes.

“Joint Use Premises” means the Baggage Claim Areas, Baggage Make-up Areas, Security Checkpoint Areas, and other areas in the Terminal Complex which, pursuant to Article 2, are then leased for joint use to Airline and one or more other Air Carriers, subject to Section 2.3.5 and as more fully described in the Premises Notice.

“Joint Use Formula” means the formula used to allocate the Joint Use Requirement calculated in accordance with Section 10.3.4 among Air Carriers with respect to the Joint Use Premises. For each Fiscal Year, the Joint Use Formula shall allocate twenty percent (20%) of the Joint Use Requirement calculated in accordance with Section 10.3.4 equally among all Air Carriers using such Joint Use Premises, excluding Cargo Carriers and Low Volume Air Carriers, counting the City as one (1) Air Carrier for this purpose, and eighty percent (80%) among all Air Carriers according to the proportion of the total number of annual Enplanements of each such Air Carrier (including the Enplanements of all Affiliates operating at the Airport) as compared to the total number of annual Enplanements of all Air Carriers using the Joint Use Premises during the Fiscal Year in question.

“Landing Fees” means the fees calculated pursuant to Section 10.2.

“Low Volume Air Carrier” means a Non-Signatory Airline with annual Enplanements totaling less than one half of one percent (0.5%) of total annual Enplanements at the Airport.

“Majority-in-Interest” means, for any Fiscal Year, the number of Signatory Airlines that represents either (a) fifty percent (50%) or more in number of all Signatory Airlines that, together, have landed more than fifty percent (50%) of the total landed weight of the Revenue Landings of all Signatory Airlines during the immediately preceding Fiscal Year, or alternatively, (b) two (2) or more in number of all Signatory Airlines that, together, have landed more than seventy percent (70%) of the total landed weight of the Revenue Landings of all Signatory Airlines during the immediately preceding Fiscal Year.

“Maximum Gross Landed Weight” or “MGLW” means the maximum certificated weight, in thousand pound units, at which each aircraft operated by an Air Carrier is authorized by the FAA to land at the Airport, as certified by the aircraft’s manufacturer and recited in the Air Carrier’s flight manual governing that aircraft type.

“Monthly Activity Report” is the accurate summary report prepared by Airline describing Airline’s operations at the Airport during the month preceding the month in which the summary is submitted to the City, and signed by an authorized representative of Airline certifying the accuracy of the information set forth therein, and submitted by Airline to the City in accordance with Section 10.8.2. A Monthly Activity Report shall also refer to the accurate summary report describing the operations at the Airport by an Affiliate of Airline, as further described in Section 6.1.2.

“Net Airport Revenues” means, for any Fiscal Year, Operating Revenues for such Fiscal Year, plus the amount of PFCs and grant proceeds applied to the payment of Debt Service for such Fiscal Year, less O&M Expenses and the change in the O&M Reserve for such Fiscal Year.

“Net Remaining Terminal Complex Revenue” means, for any Fiscal Year, the amount by which the Terminal Complex Revenue for such Fiscal Year exceeds the sum of O&M Expenses, the change in the O&M Reserve, Airport Services Facilities Costs, Amortization of City Investment and the Revenue Bond Debt Service allocated to the Terminal Complex for such Fiscal Year (as described in Section 10.7).

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

“Operating Revenues” means, for any Fiscal Year, all revenues derived by the City from the operation or ownership of the Airport for such Fiscal Year, determined in accordance with generally accepted accounting principles, including revenues generated in or allocable to both the Included Cost Centers and the Excluded Cost Centers and interest earnings on the Airport Operating Fund established under the Revenue Bond Order, but excluding (i) PFCs, (ii) proceeds of federal, state or local grants, (iii) the proceeds of any indebtedness, (iv) insurance and condemnation proceeds, and (v) any unrealized gain or loss on the valuation of investments.

“Operation and Maintenance Expenses” or “O&M Expenses” means, in any Fiscal Year, the costs incurred by the City in operating and maintaining the Airport’s facilities, excluding any expenses incurred by the City for any Capital Expense.

“O&M Reserve” means, for any Fiscal Year, an amount equal to twenty-five percent (25.00%) of the amount budgeted for O&M Expenses across the Airfield Cost Center, the Terminal Building Sub-Cost Center and all other Cost Centers by the City in its annual budget for such Fiscal Year.

“Other Leased Premises” means the Concession Premises; the City-Occupied Premises; and Rentable Other Space.

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

“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.

“Passenger Loading Bridge” or “PLB” means a passenger loading bridge, and its preconditioned air system(s), ground power supply unit(s) and related equipment, attached to a Concourse at a Gate.

“Period of Use” means, for a Scheduled Operation at a Preferential Use Gate:

(a) For arrivals of aircraft, the Period of Use shall commence thirty (30) minutes prior to the time scheduled for an arrival. The Period of Use shall terminate sixty (60) minutes after the time scheduled for an arrival or upon Airline’s completion of the deplaning process, whichever occurs first.

(b) For departures of aircraft, the Period of Use shall commence sixty (60) minutes prior to the time scheduled for a domestic departure and ninety (90) minutes prior to the time scheduled for an international departure. The Period of Use shall terminate upon the actual departure of the aircraft from the Gate or thirty (30) minutes after the time scheduled for the departure, whichever occurs first; provided, however, that the scheduled departure time shall be extended if the aircraft is being boarded and actively prepared for departure, and in such instances, the extension shall extend only to the completion of the active boarding process.

“PFC Regulations” means, collectively, 49 U.S.C. § 40117 and applicable implementing regulations adopted by the FAA, 14 CFR Part 158, as they may be amended from time to time.

“Pre-Approved Projects” means those Capital Improvement Projects approved by the Airline by way of its execution of this Agreement and listed on **Exhibit E**.

“Preferential Use Gate” means a Gate assigned by the City to the Airline or another Air Carrier as Preferential Use Premises in accordance with Article 4, and shall be deemed to include a Preferential Use International Gate.

“Preferential Use Gate Utilization Target” means each level of use or other criterion established by the City for each Air Carrier to meet in order to use or continue to use the Preferential Use Gates assigned by the City to such Air Carrier in accordance with Article 4, as each such level of use or other criterion may be changed from time to time by the City in consultation with the Airlines.

“Preferential Use International Gate” means an International Gate assigned by the City to the Airline or another Air Carrier as Preferential Use Premises.

“Preferential Use Premises” means those areas designated as such in the Premises Notice that are within the Terminal Complex, including Preferential Use Gates (including associated Gate Ramps) and Preferential Use Ticket Counters, and to which Airline has a higher priority of use over all other Air Carriers, subject to Section 2.3.3 and as more fully described in the Premises Notice.

“Preferential Use Ticket Counter” means the space in the Terminal Building for the processing of passengers and their baggage, together with associated queuing space, assigned by the CEO to the Airline or another Air Carrier as Preferential Use Premises.

“Premises Notice” means the notice described in Section 2.3.1 and attached as **Exhibit F**.

“Procedures for Parking and Gate Use, Assignment and Scheduling” means the City’s procedures and requirements for parking and Gate use, assignment and scheduling, which are set forth in **Exhibit C**, as the same may be amended from time to time by the City.

“Public Areas” means sidewalks, Concourses, corridors, lobbies, passageways, restrooms, elevators, escalators and other similar space made available by the City from time to time for use by passengers, City employees, Airline employees and agents, other Air Carrier employees and agents and other members of the public, as such areas presently exist or may hereafter be expanded, modified, constructed, or relocated.

“Recapture Notice” means the notice issued by the City to an Airline pursuant to Section 4.7, stating the City’s election to recapture one or more of the Airline’s assigned Preferential Use Gates and designating the number of Preferential Use Gates that the City intends to recapture.

“Release” means, when used in connection with Hazardous Substances, 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.

“Rentable Other Space” means areas in the Terminal Building and Concourses other than Preferential Use Premises, Exclusive Use Premises, Common Use Premises, and Concession Premises that are leased to or used by tenants of the Terminal Complex pursuant to agreements other than airline use and lease agreements.

“Rentable Terminal Space” means the sum of the total square footage of the Airline Leased Terminal Space plus the total square footage of the Other Leased Premises.

“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 Hazardous Substances.

“Revenue Bond Debt Service” means, for any Fiscal Year, the required amounts payable for such Fiscal Year, under the Revenue Bond Order, into all subaccounts of the Revenue Bond Fund, and any other payment required pursuant to the rate covenant of Section 704 of the Revenue Bond Order.

“Revenue Bond Fund” means the Revenue Bond Fund created under Section 501 of the Revenue Bond Order.

“Revenue Bond Order” means the “BOND ORDER Authorizing and Securing, CITY OF CHARLOTTE, NORTH CAROLINA, AIRPORT REVENUE BONDS Adopted April 24, 2017 Amending and Restating the Bond Order November 18, 1985,” as amended and supplemented

from time to time, and each Series Resolution subsequently adopted by the Charlotte City Council authorizing particular Series of Airport Revenue Bonds.

“Revenue Bonds” means bonds, notes, or other obligations issued by the City pursuant to the Revenue Bond Order.

“Revenue Landing” means any aircraft arrival at the Airport for which Airline has received or made a fee or charge, including, without limitation, scheduled trips, charters and other trips for which a fee is received, but excluding local promotional flights. A revenue flight that returns to or lands at the Airport because of mechanical, meteorological, or other precautionary reasons, without landing at another airport, shall not be considered a Revenue Landing.

“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 sixty (60) or ninety (90) days prior to the first day of the month in which Airline’s schedule would take effect, and that is also submitted to the City in an Advance Schedule as required under Exhibit C, subject to Airline’s right to amend its Advance Schedule in accordance with Section 4.11.3.

“Seat” means a seat on an aircraft arriving or departing from the Airport other than those seats reserved in the flight deck or aircraft cabin for members of the flight crew.

“Seats Delivered” means the total number of Seats available on aircraft arriving at the Airport that use a Gate.

“Security Checkpoint Area” means an area used for passenger security screening and associated queuing space as designated by the CEO, which area may be changed from time to time by the CEO in his/her sole discretion.

“Shared Use Terminal Equipment” means equipment owned and installed by the City for use in passenger processing, including without limitation, equipment casework, flight information displays (“FIDS”), gate information displays (“GIDS”), boarding gate readers, passenger processing workstations, seating and self-service kiosks (for boarding passes and bag tagging), and other shared use technology (e.g., reservation system portal open to all Air Carriers at the Airport).

“Signatory Airline” means Airline and each other Passenger Carrier that (a) has agreed to lease, if available, at least one (1) Preferential Use Gate or its financial equivalent, at least one (1) Preferential Use Ticket Counter, and 500 square feet or more of Exclusive Use Premises; and (b) has executed an airline use and lease agreement with the City substantially similar to this Agreement. An Affiliate of a Signatory Airline shall not be a Signatory Airline.

“Space Requesting Airline” means an Air Carrier seeking to commence or expand Scheduled Operations at the Airport that does not have adequate access to the Terminal Complex for its operations.

“Sub-Cost Center” means areas within a Cost Center for which Capital Expenses, O&M Expenses or Airport Services Facilities Costs are accounted for separately for purposes of calculating Airport Fees and Charges.

“Technology and Equipment Costs” means costs, recovered over the useful life, related to the purchase, development, and installation of hardware, software, and tangible equipment.

“Terminal Building” means those areas and facilities described in **Exhibit H**.

“Terminal Building Charges” means the charges calculated pursuant to Section 10.3.

“Terminal Complex” (which is designated as “Terminal Complex” under the Revenue Bond Order and shown on Exhibit H attached thereto) means those areas and facilities described in **Exhibit H**.

“Terminal Complex Revenues” means, for any Fiscal Year, the sum of Terminal Building Charges calculated in accordance with Section 10.3 for such Fiscal Year, and all other Included Cost Center revenues allocable to the Terminal Building, Ground Transportation and Fueling Sub-Cost Centers, as further described in **Exhibit H**. Terminal Complex Revenues specifically exclude all Included Cost Center revenues allocable to the Airfield Cost Center.

“Termination Damages” means, collectively, all unpaid Airport Fees and Charges and damages incurred by the City due to Airline’s default of this Agreement under Section 18.1, including, but not limited to, attorneys’ fees and costs, that the City is entitled to recover from the Airline, as all further described in Section 18.2.1(a).

“Ticket Counters” means those areas in the Terminal Building designated by the CEO for use by Airline for ticketing and processing passengers and their baggage, and similar activities, including ticketing kiosk space and associated queuing space (as calculated to include the area twenty-five (25) linear feet in front of the ticket counters, as may be adjusted from time to time by the City), but excluding curbside check-in positions.

“Total Bags” means the total number of bags inducted into the Inline Baggage Handling System.

“TSA” means the Transportation Security Administration or its successor.

“TSA Credits” means monies received by the City from the TSA for the City’s use of Joint Use Premises.

“Turn” means the 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.

“Unenclosed Space” means unenclosed or non-conditioned space in the Terminal Complex made available for rent to Air Carriers. Unenclosed Space shall constitute leased premises of the Air Carrier to which it is assigned in the Premises Notice, but shall not be included in Rentable Terminal Space or Airline Leased Terminal Space.

“Utilization Deficiency” means the Airline’s failure to meet one or more applicable Preferential Use Gate Utilization Targets for three or more months within a calendar year, as further described in Section 4.7 and in illustrative calculations in **Exhibit L**. Utilization Deficiencies shall be determined on an annual basis every Fiscal Year, and Recapture Notices, if any, shall be issued within sixty (60) days of the close of each Fiscal Year.

“VIP Lounge” means those Exclusive Use Premises used by Airline to provide premium services to its passengers.

Article 2

GRANT OF RIGHTS TO USE AIRPORT

The City grants to Airline the rights of occupancy and use in certain areas located within the Airport during the Term as specifically provided in this Article 2, subject to the terms of this Agreement.

2.1 Rights to Use Airfield. The City grants to Airline a nonexclusive license to use the Airfield, in common with others, for the purposes described in Section 3.4 hereof, subject at all times to the City’s exclusive control and management of the Airfield.

2.2 Rights to Use Public Areas. The City grants to Airline a nonexclusive license to use the Public Areas within the Terminal Complex, in common with others, subject at all times to the City’s exclusive control and management of the Public Areas. The City shall have the right, in its sole and complete discretion, to relocate, change, or discontinue the use of one or more Public Areas from time to time during the Term.

2.3 Rights to Use Premises.

2.3.1 Premises Notice. On or before the Effective Date, the City will issue to Airline a Premises Notice, attached hereto as **Exhibit F**, that will designate which areas of the Airport, if any, that the City will make available for Airline’s use as: (a) Exclusive Use Premises; (b) Preferential Use Premises; (c) Common Use Premises; (d) Joint Use Premises; and (e) Unenclosed Space. Airline acknowledges and agrees that the Premises Notice will be revised by the City and issued to Airline from time to time during the Term to reflect the reassignment and reallocation of the Premises and rights therein pursuant to this Agreement. The City and Airline agree that, upon issuance by the City, each revised Premises Notice shall be deemed attached to and incorporated into this Agreement as **Exhibit F**, and shall supersede and replace the last issued Premises Notice deemed attached to and incorporated into this Agreement as **Exhibit F** without the need for a written amendment of the Agreement signed by the City and Airline.

2.3.2 Exclusive Use Premises. The City grants to Airline, subject to Article 3, Article 4 and Article 5 of this Agreement, the exclusive right to use the Exclusive Use Premises identified in the Premises Notice.

2.3.3 Preferential Use Premises. The City grants to Airline, subject to Article 3, Article 4 and Article 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 Common Use Premises. The City grants to Airline, subject to Article 3, Article 4 and Article 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 City shall at all times have exclusive control and management of the Common Use Premises.

2.3.5 Joint Use Premises. The City grants to Airline, subject to Article 3, Article 4 and Article 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 City 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 if the City decides to decommission or use all or a portion of the Joint Use Premises for other purposes.

2.3.6 Unenclosed Space. The City grants to Airline, subject to Article 3, Article 4 and Article 5 of this Agreement, the right to use the Unenclosed Space identified in the Premises Notice.

2.3.7 Condition of Premises. Except as otherwise expressly provided in this Agreement, including without limitation in **Exhibit B** and **Exhibit H**, Airline specifically acknowledges and agrees that the City 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 City, as to any matters concerning the Premises.

Article 3

USE OF AIRPORT

3.1 Airline Rights, Privileges, Limitations and Prohibitions on Use.

Subject to the terms of this Agreement, Airline shall have the right to conduct its air transportation business at the Airport and to perform all operations and functions in connection with the conduct and operation of such business at the Airport. Airline shall not use the Premises, and shall not cause or permit its employees, contractors, vendors, suppliers, consultants, agents (including without limitation Affiliates of Airline), licensees, or invitees to use the Premises, for any purpose other than as specified in this Agreement.

3.2 Terminal Complex.

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

3.2.1 Airline's operation of an air transportation business for the carriage and movement of persons, property, baggage, cargo, express packages and mail by means of aircraft, including but not limited to the following categories of flights: revenue, training, test, inspection, emergency, charter and sightseeing.

3.2.2 Airline's loading and unloading of persons, property, baggage, cargo, and express packages and mail at the Terminal Complex by such motor vehicles or other means of conveyance as Airline may require in the operation of an air transportation business; provided that Airline may designate the particular carrier or carriers to transport Airline's employees, passengers, and their luggage if such transportation is provided at the expense of Airline; and provided, further, that Airline shall not operate commercial ground transportation for the general public. If such transportation is not provided at Airline's expense, the City 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.

3.2.3 Airline's hiring, employment, and training of personnel in the current or future employ of Airline, and training of Airline's contractors.

3.2.4 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: the handling of reservations; the handling, ticketing and billing of passengers; 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 VIP Lounges, passenger clubs and lounge rooms, and, to the extent permitted by law, the serving of food and beverages in such VIP Lounges, passenger clubs and lounge rooms.

3.2.5 Airline's installation and operation, at Airline's expense, of static or digital signs identifying the name of Airline, and directional signs guiding passengers as needed, all of which shall be substantially uniform in size, type, and location with those of other Air Carriers, and the number, type, size, design and location of which shall be consistent with the City's requirements and subject to the City's approval in its sole discretion.

3.2.6 Airline acknowledges and agrees that all passenger terminal facilities and amenities related thereto shall be located within the Terminal Complex, and that no passenger terminal functions shall be conducted elsewhere on the Airport, except for Part 135 air charter operations that may be conducted by Air Carriers from the Airport's general aviation aprons and terminals. The term "passenger terminal functions" as used in this Section 3.2.6 includes the reception, ticketing, loading, unloading, collection, or transfer of all persons and their baggage being transported by air, or by ground transport incidental to such transportation. The term specifically includes, without limitation, persons and their baggage being transported by Air Carriers and, except as hereinafter provided, all other aircraft operators, including operators of corporate and private aircraft. Notwithstanding the foregoing, the City reserves the right to permit fixed-base operators to operate passenger lounges and facilities within facilities leased by such operators on an exclusive use basis to accommodate passengers and baggage being transported on private Air Carrier charter and corporate aircraft.

3.3 Gates and Gate Ramps.

Subject to Article 4 and Article 5 and **Exhibit C** of this Agreement and the Airport Rules and Regulations, Airline's use of Gates and Gate Ramps shall be limited to:

3.3.1 Airline's ticketing, boarding, deplaning, and billing of passengers at the Gate; use of the Gates; and use of the PLB and Gate Ramp during Airline's use of such Gate.

3.3.2 Airline's operational staging of equipment for fueling, servicing, loading, unloading, and line maintenance of aircraft that can be completed during Airline's use of such Gate and Gate Ramp, provided, however, that

(a) Airline may park or store its ground service equipment on a Gate Ramp at its Preferential Use Gate, subject to Section 4.11 and Section 5.1;

(b) Nothing in this Section 3.3.2 shall be implied or construed to grant to Airline the right to store or park equipment on a Gate Ramp 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 Common Use Gate; and

(c) In addition to the regular line maintenance permitted under Section 3.3.2(b), at the City's sole discretion and so long as it does not interfere with another Air Carrier's operations, the City may permit Airline to perform emergency line maintenance of aircraft on a Gate Ramp at a Common Use Gate.

3.3.3 Airline's loading and unloading of any persons, property, baggage, express packages and mail, and carriage and transport of all of the aforesaid, in properly designated facilities by such motor vehicles or other means of conveyance as Airline may reasonably require in the operation of an air transportation business, all in accordance with Section 3.2.2.

3.3.4 Airline's installation, maintenance and operation of its aircrafts' air-conditioning equipment, auxiliary power, start-up and miscellaneous support equipment as reasonably necessary for Airline's operation of an air transportation business and not otherwise provided by the City. Airline shall promptly remove any such equipment that is not reasonably necessary for Airline's operation of an air transportation business; provided, however, that the Airline shall limit the servicing activities described in this Section 3.3.4 to the Gate Ramp.

3.3.5 Airline may complete engine defrosting activities at or near the Gates or Gate Ramps, and may complete de-icing activities exclusively as permitted in Section 20.1.4. No de-icing activities and no aircraft surface defrosting activities shall be conducted at or near the Gates or Gate Ramps. Airline shall be required to remove its aircraft from the Gate Ramp for aircraft surface defrosting activities, and for all aircraft de-icing services to be provided by or to the Airline as further described in Section 20.1.4.

3.3.6 Airline's provision, by its employees or others for whom Airline is responsible, to Airline's aircraft on Airline's Gate Ramp (including each of Airline's Affiliates on such Gate Ramp) 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 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 City, and without the Signatory Airline providing the supplies and services to Airline paying the fees to the City that would otherwise be required by City Code. 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 a "Commercial Use Permit" or other type of written contract issued by the City 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 City, and (c) obtain all required security media in accordance with the Airport Rules and Regulations.

3.3.7 Airline's provision, by its employees or others for whom Airline is responsible (including an Affiliate of Airline), to aircraft of a Non-Signatory Airline (other than an Affiliate of Airline) on a Gate Ramp with supplies and services, including food and beverages and ground handling services, required by such Non-Signatory Airline; provided, however, that Airline shall first comply with the requirements described in Sections 3.3.6(a) through (c), above.

3.4 **Airfield.** The 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 motor vehicles, ground service equipment, or other equipment or means of conveyance as Airline may require, subject to the terms of this Agreement.

3.5 **City-Owned Equipment.** The City grants to the Airline a non-exclusive license to use, subject to the City's control and maintenance thereof in accordance with Section 9.1.1, the City-Owned Equipment in the ordinary course of its business at the Airport and otherwise in accordance with this Agreement. The Airline agrees to accept and use the City-Owned Equipment in its "as is" condition, without any representations or warranties of any kind whatsoever, express or implied, from the City as to any matters concerning the City-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 City-Owned Equipment.

Article 4

ASSIGNMENT AND USE OF PREFERENTIAL USE PREMISES

4.1 No Exclusive Use Gates.

Airline acknowledges that no Gates within the Terminal Building shall be for any Air Carrier's exclusive use. Each Gate within the Terminal Building shall be designated by the City as either a Common Use Gate or a Preferential Use Gate and assigned in accordance with the terms of this Article 4. Airline's use of all Gates shall at all times be in compliance with and

subject to **Exhibit C**. In the event of any conflict between this Agreement and **Exhibit C**, this Agreement shall control.

4.2 City's Designation of Common Use Gates and Common Use Ticket Counters.

4.2.1 Airline and the City acknowledge that, as of the Effective Date, the City has made its initial designation of the number and locations of Common Use Gates as listed on **Exhibit D** and the number and locations of Common Use Ticket Counters as listed on **Exhibit K**, and has provided Airline with notice of such designation.

4.2.2 All remaining Gates and Ticket Counters available for use and not designated by the City for use as Common Use Gates or Common Use Ticket Counters under Section 4.2.1 shall be made available by the City to Air Carriers, including Airline, for use as Preferential Use Premises to be allocated and assigned in accordance with Section 4.3.

4.2.3 The City shall have the right, but not the obligation, at any time to convert one or more Common Use Gates into one or more Preferential Use Gates for lease to an Air Carrier if such Air Carrier meets one or more of the applicable Preferential Use Gate Utilization Targets described in Section 4.4 and executes an airline use and lease agreement with the City substantially similar to this Agreement.

4.2.4 The City shall have the right, but not the obligation, at any time to convert one or more Common Use Ticket Counters into one or more Preferential Use Ticket Counters for lease to an Air Carrier if such Air Carrier executes an airline use and lease agreement with the City substantially similar to this Agreement.

4.3 City's Initial Assignment of Preferential Use Premises.

4.3.1 Airline and the City acknowledge that, as of the Effective Date, (a) the City has assigned to Airline the number and locations of Preferential Use Gates as listed on **Exhibit D** and the number and locations of Preferential Use Ticket Counters as listed on **Exhibit K**, (b) the City has issued a Premises Notice to Airline that reflects Airline's Preferential Use Gate and Preferential Use Ticket Counter assignments, and (c) Airline has, by execution of this Agreement, accepted assignment of the Preferential Use Gates set forth in said Premises Notice and listed on **Exhibit D** and the Preferential Use Ticket Counters set forth in said Premises Notice and listed on **Exhibit K**.

4.3.2 Airline and the City acknowledge that construction of the Concourse C Expansion Project may from time to time have an impact on the Preferential Use Gates assigned to Airline, rendering them unavailable for Airline's operation. During the period of any such impact to any of Airline's Preferential Use Gates, the City shall make commercially reasonable efforts to assign to Airline other Gates as temporary replacement Preferential Use Gates. Preferential Use Gates temporarily assigned to Airline under this Section 4.3.2 shall be returned to City as Gates impacted by the Concourse C Expansion Project are returned to Airline as Preferential Use Gates or Gates provided by construction of the Concourse C Expansion Project are assigned to Airline under Section 4.5.2.

4.3.3 The City shall designate and assign the numbers and locations of Gates and related facilities and space constructed in connection with the Concourse C Expansion Project or other Terminal Building expansion projects in accordance with Section 4.6.

4.4 Preferential Use Gate Utilization Targets.

Airline acknowledges that the City has established Preferential Use Gate Utilization Targets for each Signatory Airline to meet in order to use and continue using the Preferential Use Gate(s) that the City has assigned to each such Signatory Airline pursuant to Section 4.3. The Preferential Use Gate Utilization Target shall be satisfied by either an Average Minimum Use Level of five and one half (5.5) daily Turns *or* an average of 675 daily Seats Delivered across all the Signatory Airline's Preferential Use Gates.

4.5 City's Right to Reallocate Preferential Use Premises Other Than Gates.

4.5.1 If this Agreement is extended pursuant to the Expiration Date provision in Section 1.2.3, the City shall have the one-time right, but not the obligation, after consultation with the AAAC, to reallocate the numbers and locations of Preferential Use Ticket Counters and associated space assigned to Signatory Airlines as of July 1, 2037, to address factors affecting the efficiency of the Airport, the utilization of all Ticket Counters at the Airport, fair and open competition among Air Carriers operating at or desiring to operate at the Airport, or the City's ability to optimize the use of its Airport facilities or enhance competition at the Airport.

4.5.2 Reallocations by the City under this Section 4.5 may result in the reduction of Airline's Premises or cause Airline to vacate Premises and relocate to other Premises. The reallocation of any Premises shall be accomplished in accordance with a utilization study conducted by the City, which shall take into account the following factors, among others:

- (a) Each Signatory Airline's historical, current and reasonably projected frequency of operations;
- (b) Each Signatory Airline's historical, current and reasonably projected number of enplaning and deplaning passengers;
- (c) Each Signatory Airline's number and use of Preferential Use Gates;
- (d) Each Signatory Airline's square footage of other Preferential Use Premises;
- (e) Each Signatory Airline's operational space adjacencies;
- (f) Each Signatory Airline's specialized fixtures required for its operations;

(g) The compatibility of each Signatory Airline's operations and workforce with the operations and workforce of any other Signatory Airline that may be assigned to the Preferential Use Gate(s) being reallocated;

(h) Any Signatory Airline's need for hub connectivity; and

(i) The need for the City to manage aircraft and passenger activity at the Airport in order to correct an imbalanced use of Airport facilities, or to minimize or reduce congestion in the Terminal Building or at the curbside.

4.5.3 In making any such reallocation, the City shall give Airline, along with other Signatory Airlines, not less than thirty (30) days' advance written notice of the proposed space reallocation and the reasons for the reallocation. Airline shall, during such thirty (30) day period, be entitled to submit to the City in writing any objections it might have to the City's proposed space reallocation. The City shall take into account any objections to the proposed reallocations submitted by Airline(s) before making its final decision with respect to reallocations. The City's final decision shall be in writing, and shall contain the basis therefor, along with the effective date of the reallocation, if any, which effective date shall not be less than sixty (60) days following the date of the City's final written decision.

4.5.4 Airline shall complete its relocation as expeditiously as possible, but in no event later than the effective date of the reallocation stated in the City's final written decision, and shall otherwise comply with the City's requirements and the Airport Rules and Regulations. In implementing such reallocation, the City shall minimize disruptions to Airline's operations and preserve the operational integrity of the Airline's Premises during and after such reallocation. In implementing such reallocation, Airline shall minimize disruptions to other Air Carriers' operations and preserve the operational integrity of the Premises from which Airline is relocating during and after such reallocation.

4.5.5 All moving costs resulting from the relocation of Airline under this Section 4.5 shall be funded by the City, subject to rate recovery under Article 10. 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 remove all trade fixtures and its other movable property from its Premises being vacated, whether or not reinstallation is possible.

4.5.6 Airline's Terminal Building Charges calculated under Section 10.3 shall be adjusted on a per square foot basis to reflect any reduction or increase in Airline's Premises as a result of the City's reallocation under this Section 4.5.

4.5.7 The City shall have the right, but not the obligation, to convert one or more of the Preferential Use Ticket Counters reallocated by the City under this Section 4.5 to one or more Common Use Ticket Counters.

4.6 City's Right to Designate and Assign Newly-Constructed Gates and Related Facilities and Space.

4.6.1 Unless otherwise agreed, the City shall have the right, in its sole discretion using the factors set forth in Section 4.5.2, to designate and assign the numbers and locations of Gates and related facilities and space constructed in connection with Terminal Building expansion projects. Unless otherwise agreed, Airline shall not be required to accept any assignments of newly-constructed Gates or related facilities and space.

4.6.2 Notwithstanding Section 4.6.1, Airline and the City agree that the Gates and related facilities and space constructed by the Concourse C Expansion Project shall be designated and assigned as described on **Exhibit D**. The City shall not calculate Preferential Use Gate Utilization Targets for purposes of determining Utilization Deficiencies on Concourse C Expansion Project Gates until the first full Fiscal Year after such Gates become available for use by Airline.

4.7 City's Right to Recapture Underutilized Preferential Use Gates; Airline's Right to Request Recaptured Preferential Use Gates.

4.7.1 Within ninety (90) days after the close of each Fiscal Year, the City may recapture Preferential Use Gates as provided in this Section 4.7.

4.7.2 Within sixty (60) days after the close of each Fiscal Year, the City shall determine in accordance with Section 4.4 whether a Utilization Deficiency occurred.

4.7.3 If the City determines that Airline had a Utilization Deficiency for the previous Fiscal Year, the City may, in its sole discretion and without any obligation to do so, issue a Recapture Notice within sixty (60) days after the close of the Fiscal Year. The Preferential Use Gates so recaptured will be up to that number of Gates needed to allow the Airline to meet the applicable Preferential Use Gate Utilization Target for ten of twelve calendar months based on the data then available to the City, as illustrated on **Exhibit L**. In the case of the City's recapture of less than all of Airline's Preferential Use Gates, the City and Airline shall, by mutual written agreement within thirty (30) days of the date of the Recapture Notice, designate for recapture by the City the specific Preferential Use Gate(s) and those portions of Airline's Premises that are no longer necessary to support Airline's operations at Airline's remaining Preferential Use Gate(s).

4.7.4 The effective date of the City's recapture of the Preferential Use Gate(s) and other portions of the Premises described in Section 4.7.1 shall not be more than ninety (90) days following the close of the Fiscal Year and the parties' reaching agreement as described in said Section 4.7.3; provided, however, that if the parties do not reach such an agreement within the thirty-day period described in said Section 4.7.3, the effective date of the City's recapture of the Preferential Use Gate(s) and other portions of the Premises designated for recapture by the City in its sole discretion shall not be more than ninety (90) days following the close of the Fiscal Year. Airline shall vacate the recaptured Premises as expeditiously as possible, but in no event later than the effective date of the recapture described in this Section 4.7.4, and shall otherwise comply with the City's requirements and the Airport Rules and Regulations. During the course

of vacating the Premises recaptured by the City, Airline shall minimize disruptions to other Air Carriers' operations and preserve the operational integrity of the Premises so recaptured during and after such recapture.

4.7.5 All out-of-pocket relocation costs associated with any recapture under this Section 4.7, including without limitation the costs of the City, shall be funded by Airline. Airline's Terminal Building Charges calculated under Section 10.3 shall be decreased commensurately on a per square foot basis as a result of such recapture.

4.7.6 On or after the effective date of any recapture under this Section 4.7, the City may notify all Signatory Airlines of such recapture and if any of the Preferential Use Gates and related space recaptured are available for lease to Airline. Airline shall have the right to request an addition of such available Preferential Use Gates and related space (if any) to its Premises provided that Airline would be able to meet the Preferential Use Gate Utilization Target with the additional Preferential Use Gate(s) under its currently-published schedule. Such request shall be made in writing to the City in accordance with Section 4.8.2, and shall be subject to Section 4.8.3 through Section 4.8.4. City's decision to reassign any Preferential Use Gate(s), or retain such Gate(s) as Common Use Gate(s), shall be in City's sole discretion.

4.7.7 The City shall have the right, but not the obligation, to convert one or more of the Preferential Use Gates recaptured by the City under this Section 4.7 to one or more Common Use Gates.

4.8 Airline's Right to Request Reallocation of Premises.

4.8.1 (a) If this Agreement is extended pursuant to the Expiration Date provision in Section 1.2.3, Airline shall have the one-time right to reduce its Premises to facilitate its operations at the Airport effective July 1, 2037; provided, however, that after Airline's proposed reduction, Airline's Premises shall contain no less than fifty percent (50%) of the number of Preferential Use Gates in its then current Premises Notice or one (1) Preferential Use Gate, whichever is greater. Airline shall submit its request for reduction in its Premises in writing to the City. If the number of Airline's Preferential Use Gates will be reduced as a result of Airline's request, Airline shall also designate in its written request the operational space in its Premises that it seeks to surrender to the City as no longer necessary to support Airline's operations at Airline's remaining Preferential Use Gates, which operational space Airline shall have the right to surrender to the City as part of such reallocation.

(b) Airline's request, if any, to reduce its Premises shall be delivered in writing to the City no later than December 31, 2036, and the resulting reallocation shall take effect on July 1, 2037. Notwithstanding Airline's right to reduce its Premises as provided above, the City may reject the specific Gates or other Premises sought to be returned by Airline to reduce its Premises if and only to the extent that the specific Gates and other Premises sought to be returned by Airline to the City would not be suitable for use by other Air Carriers for the intended and designated purpose of such Gates or other Premises; and provided further that, in such event, Airline can then request a reduction in other Gates or space in its Premises to achieve Airline's desired reduction in its total Premises leased under this Agreement.

(c) The City shall have the right, but not the obligation, to convert one or more of the Preferential Use Gates or Preferential Use Ticket Counters returned to the City under this Section 4.8.1 to one or more Common Use Gates or Common Use Ticket Counters.

4.8.2 Airline shall have the right at any time during the Term to request additions to its Premises, and shall submit its request for any such additions in writing to the City, including the proposed implementation schedule for and effective date of such addition, for the City's review and written approval; provided, however, that in determining whether to approve Airline's request, the City shall give due consideration to the following factors, among others:

- (a) The availability of space, Gates, or Ticket Counters at the Airport;
- (b) Airline's need to expand its Premises, including its historical, present and reasonably projected frequency of operations;
- (c) Airline's operational space adjacencies and specialized fixtures required for its operations, and the compatibility of Airline's operations and workforce with the operations and workforce of any other Signatory Airline that may be assigned to the requested Premises;
- (d) any planned or completed changes in the Terminal Building;
- (e) the need to address current or reasonably anticipated operational issues or facility imbalances;
- (f) the City's current or future business needs and requirements;
- (g) competing demands for use of additional Gates, Ticket Counters, or other space sought by Airline (if any);
- (h) any Signatory Airline's need for hub connectivity; and
- (i) any other factors affecting the efficiency of the Airport, the utilization of Airport facilities, or fair and open competition among Air Carriers operating or desiring to operate at the Airport.

4.8.3 Airline shall complete its reallocation as expeditiously as possible, but in no event (i) later than July 1, 2037 for a reduction of its Premises, and (ii) for an addition to its Premises by the effective date stated in Airline's written request for such additional premises, and shall otherwise comply with the City's requirements and the Airport Rules and Regulations. In implementing such reallocation, Airline shall minimize disruptions to other Air Carriers' operations and preserve the operational integrity of Airline's Premises during and after such reallocation.

4.8.4 All out-of-pocket relocation costs associated with any reallocation requested by Airline under this Section 4.8, including without limitation the costs of the City, shall be funded by Airline. Airline's Terminal Building Charges calculated under Section 10.3

shall be increased or decreased, as applicable, commensurately on a per square foot basis as a result of Airline's reallocation.

4.9 Revised Premises Notice for Reallocation of Premises.

If the City reallocates or recaptures any or all of Airline's Premises pursuant to this Article 4, the City shall promptly revise the Premises Notice issued to the Airline to reflect the change(s) in the Premises as a result of the City's reallocation or recapture, and issue said revised Premises Notice to the Airline. The City shall have the right, but not the obligation, to occupy, reassign, lease or otherwise use all or any portion of the Premises so reallocated or recaptured by the City under this Article 4.

4.10 Recapture or Reallocation Not a Waiver.

Neither the City's reallocation nor recapture of any or all of Airline's Premises pursuant to this Article 4 (or the City's election not to so reallocate or recapture) shall operate as a waiver by the City or Airline of any provision of this Agreement, Applicable Laws, or of Airport Rules and Regulations, or of any right herein reserved to the City or Airline, or of any right to damages herein provided, or of any right available to the City or Airline at law or in equity.

4.11 City's Scheduling Rights at Preferential Use Gates.

4.11.1 Airline and the City acknowledge that the objective of the City 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 City intends to pursue the objective of achieving an optimum balance in the overall utilization of Gates and other Airport facilities to be achieved, if necessary, through sharing from time to time, of 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 City seeks to (1) provide Signatory Airlines with predictability and stability regarding the use of operational space at the Airport, (2) provide reasonable accommodation to Air Carriers seeking to serve the Airport, and (3) achieve a reasonable balance in the overall utilization of the Terminal Building and Gates, taking into account possible disruption of existing Signatory Airline operations and maximizing convenience to passengers.

4.11.2 The City shall, consistent with the priorities set forth in Exhibit C, attempt to accommodate Gate Requesting Airlines at Common Use Gates before scheduling Gate Requesting Airlines' arrivals and departures at any Preferential Use Gates.

4.11.3 Airline shall have scheduling priority at all of its Preferential Use Gates for all of its Periods of Use under this Article 4 with respect to its Scheduled Operations, subject to the terms of this Section 4.11. The City shall have the right, upon reasonable notice to and in consultation with Airline, to schedule at a Preferential Use Gate arrivals and departures by a Gate Requesting Airline at all periods of time other than Airline's Periods of Use of that Preferential Use Gate, as follows:

(a) The City shall allow Airline to select the specific Preferential Use Gate at which such accommodation will occur; provided, however, that the Preferential Use Gate

selected by Airline shall be able to accommodate the size of the Gate Requesting Airline's aircraft and, if necessary, shall be a Preferential Use International Gate; and provided, further, that the City shall have the right to select a Preferential Use Gate other than that selected by Airline to be used for any accommodation if the City determines, in its reasonable discretion, that a different selection is warranted under the circumstances.

(b) In accommodating the City in its right to schedule such operations, Airline shall allow and provide for use of its facilities at the Preferential Use Gate, or alternatively permit use of the City's podiums and equipment (including without limitation the Shared Use Terminal Equipment, if any), as may be required for the Gate Requesting Airline's efficient use of the Preferential Use Gate, subject to Section 4.7, and subject to the Gate Requesting Airline's obligation to leave the Preferential Use Gate in as good condition as on the date on which the Gate Requesting Airline commenced use of such Preferential Use Gate, reasonable wear and tear, damage from casualty and repairs that are the responsibility of the City (if any) excepted.

(c) Airline may revise its Advance Schedule at any time after its submission to the City by submitting a written amendment of Airline's Advance Schedule to the City detailing and highlighting each such revision. Airline agrees that its amendments to its Advance Schedule shall be accurate, submitted to the City in a timely manner and made in good faith, and that the City shall be able to rely and act on Airline's Advance Schedule and all written amendments thereto submitted to the City when accommodating one or more Gate Requesting Airlines at Airline's Preferential Use Gates.

(d) If the City has actually relied and acted upon Airline's Advance Schedule (as it may then have been most recently amended by Airline in accordance with this Section 4.11.3) by directing Airline to accommodate a Gate Requesting Airline at Airline's Preferential Use Gate at a particular time, and Airline subsequently amends its Advance Schedule in a manner that conflicts with the operation of the Gate Requesting Airline so accommodated, Airline shall relocate the accommodated Gate Requesting Airline to another Preferential Use Gate of Airline that is located in the same Concourse as that Preferential Use Gate and can accommodate the size of the Gate Requesting Airline's aircraft.

(e) If the City determines, in its reasonable judgment, that Airline's revisions of its Advance Schedule as described in Section 4.11.3(c) are persistently untimely, inaccurate, or not made in good faith (for example, if Airline routinely submits to the City one or more amendments to its Advance Schedule without actually completing an arrival or departure based on Airline's last such amendment), the City may, after consultation with Airline, and in addition to any other remedies available under this Agreement, suspend or revoke Airline's right under this Section 4.11.3 to relocate a Gate Requesting Airline accommodated at Airline's Preferential Use Gate after Airline's submission of its Advance Schedule to the City.

(f) A Gate Requesting Airline shall be accommodated at Airline's Preferential Use Gate, however selected, for a period of ninety (90) days unless during such ninety-day period:

(i) the Gate Requesting Airline discontinues the flight(s) for which it sought accommodation; or

(ii) a Common Use Gate becomes available during a time that will accommodate the Gate Requesting Airline's requested Period of Use; or

(iii) another Signatory Airline's Preferential Use Gate that is located in the same Concourse as Airline's Preferential Use Gate and can accommodate the size of the Gate Requesting Airline's aircraft becomes available during a time that will accommodate the Gate Requesting Airline's requested Period of Use, and the other Signatory Airline's Average Minimum Use Level is less than Airline's Average Minimum Use Level in the prior Fiscal Year.

(g) The City shall have the continuing right to schedule arrivals and departures by a Gate Requesting Airline in accordance with this Section 4.11.3 for subsequent ninety (90) day periods.

4.11.4 If Airline's Irregular Operation interferes with a Gate Requesting Airline's use of any Preferential Use Gate assigned to Airline, Airline shall retain scheduling priority in that particular instance, but shall work with and make commercially reasonable efforts to accommodate the Gate Requesting Airline at another Gate that is located in the same Concourse as that Preferential Use Gate and can accommodate the size of the Gate Requesting Airline's aircraft.

4.11.5 Notwithstanding anything to the contrary set forth in this Agreement, the City shall have the right, upon reasonable notice to Airline, to schedule at a Preferential Use Gate arrivals and departures by a Gate Requesting Airline during Airline's Periods of Use of that Preferential Use Gate if Airline does not actually utilize that Preferential Use Gate during its Period of Use for a Scheduled Operation or Irregular Operation, and if no Common Use Gate or (if applicable) International Gate that is located in the same Concourse as that Preferential Use Gate and can accommodate the size of the Gate Requesting Airline's aircraft is available.

4.11.6 Notwithstanding anything to the contrary set forth in this Agreement, Airline shall have a scheduling priority for a Period of Use at its Preferential Use Gate under this Article 4 with respect to a Scheduled Operation only if Airline has complied with **Exhibit C** for such Scheduled Operation.

4.11.7 Notwithstanding anything to the contrary set forth in this Agreement, as a condition of accommodation at Airline's Preferential Use Gate(s), the Gate Requesting Airline shall have executed an agreement that is substantially in the form of this Agreement, the Affiliate Operating Agreement attached hereto as **Exhibit I**, or the Non-Affiliate Non-Signatory Operating Agreement attached hereto as **Exhibit J**, as applicable. The insurance and indemnification obligations in said agreement shall inure to the benefit of Airline as a third-party beneficiary for any period of accommodation, and Airline shall not be required to accommodate a Gate Requesting Airline in its Preferential Use Premises if the Gate Requesting Airline's insurance and indemnification obligations are not satisfied.

4.12 City's Scheduling Rights at Preferential Use Space Other than Gates.

4.12.1 If the City is unable to meet the reasonable requirements of a Space Requesting Airline in accordance with the priorities established in Section 5.1, and the City determines that Airline is under-utilizing its Preferential Use Premises other than Gates, the City 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 City's determination of Airline's utilization of Preferential Use Premises other than Gates shall be made in the City's sole discretion and shall take into account, among other things, the factors listed in Section 4.5.2 and Section 5 of Exhibit C.

4.12.2 The City may not require Airline to accommodate a Space Requesting Airline in Airline's Preferential Use Ticket Counters if such accommodation would require Airline to reschedule one or more Scheduled Operations during Airline's Periods of Use. Airline shall otherwise, consistent with its rights to preferential use, accommodate such Space Requesting Airline as directed by the City by providing access to and use of its Preferential Use Ticket Counters; provided, however, that as a condition of accommodation in any of Airline's Preferential Use Ticket Counters, the Space Requesting Airline shall have executed an agreement that is substantially in the form of this Agreement, the Affiliate Operating Agreement attached hereto as Exhibit I, or the Non-Affiliate Non-Signatory Operating Agreement attached hereto as Exhibit J, as applicable. The insurance and indemnification obligations in said agreement shall inure to the benefit of Airline as a third-party beneficiary for any period of accommodation, and Airline shall not be required to accommodate a Space Requesting Airline in its Preferential Use Premises if the Space Requesting Airline's insurance and indemnification obligations are not satisfied.

4.12.3 Airline may request that the City reconsider its determination of under-utilization within fifteen (15) calendar days of receipt of the City's notice to consolidate and, if it does so, Airline shall provide reasonable documentation of its need for the Preferential Use Premises that are the subject of the notice. If the City, after reconsidering its determination, elects to proceed with the consolidation, the City shall give Airline not less than thirty (30) calendar days' notice to vacate such underutilized Preferential Use Premises. The City may either assign the vacated premises to the Space Requesting Airline on a preferential use basis, if the Space Requesting Airline is or becomes a Signatory Airline, or deem the vacated premises to be available for common use subject to the City's exclusive control.

4.12.4 The City shall pay to Airline its reasonable costs of relocating Airline's furniture, equipment and signage in connection with the consolidation of Airline's operations, if required by the City under this Section 4.12, plus the reasonable costs of Airline's unamortized tenant improvements originally constructed with the City's consent that cannot be relocated.

4.12.5 The City shall revise the Premises Notice issued to Airline to reflect any consolidation of Airline's operations required by the City under this Section 4.12, and shall issue said revised Premises Notice to Airline when any such consolidation takes effect.

4.13 City's Control of Common Use Gates.

The City shall retain exclusive control of the use of all Common Use Gates, subject to the Common Use Premises Regulations.

4.14 Shared Use Terminal Equipment.

The City reserves the right to install Shared Use Terminal Equipment at all Common Use Gates and Preferential Use Premises; provided, however, that the City shall not install Shared Use Terminal Equipment at any of Airline's Preferential Use Gates or Preferential Use Ticket Counters unless the City reasonably expects Air Carriers other than Airline to have Scheduled Operations at Airline's Preferential Use Premises. The City shall maintain and operate Shared Use Terminal Equipment that the City installs under this Section 4.14 in accordance with and subject to Section 9.1.1; provided, however, that the City shall include costs and expenses related to such maintenance and operation in the Airport Fees and Charges otherwise payable by Airline if and only to the extent Airline and others for whom Airline is responsible (including an Affiliate of Airline) use the Shared Use Terminal Equipment.

Airline shall not make any modification whatsoever to the City's Shared Use Terminal Equipment. Any such modifications or damage that is willfully or negligently caused by Airline shall be remedied by Airline, to the reasonable satisfaction of the City, at Airline's sole cost and expense.

Article 5

ACCOMMODATION PROCEDURES FOR EXCLUSIVE USE PREMISES

5.1 Priorities for Accommodation.

5.1.1 If the City receives a request for access to space in the Terminal Building (other than Preferential Use Premises, which are subject to the provisions of Article 4 of this Agreement) from a Space Requesting Airline, the City shall, whenever possible, accommodate such a request by providing access to existing space under the City's control; provided, however, that if the Space Requesting Airline is a Signatory Airline, the Space Requesting Airline must show, to the City's satisfaction, that it cannot reasonably accommodate its own expanded service within its Premises.

5.1.2 If the City has determined that a Space Requesting Airline cannot be accommodated in space under City's control, the City shall notify the Signatory Airlines in writing and the Signatory Airlines shall have thirty (30) calendar days from the receipt of such notice by the Signatory Airlines to voluntarily agree to accommodate the Space Requesting Airline. Any such agreements to accommodate a Space Requesting Airline must be in writing and are subject to the City's approval under Article 16 hereof.

5.1.3 If a Space Requesting Airline is unable to meet its reasonable requirements, as determined by the City, by using space made available by the City, or by using space voluntarily made available by Signatory Airlines, the City 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 City.

5.1.4 If the City is unable to meet the reasonable requirements of the Space Requesting Airline, as determined by the City, after requiring the Signatory Airlines, including Airline, to accommodate the Space Requesting Airline in their Preferential Use Premises, the City shall consider whether the reasonable requirements of the Space Requesting Airline could be met in a reasonable, cost-effective way by constructing temporary or permanent new facilities, subject to Article 7.

Article 6

AFFILIATES

6.1 **Airline's Designation of Affiliates.** Subject to the provisions of this Article 6, the Airline may designate one or more Affiliates to operate at the Airport. In the event the Airline designates an Affiliate, the following provisions shall apply to the Airline and its Affiliates:

6.1.1 The Airline's designation of an Affiliate shall not be effective until Airline has first (a) notified the CEO in writing that the Airline intends to designate the Affiliate; (b) ensured that the Affiliate has entered into an Affiliate Operating Agreement with the City in substantially the same form as that attached as **Exhibit I**; and (c) confirmed for the CEO in writing that the Airline will pay to the City all of the Affiliate's Landing Fees, Terminal Building Charges, and other charges due to the City on account of the Affiliate's use of any Airport facilities or Airport Services as an Affiliate of the Airline, as provided in Section 6.1.2.

6.1.2 All Affiliates shall report and pay to the City all PFCs (if any) that they collect on account of enplaning passengers at the Airport. The Airline shall pay to the City all Landing Fees, Terminal Building Charges and other charges (including PFCs) due to the City on account of the Affiliate's use of any Airport facilities or Airport Services, and shall submit to the City all Monthly Activity Reports detailing each Affiliate's use of any Airport facilities or services as an Affiliate of the Airline in accordance with Section 10.8.2; provided, however, that both the Airline and the Affiliate shall remain jointly and severally liable to the City for the payment of all Landing Fees, Terminal Building Charges and other charges (including PFCs), and the submission of all Monthly Activity Reports, that are due to the City on account of the Affiliate's use of any Airport facilities or services as an Affiliate of the Airline.

6.2 **Applicability of Agreement to Affiliates.** For so long as Airline and its Affiliates have complied with the payment and reporting obligations under Article 10, 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 Building Charges 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, that the Affiliate's activity as an Affiliate of Airline shall be treated as activity of the Airline; and further provided that in calculating the

Joint Use Fee under Section 10.3.4, the Affiliate shall be treated as if it were the Airline and shall not be counted as a separate Air Carrier for purposes of proration.

6.2.3 Airline and each of its Affiliates shall be treated as a single Signatory Airline for purposes of determining a Majority-In-Interest and each Affiliate's landed weight shall be treated as landed weight of Airline for purposes of determining a Majority-in-Interest.

6.2.4 Each Affiliate's activity as an Affiliate of Airline shall be treated as activity of Airline for purposes of allocations and reallocations of Airline Premises and Preferential Use Gate Utilization Targets under Article 4.

6.2.5 Payments by Airline or any of its Affiliates on account of its activity as an Affiliate of Airline shall be treated as payments by Airline for purposes of sharing Net Remaining Terminal Complex Revenue under Section 10.7.

6.3 **Designation by More than One Signatory Airline.** More than one Signatory Airline may from time to time designate the same Passenger Carrier as its Affiliate, and each such Signatory Airline shall only be responsible for such Passenger Carrier's operations when such Passenger Carrier operates as such Signatory Airline's Affiliate.

6.4 **Termination of Status of Affiliate.** A Passenger Carrier's status as Affiliate of Airline may be terminated by Airline upon not less than thirty (30) days' written notice to the City. Airline's liability to the City for the payment of all Landing Fees, Terminal Building Charges and other charges (including PFCs), and the submission of Monthly Activity Reports, that are due to the City on account of the use of any Airport facilities or services by Airline's Affiliates shall survive any termination of Affiliate status; provided, however, that Airline shall only be responsible for such payments and reports as relate to the terminated Affiliate's operations before its proper termination by Airline took effect.

6.5 **Affiliate as Signatory Airline.** If a Passenger Carrier operating at the Airport as an Affiliate of Airline becomes a Signatory Airline, such Passenger Carrier must immediately terminate its status as an Affiliate of Airline in accordance with the Affiliate Operating Agreement executed by the Affiliate and the City.

Article 7

CAPITAL IMPROVEMENT PROJECTS

7.1 **Approved Projects.**

7.1.1 The City shall proceed with the Pre-Approved Projects without further review by the Majority-in-Interest.

7.1.2 Design and Construction of Approved Projects.

(a) Subject to Section 7.1.3, the City shall have the right, and to the extent Revenue Bond proceeds are available for such purpose, the obligation, to design and construct the Approved Projects. The City shall use commercially reasonable efforts to complete

Approved Projects in a manner that minimizes adverse impacts on Airline's use and occupancy of the Premises.

(b) Airline shall use commercially reasonable efforts, at no direct, out-of-pocket cost to Airline, to take such action as the City may reasonably request to enable the City to implement Approved Projects in a timely and cost-effective manner.

(c) The City and Airline agree that, subject to Section 7.1.3, any change of an Approved Project that is requested by Airline for the sole benefit of Airline after award of a construction contract shall require the CEO's written approval and, if so approved, the incremental costs of such change shall be implemented at the expense of Airline through a separate reimbursement agreement.

(d) Airline acknowledges and agrees that the City may elect, in its sole discretion, to deliver Capital Improvement Projects, in whole or in part, through a reimbursement agreement with any Air Carrier or group of Air Carriers, upon the request of the Air Carrier(s) seeking to perform that work. Any such reimbursement agreement will be negotiated between the City and the applicable Air Carrier(s) and shall address, at a minimum, the scope, budget, maximum total project costs, and schedule of the work proposed to be performed by the applicable Air Carrier(s), the terms of reimbursement for costs incurred by the applicable Air Carrier(s) on the work, and such other required terms and conditions of a tenant reimbursement agreement in a form suitable to the City in its sole discretion. In any such project, all construction and equipping of Capital Improvement Projects shall be done in a good and workmanlike manner in accordance with the agreed-upon contract, and that the City shall retain the power and authority to enforce all federal, state and local rules and regulations of all design, construction and equipment contracts that would otherwise apply to such Capital Improvement Projects had the City undertaken such Capital Improvement Projects itself. Airline may not commence such work without (i) the City's prior written approval of the plans and proposals relating thereto, which approval shall not be unreasonably withheld, conditioned, or delayed, and (ii) receipt of all necessary City, County, and other governmental approvals, licenses, and permits in connection therewith. Airline covenants and agrees that it shall keep the Premises and any interest therein and any improvements thereon free and clear of any and all liens in any way arising out of the construction, improvement or use thereof by Airline.

7.1.3 Changes in Design or Budget of Approved Projects.

(a) The City shall be required to obtain Majority-in-Interest approval in the event of (i) any material change in the scope of any Approved Project as described in the written proposal for such project or in **Exhibit E**; or (ii) any projected overrun in excess of ten percent (10%) of the budget for any Approved Project. In the event of a material change in the scope of an Approved Project, the City shall submit a written request for Majority-in-Interest approval to all Signatory Airlines that describes such change. In the event of a proposed budget overrun in excess of ten percent (10%), the City shall submit to all Signatory Airlines a written request for Majority-in-Interest approval that contains a proposal as described in Sections 7.3(a) through (f) (as applicable), which proposal and approval shall apply only to the proposed budget overrun. The approval or disapproval of such change shall be submitted to the CEO in writing within twenty (20) business days of the City's request for Majority-in-Interest approval. Failure

of an individual Signatory Airline to submit a written response to the City's request within such twenty (20) business days shall be considered that Signatory Airline's approval for purposes of determining Majority-in-Interest approval.

(b) If approval by a Majority-in-Interest is required, but not provided, for a material change to or budget overrun on an Approved Project under Section (a) or for an Additional Project described in Section 7.3, the City may proceed with such Project if one or more Air Carriers agree to pay the costs associated with such Project using their own funds.

7.2 Capital Improvement Projects Exempt from Majority-in-Interest Review.

7.2.1 A Capital Improvement Project that is not an Approved Project and meets any one of the criteria set forth below shall be exempt from Majority-in-Interest review ("Exempt Project"):

(a) the Capital Improvement Project is required by a federal or state agency of superior authority with jurisdiction over the Airport, or necessary to comply with any applicable law, rule, regulation, order or judgment of any Federal, state or local agency (excluding the City) or court, or any Federal grant agreement or airport certification requirement, or consists of work addressing discrepancies or safety or security risks identified by any federal or state agency of superior authority with jurisdiction over the Airport; or

(b) the Capital Improvement Project is of an emergency nature, which, if not made, would materially impair the current operation of the Airport; or

(c) the Capital Improvement Project is required to make available additional gates and related support space for the expansion of an Air Carrier or a new entrant; provided that:

(i) the City provides Signatory Airlines a ninety (90) day written notice of the City's intent and a description of the intended project;

(ii) such Air Carrier enters into a binding commitment to lease the space so made available for at least the remaining Term and on the same terms as provided for the lease of comparable space under this Agreement, including meeting the Preferential Use Gate Utilization Target; and

(iii) existing space or facilities are not otherwise available to accommodate the Air Carrier under Article 2, Article 3, Article 4 and Article 5 of this Agreement in a competitive, non-disruptive and otherwise satisfactory manner; or

(d) the Capital Improvement Project is to repair, replace or relocate Airport property damaged or destroyed by storm events, fire or other casualty, to protect Airport infrastructure from storm events, fire or other casualty, to improve the safe operations of the Airport, or to restore or replace Airport capacity so damaged or destroyed, provided that, where insurance may be available, the City also uses commercially reasonable efforts to obtain insurance proceeds and apply such proceeds, if any, to fund or offset the costs of the project; or

(e) the Capital Improvement Project is made to settle claims or lawsuits, satisfy judgments, or comply with judicial or administrative orders against the City arising from or relating to its design, construction, ownership, maintenance or use of the Airport; or

(f) the Capital Improvement Project will not affect the amount of Capital Expenses in the Airfield Revenue Requirement or in the Total Terminal Revenue Requirement described, respectively, in Sections 10.2.1 and 10.3.1; nor, if the Capital Improvement Project is implemented through a public-private partnership, will the Capital Improvement Project be paid through O&M Expenses or other fees paid to the private partner in lieu of paying Capital Expenses as the City would pay; or

(g) the total estimated budget for the Capital Improvement Project net of any PFCs or federal or state grants is at or below Eight Million Dollars (\$8,000,000) as escalated by the then current Turner Construction Cost Index; or

(h) the costs of the Capital Improvement Project are allocable to an Excluded Cost Center; or

(i) the Capital Improvement Project is to purchase, repair, install, maintain, improve or replace rolling stock used or to be used at the Airport.

7.2.2 As provided by 49 U.S.C. § 40117(f), no Capital Improvement Project shall be subject to Majority-in-Interest voting or approval to the extent such Project is financed by PFCs or PFC-backed bonds. However, any Capital Improvement Project that includes Airline Rate-Based Project Costs is subject to Majority-In-Interest review to the extent of those Airline Rate-Based Project Costs, unless otherwise exempt from Majority-In-Interest review.

7.2.3 The City shall notify all Signatory Airlines, including Airline, in writing of any proposed Exempt Project under this Section 7.2, together with a statement as to why it is an Exempt Project, and, if practicable, shall provide Airline with an opportunity to comment upon the proposed Exempt Project. The City shall use commercially reasonable efforts to complete Exempt Projects in a manner that minimizes adverse impacts on Airline's use and occupancy of the Premises. Airline acknowledges and agrees that the City may delegate responsibilities for the design, construction and equipping of Exempt Projects; provided, however, that all construction and equipping of Exempt Projects shall be done in a good and workmanlike manner, and that the City shall retain the power and authority to enforce all terms and provisions of all design, construction and equipment contracts. Airline shall use commercially reasonable efforts to take such action as the City may reasonably request to enable the City to implement Exempt Projects in a timely and cost-effective manner, at no direct, out-of-pocket cost to Airline.

7.3 Method of Obtaining Majority-in-Interest Approval for Additional Projects. The City shall be required to obtain Majority-in-Interest approval for any Capital Improvement Project that is not an Approved Project or an Exempt Project ("Additional Project") and shall submit a written proposal to all Signatory Airlines that includes a statement describing the scope of the Additional Project, including purpose and functionality, and an estimate of (a) the budget

for and a description of such Additional Project, (b) the Capital Expense and estimated O&M Expenses resulting therefrom, (c) the sources and uses of funds, (d) the construction schedule(s) for such Additional Project, (e) the proposed allocation of Capital Expense among and within the Cost Centers, and (f) the projected impact on Landing Fees and Terminal Building Charges calculated under Article 10. An Additional Project shall be deemed disapproved unless a Majority-in-Interest of Signatory Airlines approves such Additional Project within forty-five (45) days of the City's request for Majority-in-Interest approval. A Signatory Airline shall submit its approval or disapproval in writing to the CEO. Failure of an individual Signatory Airline to submit a written response to the City's proposal shall be considered an approval by said Signatory Airline for purposes of determining a Majority-in-Interest. The City shall notify the Signatory Airlines in writing of its intent to proceed with any Additional Project approved pursuant to this Section 7.3. The City shall use commercially reasonable efforts to complete Additional Projects in a manner that minimizes materially adverse impacts on Airline's use and occupancy of the Premises. Airline acknowledges and agrees that the City may delegate responsibilities for the design, construction and equipping of Additional Projects; provided, however, that all construction and equipping of Additional Projects shall be done in a good and workmanlike manner, and that the City shall retain the power and authority to enforce all terms and provisions of all design, construction and equipment contracts. Airline shall use commercially reasonable efforts to take such action as the City may reasonably request to enable the City to implement Additional Projects in a timely and cost-effective manner.

7.4 Progress Updates on Approved Projects.

The City shall provide the Signatory Airlines with an update, either via written summary or presentation, of the progress on Approved Projects undertaken by the City twice in each Fiscal Year. Such updates shall include the milestone dates for substantial completion and final project completion (i.e., close-out) and the status of funding commitments, expenditures, and status of projected total costs relative to approved project budgets.

Article 8

UTILITIES AND AIRPORT SERVICES, AND AIRPORT DIGITAL ASSETS

8.1 Utilities for the Premises. Consistent with the terms of Exhibit B and Exhibit H, Airline and the City agree as follows:

(a) Electricity. The City shall provide electricity to the Premises only by means of the wiring installation in existence at the commencement of the Term, or constructed as part of an Approved Project or an Exempt Project. Airline agrees that its use of electric current shall never exceed the capacity of the wiring installation in place.

(b) HVAC. The City shall provide utility systems to provide heat and air conditioning to the Premises in reasonable quantities by means of the utility installation in existence at the commencement of the Term, or constructed as part of an Approved Project or an Exempt Project. Airline agrees that its use of said utility systems for heat and air conditioning shall never exceed the capacity of the utility installation in place.

(c) Water. The City shall provide potable water to the Premises only by means of the plumbing installation in existence at the commencement of the Term, or constructed as part of an Approved Project or an Exempt Project.

(d) Telephone/Telecommunications. The City shall remain responsible for all telephone and telecommunications infrastructure, but shall have no obligation to provide telephone or telecommunication services to the Premises. During the Term, Airline shall coordinate with the City the installation, modification and removal of Airline's telephones, television, radios, and all other telecommunications equipment.

(e) Natural Gas. The City shall provide natural gas to the Premises only by means of the utility installation in existence at the commencement of the Term, or constructed as part of an Approved Project or an Exempt Project. Thereafter, Airline shall not install within the Premises any equipment that requires natural gas in its operation without the City's prior written approval. Airline agrees that its use of said utility system for natural gas shall never exceed the capacity of the utility system in place.

(f) Sewer and Drainage. The City shall provide sewer and drainage service to the Premises only by means of the sewer and drainage systems in existence at the commencement of the Term, or constructed as part of an Approved Project or an Exempt Project.

(g) Points of Service. The City 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 City agrees, in its sole discretion, to such change, the City shall complete such change, and the expense of making such change shall be at the Airline's sole cost and expense. Any additional utility services requested by Airline and not otherwise provided by the City shall be provided only with the City'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.

8.2 City's Reservations and Right to Relocate Lines.

(a) Unless otherwise specifically set forth in this Agreement, the City reserves and retains the right, with reasonable advance 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, and other fixtures or appurtenances, provided that City shall use commercially reasonable efforts to complete such activities in a manner that minimizes materially adverse impacts on Airline's use and occupancy of the Premises.

(b) If any pipeline, utility line or appurtenance installed by Airline is so located that it shall be necessary, as determined by the City in its sole discretion, to change, alter, relocate or reconstruct it to allow the City, or an independent party through an arrangement with the City, 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 City, or, at Airline's election, shall be made by the City, in each case at the City's sole cost and expense. If Airline

elects to have the City perform the change, alteration, relocation or reconstruction requested by the City, the City shall be responsible for all claims and costs for bodily injury or property damage caused by the City'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.

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

8.4 Closed Circuit Television/Security Monitoring. The City shall remain responsible for all closed-circuit television ("CCTV") and security monitoring systems installed at the Airport. Airline shall not install any such systems within the Premises, except CCTV systems in Exclusive Use Premises, subject to the City's prior approval, which approval shall not be unreasonably withheld. The City shall also have no obligation to share security or closed-circuit footage with Airline, or any third party, except where required by Applicable Laws. Where Airline installs a CCTV system in Exclusive Use Premises, such system shall be subject to the following:

8.4.1 Airline shall ensure all personnel with access to the Airline's CCTV system shall be properly trained on and aware of the obligations set forth in this Section 8.4 and applicable Airport Rules and Regulations.

8.4.2 Airline CCTV cameras should be mounted or housed in or on objects that are clearly marked as being surveillance cameras and supporting equipment. Items that could be mistaken as unattended luggage or other suspicious items may be confiscated by City security personnel or law enforcement.

8.4.3 In the event of a security incident, emergency incident, law enforcement investigation, or other official airport investigation in response to allegation of personal injury or property damage, Airline agrees to allow City to review and be entitled to a copy of any CCTV system footage upon written request and Airline will provide the access and copy without delay and as soon as reasonably possible.

8.4.4 CCTV system footage related to a security incident, law enforcement investigation or otherwise qualifying as sensitive security information ("SSI") under 49 CFR 1520 shall not be released to any third party without review and approval by the City in consultation with the TSA.

8.4.5 Airline shall not remove City approved CCTV systems without prior notice to the City of its intent to remove such equipment.

8.5 **Airport Services.** The City shall provide to Airline the Airport Services described in **Exhibit H.**

8.6 **No Constructive Eviction.** The City shall make diligent efforts to supply Airline with utilities and the Airport Services in accordance with this Article 8; provided, however, that if the City makes such diligent efforts, but fails to provide any of said utilities or Airport Services, said failure shall not constitute a constructive eviction. Further, the City shall not be liable to Airline for, and subject to Section 14.1, Airline expressly releases and discharges the City from, any and all claims, demands and causes of action that the Airline may now or hereafter have against the City, and any reduction in Terminal Building Charges, arising or alleged to have arisen out of any interruption of utility services (i) to the extent any utility shall become unavailable from any public utility company, public authority, or any other independent person or entity supplying or distributing such utility, or (ii) for any interruption in any service hereunder (including, without limitation, any heating, ventilation or air-conditioning) caused by the making of any necessary repairs or improvements, or (iii) which results from any cause beyond the City's reasonable control. In no event shall the City be liable to the Airline for indirect or consequential damages under this Section 8.6.

8.7 **Costs of Utilities and Airport Services.** The costs of utilities and Airport Services shall be allocated to Airline and the City as described in **Exhibit H.**

8.8 **Commercialization of Airport Digital Assets.**

8.8.1 The City will have the sole and exclusive right to control, manage and exploit for commercial and non-commercial purposes all Airport Proprietary Content. Airline acknowledges and agrees that, to the extent it wishes to exploit or use Airport Proprietary Content for any purpose (including, without limitation, providing any Airport Proprietary Content to its customers through digital means such as mobile applications, virtual reality, augmented reality, or other non-physical means or methods), it will disclose the intended use and context for such use and seek prior written consent of the City, as appropriate, which may be granted or withheld in the sole and absolute discretion of the City, and for which compensation may be required as a condition of such use.

8.8.2 Airport Proprietary Content shall not fail to be proprietary as it relates to the City due to the City's status as a governmental entity or that it may be required to be produced or disclosed under Applicable Laws. For illustration purposes only, Airport Proprietary Content includes, without limitation, the following content and assets: (i) the CLT logo; (ii) interior plans, drawings, photos or videos of the Airport premises generated by the City or its contractors (including artificial generation); (iii) cltairport.com and all associated web addresses; (iv) Airport marketing and promotional programs and materials; (v) informational surveys of customers and tenants; (vi) software and other technology programs generated by the City or its contractors; (vii) nonpublic information, written, electronic, or oral, relating to Airport infrastructure, technology, computer, or data systems, processes, or procedures, including Sensitive Security Information as defined under 49 CFR Part 1520 (SSI) generated by the City or its contractors. The City reserves the right from time to time to designate additional specific assets or types of assets generated, owned, controlled or exclusively possessed by the City (virtual or real world, including data) as it relates to its ownership of the Airport and consistent

with the illustrative examples listed above as Airport Proprietary Content by written notice of the same to Airline.

Article 9

MAINTENANCE AND REPAIR OF AIRPORT AND PREMISES

9.1 City's Maintenance and Repair of Airport and Terminal Complex.

9.1.1 Except as otherwise provided in this Agreement, the City shall: (a) with reasonable diligence, maintain, repair and operate the Airport and all appurtenances, facilities, improvements, systems, equipment (including without limitation the City-Owned Equipment), and Airport Services now or hereafter connected therewith in a manner consistent with the standards established by the FAA and any other governmental agency having jurisdiction of the Airport; (b) complete the repair, operation and maintenance responsibilities set forth in **Exhibit B** with reasonable diligence and prudence; and (c) keep the Airport in an orderly, sanitary and presentable condition. Except where, and to the extent, caused by the gross negligence or intentional wrongdoing of the City, its agents, employees, contractors, officers, directors or predecessors in interest, the City shall not be liable to Airline for failure to furnish all or any services to be provided by the City hereunder, whether due to mechanical breakdown or any other causes beyond the City's reasonable control, and Airline expressly waives all claims against the City for damages arising or resulting from any such failure.

9.1.2 The City acknowledges that its operation, repair and maintenance responsibilities under this Section 9.1, as further described in **Exhibit B**, shall include snow plowing of Airfield Pavement, landscaping, sidewalk and street sweeping, and Airfield Pavement de-icing at the Airport.

9.2 **Airline's Maintenance and Repair of the Premises.** Airline shall maintain and repair, at its expense, the Premises in accordance with its obligations set forth in **Exhibit B**, provided that the Airline shall be responsible for maintenance and repair of those portions of the Exclusive Use Premises and Preferential Use Premises that are not accessible to the public, and that the City shall be responsible for maintenance and repair of those portions of the Exclusive Use Premises and Preferential Use Premises that are accessible to the public and not specifically leased by an Air Carrier or other entity such as club spaces, baggage service officers, and areas leased by other governmental entities. Airline shall keep its Exclusive Use Premises and Preferential Use Premises, including without limitation the Airline's fixtures and equipment therein, in a clean, neat, safe, and sanitary condition, and in good order, at all times, except for damages or loss due to reasonable wear and tear, fire or other casualty or other cause beyond Airline's control. Airline shall not store nor allow accumulation of trash or debris on any portion of the Premises, nor use the City's trash containers without the City's prior written approval.

9.3 **Inspections by City.** The City may cause the Premises and Airline's operations at the Airport to be inspected to confirm that the Premises and Airline's operations comply with the requirements of this Agreement. The City shall provide, when practicable, reasonable advance notice to Airline of such an inspection, except in the case of an emergency, in which case no advance notice to Airline shall be required. The City shall use reasonable efforts not to

interfere with Airline's operations during any such inspection, and Airline shall cooperate with such inspection. If such inspection shows that Airline is not complying with the requirements of this Agreement, without limiting the City's rights and remedies under this Agreement, the City reserves the right to complete these responsibilities for Airline at Airline's expense, and may require that Airline reimburse the City for the reasonable costs of such inspection in addition to the City's costs to complete said responsibilities for Airline. Airline shall promptly remedy any noncompliance shown in any such inspection.

9.4 Airline Improvements.

9.4.1 General. Airline shall make no alterations or improvements upon, and shall install no fixtures within, its Premises without first obtaining the prior written consent of the City. Airline shall comply with the requirements of the City, 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 City 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 or fixtures (other than trade fixtures) shall be installed by Airline, they shall at once become part of the realty and the property of the City. Moveable furniture, equipment and all trade fixtures shall be and remain the property of Airline, and Airline, at its expense, upon the expiration or earlier termination of this Agreement, shall promptly remove any such furniture, equipment and trade fixtures and, at the City's request, shall restore the Premises to its condition prior to the installation of any such property. Trade fixtures not removed from the Premises upon expiration or earlier termination of this Agreement shall become property of the City, subject to the rights of secured parties.

9.5 Damage or Destruction of Premises.

9.5.1 Damage or Destruction. If any portion of the Terminal Building in which Airline occupies Premises under this Agreement is damaged by fire, earthquake or other casualty, but is not rendered unfit for Airline's use, the City shall repair the damage. If the damage renders the Premises unfit for Airline's use, and if the damage is repairable using reasonable diligence within six (6) months from the date of the occurrence, the City shall repair the Premises. If any portion of the Terminal Building 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 six (6) months from the date of the occurrence, either party shall have the option to terminate this Agreement as to the portion of the Premises so damaged or destroyed. Within thirty (30) days of such occurrence, (a) Airline shall provide written notice to the City that Airline intends to terminate the Agreement, or (b) the City shall provide written notice to Airline that the City intends to terminate the Agreement or repair or reconstruct the Premises. If Airline has not terminated this Agreement pursuant to this Section 9.5.1 and the City elects to repair or reconstruct the Premises, the City shall begin any work necessary to do so, and shall use reasonable efforts to provide the Airline with temporary substitute space while the repairs are being completed. If either Airline or the City elects to terminate this Agreement, such termination shall be effective as to the Premises sixty (60) days after the occurrence of the damage; provided, however, that before electing to terminate and

upon the Airline's written request if Airline has not itself terminated this Agreement, the City shall use reasonable efforts to provide Airline with substitute space for the remaining Term.

9.5.2 Abatement of Fees and Charges. 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 either Airline or the City shall terminate this Agreement), the Airport Fees and Charges allocable to the particular Premises 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 Airport Fees and Charges shall be abated entirely, and upon termination of the Agreement as to such damaged or destroyed Premises, the Airline shall have no further obligation to pay the Airport Fees and Charges; provided, however, that the City may charge a reasonable rental for any substitute space it furnishes to Airline pursuant to Section 9.5.1.

Article 10

CALCULATION OF AIRPORT FEES AND CHARGES

10.1 **Rate-Setting Methods.** Except as provided in Section 10.9, the Landing Fees and Terminal Building Charges to be charged by the City and paid by the Airline and all other Air Carriers for 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 10. **Exhibit G** displays for illustrative purposes only a sample year(s) calculation of Landing Fees, Terminal Building Charges and the other fees and charges showing the methods set forth in this Article 10 based on sample budget and forecast levels of Airport activity for the year. The City shall not include any costs funded from PFCs or federal or state grants received by the City in the calculation of Landing Fees and Terminal Building Charges. Except as otherwise provided in this Agreement or in any other contract between Airline and the City, no other fees or charges shall be imposed by the City on Airline in connection with its use of the Airport for the Permitted Uses.

10.2 **Landing Fee.** Airline shall pay Landing Fees for its use of the Airfield based on its Maximum Gross Landed Weight at the Airport during the Fiscal Year. The Landing Fee effective July 1 of each Fiscal Year shall be determined according to the rate-setting method set forth in this Section.

10.2.1 Airfield Revenue Requirement. The City shall calculate the Airfield Revenue Requirement by computing the sum of the following budgetary items for each Fiscal Year:

(a) The O&M Expenses and Capital Equipment Depreciation allocable to the Airfield Cost Center; *plus*

(b) The proportionate share of the change in the O&M Reserve allocable to the Airfield Cost Center (*i.e.*, the amount of the change in the O&M Reserve relative to the prior Fiscal Year multiplied by a fraction, the numerator of which is the O&M Expenses allocable to the Airfield Cost Center and the denominator of which is total O&M Expenses); *plus*

- (c) The Revenue Bond Debt Service allocable to the Airfield Cost Center; *plus*
- (d) Amortization of City Investment allocable to Airfield Capital Improvement Projects; *plus*
- (e) The Airport Services Facilities Costs allocable to the Airfield Cost Center; *minus*
- (f) Ancillary Airfield Revenues.

10.2.2 Forecast Maximum Gross Landed Weight. The City shall determine, based upon whatever estimates are provided by Air Carriers and other available information, the aggregate Forecast Maximum Gross Landed Weight for all aircraft greater than 12,500 pounds carrying passengers or cargo in commercial service that are expected to land at the Airport during the next Fiscal Year.

10.2.3 Calculation of Landing Fee. The City shall calculate the Landing Fee by dividing the Airfield Revenue Requirement by the Forecast Maximum Gross Landed Weight. The Landing Fee shall be expressed in dollars and cents per one thousand pounds in Maximum Gross Landed Weight.

10.3 **Terminal Building Charges.** Airline shall pay Terminal Building Charges for its use of the Terminal Building. The Terminal Building Charges effective July 1 of each Fiscal Year shall be determined according to the rate-setting method set forth in this Section.

10.3.1 Airline Terminal Revenue Requirement. The City shall calculate the Airline Terminal Revenue Requirement by:

First, calculating the Total Terminal Revenue Requirement by computing the sum of the following budgetary items for each Fiscal Year:

- (a) The O&M Expenses and Capital Equipment Depreciation allocable to the Terminal Building Sub-Cost Center, excluding costs billed directly to and paid by Air Carriers; *plus*
- (b) The proportionate share of the change in the O&M Reserve allocable to the Terminal Building Sub-Cost Center (*i.e.*, the amount of the change in the O&M Reserve relative to the prior Fiscal Year multiplied by a fraction, the numerator of which is the O&M Expenses allocable to the Terminal Building Sub-Cost Center and the denominator of which is total O&M Expenses); *plus*
- (c) The Revenue Bond Debt Service allocable to the Terminal Building Sub-Cost Center; *plus*
- (d) Amortization of City Investment allocable to Terminal Building Capital Improvement Projects; *plus*

(e) The Airport Services Facilities Costs allocable to the Terminal Building Sub-Cost Center; *minus*

(f) The FIS Facility Requirement (to be recovered through the FIS Facility Fee); *minus*

(g) The Early Bag Storage System Requirement (to be recovered through the Early Bag Storage System Fee); *minus*

(h) The costs of the Shared Use Terminal Equipment (to be recovered through the Common Use Gate and PLB Fee); *minus*

(i) Rentals of Unenclosed Space.

Second, calculating the Gross Terminal Rental Rate by dividing the Total Terminal Revenue Requirement by total Rentable Terminal Space.

Third, calculating the Airline Terminal Revenue Requirement by multiplying the Gross Terminal Rental Rate by total Airline Leased Terminal Space, and then subtracting the Inline Baggage Handling System Requirement, and the Passenger Loading Bridge Requirement.

10.3.2 Calculation of Terminal Rental Rate. The City shall calculate the Terminal Rental Rate by dividing the Airline Terminal Revenue Requirement by the total Airline Leased Terminal Space at the Airport. The Terminal Rental Rate shall be expressed in dollars and cents per square foot.

10.3.3 Terminal Rental Rate. The Terminal Rental Rate shall apply to the Exclusive Use Premises (if any), the Preferential Use Premises (if any), the Common Use Premises (if any) and the Joint Use Premises (if any) assigned to Airline in the Premises Notice in accordance with this Section 10.3. The rental rate for Unenclosed Space shall be \$25 per square foot. Airline shall pay rent for the Unenclosed Space (if any) assigned to Airline in the Premises Notice at such rate.

10.3.4 Joint Use Fee. Airline shall pay a Joint Use Fee for its use of the Joint Use Premises (if any) assigned to Airline in the Premises Notice. The Joint Use Fee shall be calculated as follows:

(a) The City shall calculate the Joint Use Requirement by multiplying the Terminal Rental Rate by the total square footage of the Joint Use Premises, less the TSA Credits and other applicable credits (if any).

(b) The City shall calculate the Joint Use Fee by applying the Joint Use Formula to the Joint Use Requirement for the Fiscal Year.

(c) Low Volume Air Carriers shall pay for use of Joint Use Premises (if any) solely on the basis of each such Air Carrier's Enplanements and at the same rate per enplaned passenger as the City uses to recover eighty percent (80%) of the Joint Use

Requirement under the Joint Use Formula; provided, however, that any Low Volume Air Carrier which is assigned and accepts a Preferential Use Gate shall pay the Joint Use Fee.

10.3.5 Early Bag Storage System Fee. Airline shall pay fees for Early Bag Storage as follows:

(a) Each Fiscal Year, the Early Bag Storage System Requirement shall be derived by (i) multiplying the square footage of the Early Bag Storage System areas by the rate for Unenclosed Space, *and* (ii) adding to the amount derived thereby the O&M Expenses, Amortization of City Investment, and Technology and Equipment Costs that are directly allocable to the Early Bag Storage System.

(b) If Airline is the only Passenger Carrier at the Airport utilizing the Early Bag Storage System, Airline shall pay a monthly Early Bag Storage System fee equal to 1/12th of the Early Bag Storage System Requirement.

(c) If more than one Passenger Carrier is utilizing the Early Bag Storage System, Airline shall pay Early Bag Storage System fees based on Airline's pro-rata share of bags processed through the Early Bag Storage System.

10.3.6 Common Use Gate and PLB Fee. Airline shall pay a Common Use Gate and PLB Fee for its use of Common Use Gates, Shared Use Terminal Equipment and PLBs based on the number of Seats Delivered to Common Use Gates by the Airline during the Fiscal Year. The Common Use Gate and PLB Fee shall be calculated as follows:

(a) The City shall calculate the Common Use Gate and PLB Requirement by computing the sum of (i) the product of the Terminal Rental Rate times the total square footage of all Common Use Gates, plus (ii) the sum of the O&M Expenses and Amortization of City Investment allocable to the Shared Use Terminal Equipment, plus (iii) the product of the total number of Passenger Loading Bridges at all Common Use Gates times the Passenger Loading Bridge Fee described in Section 10.3.9(b).

(b) To calculate the Common Use Gate and PLB Fee, the City shall divide the Common Use Gate and PLB Requirement by the forecast number of Seats Delivered to Common Use Gates during the Fiscal Year.

10.3.7 Common Use Ticket Counter Fee. The Airline shall pay a Common Use Ticket Counter Fee for its use of Common Use Ticket Counters based on the Airline's hourly usage thereof during the Fiscal Year. The Common Use Ticket Counter Fee shall be calculated as follows:

(a) The City shall calculate the Common Use Ticket Counter Requirement by computing the sum of (i) the product of the Terminal Rental Rate times the total square footage of the Common Use Ticket Counters, plus (ii) the O&M Expenses and Amortization of City Investment allocable to the Shared Use Terminal Equipment at the Common Use Ticket Counters.

(b) To calculate the Common Use Ticket Counter Fee, the City shall divide the Common Use Ticket Counter Requirement by the Common Use Ticket Counter Annual Hours Used during the Fiscal Year.

10.3.8 FIS Facility Fee. The Airline shall pay a FIS Facility Fee for its use of the FIS Facility based on the number of the Airline's International Arriving Passengers utilizing the FIS Facility during the Fiscal Year. The FIS Facility Fee shall be calculated as follows:

(a) The City shall calculate the FIS Facility Requirement by
(i) multiplying the Terminal Rental Rate by the total square footage of the FIS Facility; *and*
(ii) adding to the amount derived thereby the O&M Expenses and Technology and Equipment Costs that are directly allocable to the FIS Facility.

(b) To calculate the FIS Facility Fee, the City shall divide the FIS Facility Requirement by the total number of the International Arriving Passengers utilizing the FIS Facility at the Airport during the Fiscal Year.

10.3.9 Passenger Loading Bridge Fee. The Airline shall pay a Passenger Loading Bridge Fee for its use of the City-Owned Passenger Loading Bridges at Preferential Use Gates on a per PLB basis. The Passenger Loading Bridge Fee shall be calculated as follows:

(a) The City shall calculate the Passenger Loading Bridge Requirement by computing the sum of (i) the O&M Expenses allocable to the City-Owned Passenger Loading Bridges plus (ii) the Capital Expenses allocable to the City-Owned Passenger Loading Bridges.

(b) To calculate the Passenger Loading Bridge Fee, the City shall divide the Passenger Loading Bridge Requirement by the number of City-Owned Passenger Loading Bridges.

10.3.10 Inline Baggage Handling System Fee. The Airline shall pay an Inline Baggage Handling System Fee for its use of the Inline Baggage Handling System on a per bag basis.

(a) The City shall calculate the Inline Baggage Handling System Requirement by computing the sum of the O&M Expenses, the Amortization of City Investment, and Technology and Equipment Costs that are directly allocable to the Inline Baggage Handling System.

(b) To calculate the Inline Baggage Handling System Fee the City shall divide the Inline Baggage Handling System Requirement by the forecast number of Total Bags handled during the Fiscal Year.

10.4 **Debt Service Coverage Charge.**

10.4.1 If, (i) for any Fiscal Year, forecasted Debt Service Coverage is less than the Guaranteed Coverage Level; or (ii) at any point during a Fiscal Year, the City's Debt Service Coverage is less than the Guaranteed Coverage Level, the City shall impose on the Signatory

Airlines a Debt Service Coverage Charge in the aggregate amount necessary to cause Debt Service Coverage to equal the Guaranteed Coverage Level for such Fiscal Year or the remainder of the Fiscal Year.

10.4.2 The Debt Service Coverage Charge is to be imposed within the Fiscal Year to which it relates, and shall not be imposed any earlier than February 1 of the Fiscal Year.

10.4.3 Each Signatory Airline's pro-rata share of the aggregate Debt Service Coverage Charge shall be determined by dividing the total amount of such Signatory Airline's payments made pursuant to Sections 10.2 and 10.3 by the total amount of all such payments made by all Signatory Airlines pursuant to Sections 10.2 and 10.3 during the immediately preceding Fiscal Year. Airline shall pay its portion of the Debt Service Coverage Charge in equal monthly installments beginning in the first month following the City's imposition of the Debt Service Coverage Charge.

10.4.4 Upon the occurrence of a Catastrophe Year, then upon thirty (30) days' written notice from a Majority-in-Interest of the Signatory Airlines, the City shall, for the remainder of such Catastrophe Year and the following Fiscal Year (the "Catastrophe Period"), reduce the amount of the Debt Service Coverage Charge to maintain a Debt Service Coverage of 1.25.

10.4.5 Upon the conclusion of the Catastrophe Period, and if so required under Section 10.4.1, the amount of the Debt Service Coverage Charge shall be reset to maintain a Debt Service Coverage of 1.50.

10.4.6 In no event shall a Catastrophe Period continue for more than two full consecutive Fiscal Years. A new Catastrophe Period may only begin in a Fiscal Year (i) in which the Debt Service Coverage Charge was in effect; and (ii) that is not immediately preceded by a Fiscal Year that is part of a Catastrophe Period.

10.4.7 Any Debt Service Coverage Charge paid under this Section 10.4 shall constitute Operating Revenues for the Fiscal Year in which it is received and shall be included in Net Airport Revenues for purposes of calculating Debt Service Coverage for that Fiscal Year.

10.4.8 The City shall record and report all Debt Service Coverage Charges received, which are deposited to the Airport Operating Fund established under the Revenue Bond Order. In no event shall the reconciled Debt Service Coverage for such Fiscal Year exceed 1.50 in a year that the Debt Service Coverage Charge is collected. Any excess Debt Service Coverage Charges above 1.50 shall be returned to the Signatory Airlines through the Annual Settlement process described in Section 10.6. For Debt Service Coverage Charge amounts that are collected and not returned through the Annual Settlement process in accordance with Section 10.6 of this Agreement, the City shall utilize Debt Service Coverage Charges subject to the same flow of funds in the Revenue Bond Order, but shall as promptly as practicable beginning in the following Fiscal Year, and to the extent permitted under the Revenue Bond Order, utilize the Debt Service Coverage Charges to offset the cost of cash-funded capital projects in Included Cost Centers that would otherwise be subject to Amortization of City Investment in order to reduce such Amortization. No cash-funded capital project in an Included Cost Center is to be amortized or

otherwise recovered from Signatory Airlines until Debt Service Coverage Charges have been applied in full as such an offset, and any City Investment so offset is to be excluded from Amortization of City Investment to the extent of the offset.

10.5 Mid-year Adjustments. If, at any time during any Fiscal Year, the City's forecast (based on its most recently available information as to the amounts actually incurred or realized during such Fiscal Year for each of the items listed in Section 10.2 and Section 10.3, and as to Landing Fees and Terminal Building Charges actually received by the City) indicates that Airline's payment of Terminal Building Charges and Landing Fees at then-existing rates would result in an underpayment or overpayment of at least ten percent (10%) of the amount required hereunder to be generated by the City through Terminal Building Charges and Landing Fees during such Fiscal Year, the City may adjust the remaining monthly Terminal Building Charges and Landing Fee for such Fiscal Year to conform to its current forecast. In addition, during such Mid-year adjustment the City shall review whether a Debt Service Coverage Charge shall be required pursuant to Section 10.4.1, provided that pursuant to said Section 10.4.1 no such Debt Service Coverage Charge may be charged until February 1 of any Fiscal Year.

10.6 Annual Settlements.

10.6.1 Upon completion, but in no event later than one hundred eighty (180) days after the close of each Fiscal Year, the City shall provide to Airline its Final Audit, which shall be a copy of its annual audit report, prepared in accordance with generally accepted accounting principles and certified by an Independent Accountant, covering the Airport's operations for such preceding Fiscal Year. Such Final Audit shall contain information sufficient to allow the City to compare its projections of Landing Fees, Terminal Building Charges, and Debt Service Coverage Charges to actual experience. If Terminal Building Charges, Landing Fees, or Debt Service Coverage Charges actually paid by Airline were greater than the corresponding amounts chargeable to Airline, the City shall apply the amount of such overpayment to the account of Airline within thirty (30) days of Airline's receipt of the Final Audit. If Terminal Building Charges, Landing Fees, or Debt Service Coverage Charges paid by Airline were less than the corresponding amounts chargeable to Airline, the City shall apply the amount of such deficiency to the account of Airline within thirty (30) days of Airline's receipt of the Final Audit.

10.6.2 For the final year of the Term the City shall within one hundred eighty (180) days of the end of the Fiscal Year make a final settlement in accordance with Section 10.6.1, and any resulting credit shall be issued to Airline, and any resulting charge will be invoiced to Airline, notwithstanding the termination of the Agreement on June 30 of that year.

10.7 Sharing of Net Remaining Terminal Complex Revenue.

10.7.1 Applicability. This Section 10.7 shall apply only to Air Carriers that were Signatory Airlines during the immediately preceding Fiscal Year.

10.7.2 Airline Percentage. Commencing on the Effective Date, at such time and in such manner as provided in this Section 10.7, the City agrees to pay to each Signatory Airline the Airline Percentage for the prior Fiscal Year from the Airport Discretionary Fund (as

defined in the Revenue Bond Order) as further shown for the purpose of illustration in **Exhibit G-10B**.

10.7.3 Determination of Pro-Rata Share. Each Signatory Airline's pro-rata share of the Airline Percentage shall be determined by dividing the total amount of such Signatory Airline's enplanements by the total amount of all enplanements by all Signatory Airlines during the immediately preceding Fiscal Year.

10.7.4 Payment of Airline Percentage.

(a) Estimated Monthly Payments. Beginning on July 31 following the end of the Fiscal Year from which the Airline Percentage is earned (the Fiscal Year in which such July 31 occurs, the "Distribution Year"), and on the last day of each month thereafter during such Distribution Year, the City shall pay Airline eighty percent (80%) of one-twelfth (1/12th) of Airline's estimated pro-rata share of the Airline Percentage for the Fiscal Year from which it is earned (i.e. the Fiscal Year immediately prior to the Distribution Year), based on the City's budget for such Distribution Year, until payments commence under Section 10.7.4(b).

(b) True-Up and Remaining Distribution. Upon completion of the Final Audit for the Fiscal Year from which the Airline Percentage is earned, the City shall determine Airline's actual pro-rata share of the Airline Percentage for such Fiscal Year in accordance with Section 10.7.3. Within thirty (30) days of the completion of said Final Audit, the City shall pay Airline a true-up payment equal to the positive difference, if any, between (x) one hundred percent (100%) of Airline's actual pro-rata share of the Airline Percentage that would have been paid with respect to the partial Distribution Year to date based on such Final Audit and (y) the aggregate amount paid to date in such Distribution Year to Airline pursuant to Section 10.7.4(a). The City shall then recalculate the amount remaining to be paid to Airline by subtracting the aggregate amount paid to Airline to date from Airline's actual pro-rata share of the Airline Percentage for said Fiscal Year. Beginning with the first monthly distribution following completion of the Final Audit, and on the last day of each month thereafter for the remainder of the Distribution Year, the City shall pay Airline the resulting remaining amount, if any, in equal monthly installments.

10.7.5 Right of Set-Off. The City shall, in addition to all other rights under this Agreement, have the right to set off against any such pro-rata amount of the Airline Percentage due to Airline the amounts, if any, then due and owing by Airline to the City under this Agreement or otherwise owing by Airline to the City.

10.7.6 No Airline Percentage to be Paid at End of Term. No Airline Percentage shall be earned under this Agreement for Fiscal Year 2037 (or Fiscal Year 2042 if the Term is extended). For the avoidance of doubt, the Airline Percentage earned for Fiscal Year 2036 (or 2041 if the Term is extended) shall be distributed in Fiscal Year 2037 (or 2042 if the Term is extended) in accordance with this Section 10.7, and no amount shall be distributed under this Agreement following the conclusion of the Term. All distributions under this Section 10.7 shall be paid from the Airport Discretionary Fund. An illustration of the resulting timing is included in **Exhibit G-10B**.

10.8 Activity Reports.

10.8.1 Flight Information Management System. Airline shall provide to the City information for the City's Flight Information Management System 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's flight information shall be in a format prescribed by the City and consistent with the requirements of the City's FIDS, Baggage Information Display Systems ("BIDS") and Resource Management Systems ("RMS"), and shall include, at least, the following information about the Airline's operations and activities at the Airport. For each *arriving* flight: (a) flight number and Airport 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 Airport 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.

10.8.2 Airline Reporting. Airline shall provide to the City, on or before the 10th day of each and every month, the Monthly Activity Report. Each Monthly Activity Report shall be in a format prescribed by the City, and shall include at least the following information: (a) the aircraft make, model and series, MGLW, seating capacity and configuration of every aircraft type operated by Airline at the Airport during the preceding month listing arriving and departing aircraft separately; (b) the total MGLW of all passenger aircraft and, separately, all cargo aircraft landing at the Airport; (c) the total number of domestic and international enplaned and deplaned passengers served by Airline at the Airport, including the breakdown of FIS Facility and non-FIS Facility deplaned passengers, revenue and non-revenue passengers and enplaned passengers reported by Concourse; (d) the total amount (in pounds or kilograms) of domestic and international cargo and mail enplaned and deplaned by Airline at the Airport; (e) the total number of revenue and non-revenue aircraft operations; (f) total Airline use of Common Use Gates by date and time, including Gate, aircraft type and registration (tail) number; (g) total number of hours that Airline used each Common Use Ticket Counter; (h) total number of Airline's Turns, and (i) total number of Airline's Total Bags.

10.8.3 Failure to Report. If Airline fails to provide to the City any Monthly Activity Report in a timely manner, Airline's Landing Fees, Terminal Building Charges 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 the Airline's maximum activity during any of the previous twelve (12) months for which Airline submitted a Monthly Activity Report to the City. Any necessary adjustments in the Airline's charges shall be calculated after Airline delivers to the City an accurate Monthly Activity Report for the month in question. Resulting credits or debits shall be applied to the appropriate invoices in the next billing period.

10.9 Extraordinary Coverage Protection. In addition to the Landing Fees, Terminal Building Charges, and Debt Service Coverage Charges otherwise established by this Article 10, Airline shall be required to make extraordinary coverage protection payments in any Fiscal Year in which the amount of Operating Revenues less O&M Expenses is forecasted to be less than one hundred twenty-five percent (125%) of the Revenue Bond Debt Service or is otherwise insufficient to make any deposit required by the Revenue Bond Order. Any amounts that must be collected for such extraordinary coverage protection payments shall be allocated in a fair and not unjustly discriminatory manner to the Airfield Revenue Requirement or the Airline Terminal Revenue Requirement or both in the reasonable discretion of the CEO. Should extraordinary coverage protection payments be made in any given Fiscal Year, the City shall subsequently refund to Airline such payments made by Airline as soon as uncommitted funds become available in the Airport Discretionary Fund (as defined in the Revenue Bond Order).

Article 11

PAYMENTS

11.1 Payment of Landing Fees; Terminal Building Charges; Debt Service Coverage Charges.

Beginning on the Effective Date, Airline shall pay to the City, on a monthly basis, Landing Fees, Terminal Building Charges, and Debt Service Coverage Charges (if any) calculated and invoiced by the City in accordance with Article 10 as follows:

11.1.1 Not later than the first (1st) day of each month of each Fiscal Year, Airline shall remit to the City the amount of Airline's Terminal Building Charges, other than the Inline Baggage Handling System Fees, based on the Terminal Rental Rate then in effect.

11.1.2 Not later than the tenth (10th) day of each month of each Fiscal Year, Airline shall remit to the City the amount of Airline's Landing Fees, together with Airline's Monthly Activity Report described in Section 10.8.2 on which Airline's payment under this Section 11.1.2 is based; provided, however, that the City reserves the right to use in the future an automated tracking system instead of Airline's Monthly Activity Report to determine the amount of Landing Fees due from Airline; and further provided, that if the City elects to use such an automated tracking system, the City shall consult with the AAAC and implement a reasonable method of reconciling the reports generated by the automated tracking system with Monthly Activity Reports submitted by each Air Carrier and resolving any discrepancies.

11.1.3 Within thirty (30) days of the date of the City's invoice setting forth the Airline's total Inline Baggage Handling System Fees and Debt Service Coverage Charges for the preceding month, Airline shall remit to the City the amount so charged.

11.1.4 All amounts payable by Airline hereunder shall be paid to the City at the City's Post Office and Payment Address, or at such other place as the CEO may from time to time designate in writing. The City shall give Airline written notice of any late payments, and any amount that is not paid within fifteen (15) days of Airline's receipt of such notice shall bear interest at a rate of one and one-half percent (1.5%) per month.

11.1.5 (a) Airline's payment to the City, and the City's acceptance from Airline, of any payment amount hereunder shall not preclude either Airline or the City from questioning, within six (6) months from the date of Airline's receipt of the Final Audit, the accuracy of any statement on the basis of which such payment was made, or preclude the City from making, within such period, any claim against Airline for any additional amount payable by Airline under this Agreement, or preclude Airline from making, within such period, any claim against the City for any credit for any excess amount paid by Airline under this Agreement; provided, however, that neither the City nor Airline shall be limited by such six-month period if the other party shall have attempted to defraud or shall have defrauded the party seeking to question the accuracy of such statement or make such claim.

(b) Notwithstanding the foregoing, Airline shall not abate, suspend, postpone, set-off, or discontinue any payments of Airport Fees and Charges that it is obligated to pay under this Agreement. Nothing contained in this Section 11.1.5 shall release the City from the performance of any of its obligations under this Agreement. If the City fails to perform any of said obligations, Airline may institute such action against the City as Airline deems necessary to compel performance, so long as such action does not abrogate Airline's obligations to make payments of Airport Fees and Charges to the City unless a court of competent jurisdiction determines otherwise in a final, unappealable order, or in an order for which the time for appeal has elapsed and no appeal has been taken.

11.2 Passenger Facility Charges.

11.2.1 The City expressly reserves the right to impose and use PFCs in accordance with 49 U.S.C. § 40117 and the PFC Regulations. Nothing in this Agreement shall be interpreted to impair the City's right to impose or use a PFC or to impair Airline's rights to consultation under 49 U.S.C. § 40117 and the PFC Regulations.

11.2.2 Airline shall hold in trust for the City the net principal amount of all PFCs that are collected by Airline or its agents on behalf of the City pursuant to 49 U.S.C. § 40117 and the PFC Regulations. For purposes of this Section 11.2, net principal amount shall mean the total principal amount of all PFCs that are collected by Airline or its agents on behalf of the City, reduced by any amount that Airline is permitted to retain pursuant to § 158.53(a) of the PFC Regulations. PFCs collected by the Airline shall be remitted to the City at City's Post Office and Payment Address, or at such other place as the CEO may from time to time designate in writing.

Article 12

AUDIT

12.1 **General.** Airline, at its expense and upon reasonable advance notice, shall have the right to inspect and audit the City's books, records and other data relating to Airport Fees and

Charges charged to Airline under this Agreement, provided that such inspection and audit are made during the City's regular business hours.

12.2 Books and Records of Airline. 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 Fiscal Year throughout the Term, or in the event of a claim by City, until such claim of City for payments hereunder shall have been fully ascertained, fixed, and paid, whichever is later. This record-keeping obligation shall survive the expiration or earlier termination of this Agreement. All such books and records shall be kept in accordance with generally accepted accounting principles, consistently applied, showing in detail all business done or transacted in, on, about, from or pertaining to the Airport, and shall be sufficient to permit the City to calculate and verify the Landing Fees, Terminal Building Charges and other fees and charges due under this Agreement. Upon the CEO's written request, Airline shall make available to the City or its auditors 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 City or its auditors are required to travel elsewhere to review them, the City may require that Airline reimburse the City for the reasonable costs of such review of Airline's books, records and accounts, provided that the City demonstrates an underpayment of five percent (5%) or more.

Article 13

AIRLINE'S REPRESENTATIONS AND WARRANTIES

Airline represents and warrants to the City that:

13.1 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.

13.2 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 does 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.

13.3 Approvals Unnecessary. Except as otherwise required pursuant to Section 13.5, 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.

13.4 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.

13.5 No Bankruptcy or Insolvency. On the date it becomes a Signatory Airline, either (a) Airline is not the subject of a case or proceeding described in Section 18.1.3 or (b) if Airline is the subject of a case or proceeding described in Section 18.1.3, Airline has obtained entry in such case or proceeding of a final order in form reasonably satisfactory to the City as to which the appeal period has expired authorizing Airline to execute, deliver and perform its obligations under this Agreement.

13.6 Legal Proceedings. There is no action, suit, proceeding or investigation at law or in equity before or by any court or public board or body pending or, to the knowledge of Airline, threatened against it, which, in Airline's opinion, is likely to materially adversely affect the financial condition of Airline or the transactions contemplated by this Agreement, or which in any way would adversely affect the validity of this Agreement.

13.7 Compliance with Laws, Consents and Other Agreements. (i) Airline is not in violation in any material respect of any term or provision of any mortgage, lease, agreement, or other instrument that is material to its performance under this Agreement; and (ii) Airline's execution and delivery of this Agreement will not violate or constitute a material default of any term or provision of any mortgage, lease, agreement, or other instrument, or of any judgment, decree, governmental order, statute, rule, or regulation by which Airline is bound or to which any of its assets is subject, except to the extent that any such violation or default described in clauses (i) or (ii) would not have a material adverse effect on Airline's ability to perform under this Agreement.

Article 14

INDEMNIFICATION AND INSURANCE

14.1 Indemnification.

14.1.1 Except for claims for environmental matters (which shall be subject to the indemnification obligation under Section 20.7), Airline shall release, defend, indemnify, and hold the City, its directors, officers, employees, agents, representatives, anyone claiming by or through any of the aforesaid, any other Signatory Airline that accommodates Airline in the manner described in Section 4.11, 4.12, or Article 5, and the successors and assigns of each (the City and each of the aforesaid, an "Indemnified Party") completely harmless from and against any and all claims, suits, demands, actions, liabilities, losses, damages, judgments, fines, civil penalties, costs, and expenses of whatever kind or nature (including, but not limited to, attorneys' fees, court costs, consultant fees and expert fees) associated therewith in any way and to the extent arising from or based upon Airline's or Airline Entity's conduct of its air transportation business on or at the Airport, and Airline or an Airline Entity's violation of any Applicable

Laws, Airport Rules and Regulations or any license, certificate, permit or other authorization issued under any of the foregoing or the use or occupancy of the Premises by Airline or an Airline Entity except to the extent such claim arises from the negligent act or omission or willful misconduct of the City.

14.1.2 In addition to, and without limiting Airline's obligations pursuant to Section 14.1.1, if the City is alleged to be in non-compliance with Applicable Laws governing access to secure areas of the Airport or to the areas of the Airfield, and said non-compliance is the result of or due to the negligence or willful act or omission of the Airline or an Airline Entity, and such breach of a secure area results in a civil penalty or other action against the City, the Airline agrees to reimburse the City for all expenses, including reasonable attorneys' fees, incurred by the City in defending against the civil penalty action or other action, and for any civil penalty or settlement amount paid by the City as a result of being deemed in non-compliance as aforesaid. The City shall give the Airline reasonable notice of any allegation, investigation, or proposed or actual civil penalty or other action sought for such non-compliance.

14.1.3 If any action or proceeding is brought against the City by reason of any claim, suit, demand, action, liability, loss, damage, judgment, fine, or penalty that may be subject to Airline's indemnification obligations contained in this Section 14.1, Airline, upon reasonable notice from the City, shall resist or defend such claim, suit, demand, action, liability, loss, damage, judgment, fine, or penalty with counsel reasonably acceptable to the City, and the City shall take reasonable actions to mitigate its damages.

14.1.4 The foregoing express obligation of indemnification shall not be construed to negate or abridge any other obligation of indemnification running to the City or an 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. The City shall give Airline written notice of any claims threatened or made or any suit instituted against it that could result in a claim of indemnification hereunder.

14.1.5 Notwithstanding anything to the contrary set forth in this Agreement, neither party nor any of its members, directors, officers, agents, representatives or employees shall be liable to the other party for any loss of business or any indirect, incidental, special or consequential damages or lost profits arising out of or relating to this Agreement or such party's performance or non-performance hereunder; provided, however, that this Section 14.1.5 shall not apply to third-party claims arising out of or relating to this Agreement.

14.1.6 The indemnification and other obligations under this Section 14.1 shall survive expiration or earlier termination of this Agreement, but only with respect to acts, omissions, or events occurring during the Term, unless this Agreement expressly provides otherwise.

14.2 Airline's Insurance.

14.2.1 During the Term, and for such longer periods required under this Agreement, Airline shall provide to the City at the address set forth in Section 1.1, pay for and

maintain with companies reasonably satisfactory to the City the following insurance coverages without interruption:

(a) Aircraft or Aviation Liability Insurance and Commercial General Liability Insurance. Aircraft or Aviation Liability Insurance and Commercial General Liability Insurance (which may be covered under the Aircraft or Aviation Liability Insurance Policy) shall be maintained by Airline during the Term, and for such longer periods as described in Section 14.2.6. Any Aviation Liability Insurance Policy shall include Aircraft Liability Insurance. Coverage shall include, but not be limited to, Premises and Operations, Personal and Advertising Injury, Contractual Liability, Hangarkeepers' Legal Liability, Additional Insured endorsement (noted below), Aircraft Liability (including Passenger Liability), Passenger Checked and Unchecked Baggage Liability, Bodily Injury and Property Damage to Third Parties, Independent Contractors, Broad Form Property Damage, Products and Completed Operations Coverage and shall include Explosion (XCU), Collapse, Liquor Liability, Terrorism or War Risk. The limits of coverage per occurrence shall not be less than (with the exception of industry standard Airline Liability sublimits):

- (i) Passenger Airlines with 20 seats or less. Comprehensive
Airline Liability - \$50,000,000
- (ii) Passenger Airlines with 21 to 60 seats. Comprehensive
Airline Liability - \$100,000,000
- (iii) Passenger Airlines with 61 to 299 seats. Comprehensive
Airline Liability - \$500,000,000
- (iv) Passenger Airlines with 300 seats or more. Comprehensive
Airline Liability - \$700,000,000
- (v) Cargo Legal Liability with less than 60,000 lbs. -
\$50,000,000
- (vi) Cargo Legal Liability with 60,000 lbs. or more -
\$250,000,000

The Aircraft or Aviation Liability Insurance and Commercial General Liability Insurance required hereunder shall also include coverage applicable to mobile and other ground vehicle equipment operated on those parts of the Airport that are not accessible to the public and are designated as restricted areas with a limit of not less than \$25,000,000 for each occurrence, and hereafter in such increased amounts or on such revised reasonable terms and conditions as the City may from time to time specify. Mobile and other ground vehicle equipment shall include, but not be limited to, baggage tugs, aircraft pushback tugs, provisioning trucks, air stair trucks, belt loaders, and owned, non-owned and hired automobiles.

Airline's Aircraft or Aviation Liability Insurance and Commercial General Liability Insurance shall be placed with one or more companies with an AM Best rating of A- or better, and a financial size rating of IV or better (or equivalent S&P rating, or its equivalent as reasonably determined by the City). The City shall be named as an additional insured (using ISO

Form CG 20 26 11 85 or equivalent endorsement acceptable to the City), and shall be furnished with appropriate written evidence to establish that Airline's insurance coverages required by this Subsection (a) have been met. The inclusion of the City as an additional insured shall not create any premium liability for the City. The liability insurance required by this Subsection (a) shall not contain a deductible or self-insured retention in excess of \$1,000,000 (unless otherwise approved in writing by the City). All deductibles and self-insured retentions shall be paid by Airline and assumed for the account of Airline, at Airline's sole risk. To the extent that Airline relies on an excess or "umbrella" policy of insurance to satisfy the requirements of this Subsection (a), any such policy shall be no less broad than the underlying policy, shall cover the term of the underlying policy without interruption, and shall include a drop-down provision.

(b) Automobile Liability Insurance (non-restricted areas of the Airport). Commercial automobile liability insurance covering all owned, non-owned and hired automobiles and other mobile and other ground vehicle equipment (as defined in Subsection (a), above) operated on non-restricted areas of the Airport in the minimum single limit of \$10,000,000 per occurrence, and hereafter in such increased amounts or on such revised terms and conditions as the City may from time to time specify. The liability insurance required by this Subsection (b) shall not contain a deductible or self-insured retention in excess of \$1,000,000 (unless otherwise approved in writing by the City). All deductibles and self-insured retentions shall be paid by Airline and assumed for the account of Airline, at Airline's sole risk. To the extent that Airline relies on an excess or "umbrella" policy of insurance to satisfy the requirements of this Subsection (b), any such policy shall be no less broad than the underlying policy, shall cover the term of the underlying policy without interruption, and shall include a drop-down provision.

(c) Environmental Liability Insurance. Coverage shall be maintained by the Airline in an amount not less than \$10,000,000 per occurrence for sudden and accidental pollution, and clean-up costs, to the extent required by Applicable Laws, arising out of Airline's activities under this Agreement, and hereafter in such increased amounts or on such revised terms and conditions as the City may from time to time specify. Airline may provide for reasonable limits of self-insurance against environmental liability risks in lieu of obtaining coverage from a third-party insurer. All amounts paid to the City 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 City by Airline shall be the same as if insurance were provided by a third-party insurer on commonly available, commercially reasonable terms for such insurance based on Airline's activities under this Agreement, and Airline shall have all the obligations and liabilities of a third-party insurer hereunder (e.g., obligation to provide a defense for covered claims).

(d) Liquor Liability Insurance. If Airline serves or sells alcoholic beverages at its VIP Lounge or any other facility on or about the Premises, Airline shall maintain liquor law liability insurance (on an occurrence basis) with limits of liability of \$5,000,000 per occurrence, \$25,000,000 in the aggregate, and hereafter in such increased amounts or on such revised terms and conditions as the City may from time to time specify. The City shall be named as an additional insured using an appropriate policy form or endorsement, and shall be furnished with appropriate written evidence to establish that Airline's insurance coverages required by this Subsection (d) have been met. The inclusion of the City as an additional insured shall not create

any premium liability for the City. The liability insurance required by this Subsection (d) shall not contain a deductible or self-insured retention in excess of \$1,000,000 (unless otherwise approved in writing by the City). All deductibles and self-insured retentions shall be paid by Airline and assumed for the account of Airline, at Airline's sole risk. To the extent that Airline relies on an excess or "umbrella" policy of insurance to satisfy the requirements of this Subsection (d), any such policy shall be no less broad than the underlying policy, shall cover the term of the underlying policy without interruption, and shall include a drop-down provision.

(e) Workers' Compensation and Employers' Liability Insurance.

Workers' compensation insurance as required by Applicable Laws, and employers' liability insurance with minimum limits of \$100,000 per accident, \$500,000 disease per policy, \$100,000 disease per employee. Airline shall require all of its contractors and consultants to carry workers' compensation insurance as required by Applicable Laws.

(f) Property Insurance. Property insurance, naming the City and

Airline as loss payees as their respective interests may appear, insuring (i) that portion of the Premises that the Airline is required to maintain under this Agreement and (ii) any personal property at the Premises (including without limitation, inventory, trade fixtures, floor coverings, furniture, improvements and other personal property) against the perils of fire (with extended coverage) and physical loss or damage. Such insurance shall be in an amount equal to the full replacement cost of the insured property.

(g) Network Security/Privacy Liability Insurance. Network

Security/Privacy Liability Insurance, naming the City as an additional insured, including network security/data protection liability insurance covering liabilities for financial loss resulting or arising from security wrongful acts, privacy breaches, and security breaches (including claims arising from violations of PCI-DSS standards) in connection with Airline's operations at Airport with a minimum limit of \$5,000,000 each and every claim. The policy must be endorsed to be primary and non-contributory, including a waiver of subrogation in favor of the City, and separately triggered from claims arising from either (1) a cyber/security incident or breach, or (2) errors or omissions in Airline's operations at the Airport. Airline's policy may not have a cyber-terrorism exclusion. Airline may, subject to the provisions of this paragraph, request to fulfill its Network Security/Privacy Liability Insurance obligations under this Agreement by self-insurance. Any self-insurance maintained by Airline must be deemed to contain all of the terms and conditions applicable to the insurance as required in this paragraph, including, without limitation, a deemed additional insured provision and a deemed waiver of subrogation; consequently, the City must be treated, for all purposes, as if Airline had actually purchased the insurance from a third party. Prior to the institution of any self-insurance, Airline must notify the City in writing of its request to self-insure, and provide financial documentation to the City, evidencing Airline's ability to so self-insure, both for the City and for any other airport it so self-insures. The notice must designate the name, address, and telephone number of the claims administrator. If Airline requests to self-insure, then with respect to any claims which may result from incidents occurring during this Agreement, the self-insurance obligation survives the expiration or earlier termination of this Agreement to the same extent as the insurance required in this Agreement would survive. The City will consider Airline's request to self-insure and may approve within its discretion, which approval will not be unreasonably withheld.

(h) Other Insurance. Airline shall also obtain all other forms of insurance required for its particular use of the Airport, and as required under Applicable Laws or Airport Rules and Regulations.

14.2.2 Termination, Renewal and Additional Insurance. Airline shall use commercially reasonable efforts to ensure that no policy of insurance required of Airline under this Agreement shall be cancellable or subject to non-renewal or adverse, material modification except after thirty (30) days' prior written notice to the City. Airline shall, in a timely manner prior to the expiration, cancellation, non-renewal or modification of such policies, furnish the City with evidence of renewals or insurance binders that evidence the renewal thereof. In the event of cancellation of any insurance required of the Airline at any time during the Term, or any change not reasonably acceptable to the City, including an erosion in available limits below those specified in this Article 14, the City reserves the right, after consultation with Airline, to provide additional insurance and charge the cost of any premiums for such coverage to Airline. The City's right under this Section 14.2.2 includes, but is not limited to, the City's right to purchase higher limits for its own insurance program to account for an erosion in Airline's limits.

14.2.3 No Representation of Adequacy. The City makes no representation that the limits or forms of insurance coverage specified or required under this Agreement are adequate to cover Airline's property or Airline's liabilities or obligations under this Agreement.

14.2.4 City's Right to Request Information from Airline's Insurance Company. If the City requests a written statement from Airline's insurance company regarding any impairments to Airline's aggregate limit(s), Airline shall promptly authorize and have delivered such statement to the City. Airline authorizes the City and its insurance consultant to confirm with Airline's insurance agents and brokers all information furnished to the City regarding Airline's compliance with the insurance requirements under this Agreement.

14.2.5 Primary Coverage. All insurance policies required of Airline under this Agreement shall be endorsed to state that Airline's policy is primary and not contributory with any insurance carried by the City.

14.2.6 Duration of Insurance Obligations. Airline shall maintain its aircraft liability insurance, commercial general liability insurance, automobile liability insurance, and liquor liability insurance required under this Article 14 in force and effect at all times during the Term, and for a period of two (2) years after the expiration or earlier termination of this Agreement. Any insurance coverage that is written on a claims-made basis must remain in force for two (2) years after the expiration or earlier termination of this Agreement.

14.2.7 Amounts of Coverage. All requested insurance limit amounts must be in U.S. dollars.

14.3 **City's Insurance.**

14.3.1 Commercial General Liability Insurance. The City shall maintain in force during the Term commercial general liability insurance covering bodily injury, property damage and contractual liability arising out of the ownership, maintenance, use and occupancy of the Airport with coverage limits to be determined by the City.

14.3.2 **Property Insurance.** The City shall maintain in force during the Term property insurance against the perils of fire (with extended coverage) and physical loss or damage, including theft, vandalism and malicious mischief, of the Terminal Complex, any additions, alterations and modifications thereto, and all personal property owned by the City and located at, on, or in the Airport or the Terminal Complex. Such insurance shall be in an amount of not less than ninety percent (90%) of the full replacement cost of the insured property.

14.3.3 **City's Certificates of Insurance.** The City, upon Airline's reasonable request, shall furnish to Airline one or more certificates of insurance evidencing the coverages required under this Section 15.2.

14.4 **Waiver of Subrogation.** The City and Airline (for themselves and on behalf of anyone claiming through or under them by way of subrogation or otherwise) hereby release each other from liability and waive all right of recovery against each other for any loss to real or personal property located anywhere on or about the Airport from perils which can be insured against under a standard form commercial property or fire insurance policy with extended perils coverage endorsements generally available in North Carolina at the time the loss occurs. The effect of the release and waiver of the right to recover damages shall not be limited by whether the party incurring the loss has actually obtained such insurance, by the amount of insurance carried, or by any deductibles applicable thereto. If a party's applicable insurance policies do not allow the insured to waive the insurer's right to recovery, the party shall cause each insurance policy to be endorsed to allow the waiver of subrogation required by this Section 14.4.

14.5 **Increases 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 Airline shall do so, then, at the City's option, the full amount of any resulting increase in premiums paid by the City 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 City. Conversely, the City 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 the Airline's Premises. If the City shall do so, then, at the option of the Airline, the full amount of any resulting increase in premiums paid by the 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 the City to the Airline.

Article 15

NON-DISCRIMINATION

15.1 **General Civil Rights Provisions.** In all its activities within the scope of its Airport program, Airline agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin, creed, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964. If Airline transfers its obligation to another, the transferee is obligated in the same manner as Airline. The above 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.

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

15.2.1 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.

15.2.2 Nondiscrimination. Airline, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin, creed, sex, age, or disability 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 contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21 including amendments thereto.

15.2.3 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 the contractor’s obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

15.2.4 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 the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, Airline will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

15.2.5 Sanctions for Noncompliance. In the event of Airline’s noncompliance with the non-discrimination provisions of this contract, the City will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

- i. Withholding payments to the Airline under this Agreement until the Airline complies; and/or
- ii. Cancelling, terminating, or suspending this Agreement, in whole or in part.

15.2.6 **Incorporation of Provisions.** Airline will include the provisions of Sections 15.2.1 through 15.2.5 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 City 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 the City to enter into any litigation to protect the interests of the City. In addition, Airline may request the United States to enter into the litigation to protect the interests of the United States.

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

15.3.1 Airline, for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

15.3.2 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 Title VI 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.

15.3.3 In the event of breach of any of the above Nondiscrimination covenants, the City 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.

15.4 Clauses for Construction/Use/Access to Real Property Acquired Under the Activity, Facility or Program. Airline, for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (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 Title VI List of Pertinent Nondiscrimination Acts and Authorities.

15.4.2 In the event of Airline's breach of any of the above Non-discrimination covenants, the City will have the right to terminate this Agreement 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.

15.5 Title VI List of Pertinent Nondiscrimination Acts and Authorities. During the performance of this Agreement, Airline, for itself, its assignees, and successors in interest (hereinafter referred to as “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 U.S.C. § 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) including amendments thereto;

(c) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 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 U.S.C. § 794 *et seq.*), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);

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

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

(g) The Civil Rights Restoration Act of 1987 (P.L. 100-259) (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 (42 U.S.C. § 12101, *et seq.*) (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) as implemented by U.S. Department of Transportation regulations at 49 CFR Parts 37 and 38;

(i) Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. § 1681, *et seq.*).

Article 16

ASSIGNMENT AND SUBLETTING

Airline shall not assign or transfer this Agreement or any interest therein, or sublet the whole or any portion of the Premises, without first obtaining the City's prior written consent. 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 City's prior written consent. 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 Airline's stock shall be deemed an assignment of this Agreement within the meaning of this Article 16 (unless Airline is a corporation whose stock is listed on the New York Stock Exchange, NASDAQ or any other major stock exchange, in which case such an event shall not be deemed an assignment of this Agreement). Airline may assign or transfer this Agreement in its entirety without the City's consent to any successor-in-interest of Airline with which Airline may merge, or into which Airline may be consolidated, or which may acquire all or substantially all of Airline's assets; provided that such successor-in-interest shall provide to the City, within thirty (30) days after the effective date of such merger, consolidation, or acquisition, written confirmation (in form and substance satisfactory to the City in its reasonable discretion) that such successor-in-interest has assumed all of Airline's obligations under this Agreement. Airline's entering into any operating agreement, license, or other agreement under which a third party, other than an Affiliate 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 Article 16.

This Article 16 shall not apply to any valid assumption or assignment of this Agreement, the Premises, or any part thereof, by a trustee, or by Airline as a debtor-in-possession under Section 365 of the Bankruptcy Code of 1978, as amended, if adequate assurance of future performance under said Section 365 is to be provided, in writing, as a condition of the assumption or assignment of this Agreement. Such assurance shall include, without limitation:

- (a) Adequate assurance of the reliability of the proposed source for the Airport Fees and Charges due under this Agreement upon the assumption or assignment of this Agreement; and
- (b) Adequate assurance that all other consideration due under this Agreement shall be forthcoming after the assumption or assignment of this Agreement; and
- (c) The procurement of a performance bond from a financially reputable surety in the amount of the Airport Fees and Charges allocated to the Premises in the Fiscal Year prior to the year in which the assignment occurs to cover any costs or damages incurred by the City if the City, within five (5) years following the assumption or assignment of this Agreement, becomes entitled to any damages by reason of the breach of this Agreement.

Article 17

SECURITY DEPOSIT

If, at any time during the Term, Airline shall commit an Event of Default (other than under Section 20.1.5) that is not fully cured in accordance with the applicable provisions of this Agreement, the City shall have the right to immediately impose the Security Deposit requirements of this Article 17, and shall provide Airline with written notice thereof. In such event, Airline shall obtain and deliver to the City's Post Office and Payment Address, a Security Deposit equal to three (3) months of Landing Fees and Terminal Building Charges as estimated by the City to secure Airline's obligations under this Agreement. The amount of the Security Deposit may be adjusted from time to time by the City to reflect changes in Airline's financial obligations to the City under this Agreement. The amount, form, provisions and nature of the Security Deposit, including if appropriate the identity of the surety or other obligor thereunder, shall at all times be subject to the City's approval. The Security Deposit shall be made by letter of credit, surety bond or other instrument acceptable to the City no later than ten (10) calendar days after Airline's receipt of the City's notice imposing the Security Deposit requirement, and shall remain in place at all times throughout the Term and throughout any holdover period. The City shall not pay interest on the Security Deposit, and the City 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 City, deliver to the City 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 City, whichever is later.

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

If there is no Event of Default and no event which, with the passage of time or the giving of notice, would constitute an Event of Default, for one (1) year after Airline's delivery of the Security Deposit to the City or Airline's complete cure of an immediately preceding Event of Default, whichever date is later, and further provided that there is no material adverse change in Airline's net worth on that date, as verified by the City based upon a certificate from Airline's chief financial officer and audited financials, then the remaining proceeds of the cash Security Deposit or the letter of credit, as applicable, shall be returned to Airline within thirty (30) days after such date; provided, however, that the City shall have the right to impose the Security Deposit requirements of this Article 17 on Airline if Airline subsequently commits an Event of Default that is not fully cured in accordance with the applicable provisions of this Agreement.

Should Airline comply with all of the terms, covenants and conditions of this Agreement and promptly pay all sums payable by Airline to the City hereunder, the Security Deposit or the remaining proceeds therefrom, as applicable, shall be returned to Airline within thirty (30) days after the expiration of the Term, less any portion thereof that may have been used by the City to cure an Event of Default. The City's rights under this Article 17 shall be in addition to all other rights and remedies provided to the City under this Agreement or by Applicable Laws.

Article 18

TERMINATION

18.1 Airline Default. The occurrence of any one or more of the following events shall constitute an Event of Default under this Agreement:

18.1.1 Airline shall fail duly and timely to pay any Landing Fees, Terminal Building Charges, or any other fee or charge due under this Agreement when due to the City, and such failure shall continue for five (5) days beyond Airline's receipt of a written notice of such breach or default from the CEO. Notwithstanding the foregoing, if there occur two (2) defaults in the payment of Landing Fees, Terminal Building Charges, or other fee or charge due under this Agreement in any twelve (12) month period, thereafter Airline shall not be entitled to notice of any further payment defaults (*i.e.*, thereafter Airline's failure to pay Landing Fees, Terminal Building Charges, or other fee or charge due under this Agreement in a timely manner shall be deemed an Event of Default), and the City shall have no obligation to give such notice.

18.1.2 Airline shall fail duly and timely to remit to the City PFCs collected by Airline from its passengers in accordance with the PFC Regulations.

18.1.3 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.

18.1.4 There shall occur an assignment or transfer subject to Article 16 without the City's prior written consent.

18.1.5 Airline shall abandon the Premises and its conduct of business at the Airport, and, in this connection, suspension of operations for a period of sixty (60) days shall be considered abandonment in the absence of a labor dispute or other governmental action in which Airline is directly involved.

18.1.6 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 Airline's receipt of notice.

18.1.7 Airline shall fail to obtain and maintain the insurance required by Section 14.2, or provide copies of the policies or certificates (including without limitation those related to renewals of such coverages) to the City as required.

18.1.8 Airline shall fail to keep, perform and observe each and every other promise, representation, covenant and agreement set forth in this Agreement, and such failure shall continue for a period of more than five (5) days after the CEO's delivery of 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 five (5) days after Airline's receipt of such notice, or thereafter fails to diligently prosecute such cure, or fails to actually cause such cure within sixty (60) days of the CEO's delivery of such notice.

18.2 City's Remedies.

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

(a) Whenever any Event of Default shall occur beyond all applicable notice and cure periods (other than a default pursuant to Subsection 20.1.3 upon which termination of this Agreement, at the City's option, shall be effective immediately without further notice), this Agreement and all of Airline's rights hereunder shall terminate if the written notice of default so provides. The City shall be entitled to recover Termination Damages from Airline, together with interest on all Termination Damages at the rate of 18% per annum, or the maximum rate permitted by Applicable Laws, whichever is lower, from the date such Termination Damages are incurred by the City.

(b) In addition to Termination Damages, and notwithstanding termination, Airline's liability for Future Charges shall not be extinguished, and Airline agrees that the City shall be entitled, upon termination for default, to collect as additional damages a Rental Deficiency (as defined below) so long as the City is using commercially reasonable efforts to mitigate its damages; provided, however, that the obligation of the City to use commercially reasonable efforts to mitigate its damages shall not be construed to require the City to rent all or any portion of the Premises for a use or to a tenant that is not consistent with this Agreement or the City's current or future business needs or requirements for the Airport, or to prioritize the renting of all or any portion of the Premises over other space that the City may have available at the Airport. As used in this Section 18.2.1, a "Rental Deficiency" shall mean: an amount or amounts equal to Future Charges less the amount or amounts of rental, if any, that the City shall actually 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 the City'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 on which the Term would have expired but for such termination. 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 City's right to collect any portion of Rental Deficiency by a similar proceeding.

(c) If such default relates to Airline's Exclusive Use or Preferential Use Premises, the City may re-enter the Exclusive Use Premises and Preferential Use Premises

upon termination, take exclusive possession of any such Exclusive Use Premises and Preferential Use Premises, and remove all persons and property therefrom without the City being liable to Airline for damage or loss thereby sustained by Airline. The City shall be entitled to recover from Airline, in addition to Termination Damages and 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 Laws, whichever is lower, from the date such Additional Termination Damages are incurred by the City. 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 or the Preferential Use Premises.

(d) If this Agreement terminates as a result of Airline's default, the City shall use commercially reasonable efforts (as described in Section 18.2.1(b)) to relet the Exclusive Use and Preferential Use Premises or any part thereof, alone or together with other Exclusive Use and Preferential Use Premises, for such term or terms and for such use or uses as the City in its sole discretion may determine. Airline's obligations hereunder shall not be discharged by reason or failure of City to relet the Exclusive Use or Preferential Use Premises.

(e) Except as specifically provided in Section 14.1.5, the City's action pursuant to this Section 18.2 shall not in any way limit the City in the pursuit of any other additional right or remedy available to the City in law or in equity by reason of Airline's default.

18.3 City Default. The City shall in no event be in default in the performance of any of the City's obligations hereunder unless and until the City shall have failed to perform such obligations within thirty (30) days after written notice from Airline to the City, properly specifying the City's failure to perform any such obligation (unless such default is of a nature that it cannot be cured within such thirty-day period, in which case no default shall occur so long as the City commences curing the default within the thirty-day period and promptly prosecutes curing the same). In no event shall the City ever be liable to Airline for indirect or consequential damages.

If Airline shall claim under any provision of this Agreement that the City has unreasonably withheld, conditioned or delayed its consent or approval to some request of Airline, Airline shall have no claim for damages by reason of such alleged withholding or delay, and Airline's sole remedy therefor shall be declaratory or injunctive relief, but in any event without any recovery of damages from the City.

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

18.4.1 If the City, in its sole discretion, shall require the use of the Premises or any substantial portion thereof for a major capital improvement use in connection with the City's business, the City may terminate this Agreement by written notice delivered or mailed by the City to Airline not less than one (1) year before the termination date specified in the notice; provided, however, that if this Agreement is terminated under this Section 18.4.1, the City shall reimburse Airline for the unamortized costs of any improvements to the Terminal Building constructed by Airline with the City's consent during the Term; and provided further that the costs of any such improvements shall be amortized on such reasonable basis as the City may

specify in writing when the City's consent for the improvements was given to Airline, unless the City has previously reimbursed Airline for the costs of such improvements; or

18.4.2 If 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 thereof, the City may, at its option, terminate this Agreement as of the date of such taking; or

18.4.3 If any court having jurisdiction shall render a decision that has become final and will permanently or for a substantial period of time prevent the City's performance of any of its material obligations under this Agreement, either party hereto may terminate this Agreement by written notice. This right of termination shall be and remain effective whether or not the City, 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.

18.4.4 If this Agreement is terminated under Sections 20.4.1 through 18.4.3, and Airline is not in default under this Agreement upon the City's issuance of its written notice of termination, the City shall make reasonable efforts to provide to Airline reasonable substitute space in place of the Premises affected by the termination (to the extent such space is available) not less than sixty (60) days prior to the effective date of termination stated in the City's notice of termination (if such time period is consistent with the governmental actions described in Sections 20.4.2 and 20.4.3). If Airline accepts all or any portion of such space, then at City's reasonable cost and expense, Airline shall complete its relocation as expeditiously as possible, but in no event later than the effective date of termination stated in the City's notice of termination, and shall otherwise comply with the City's relocation requirements and the Airport Rules and Regulations. The City shall revise the Premises Notice issued to the Airline to reflect the change in the Premises as a result of the Airline's relocation as aforesaid, and shall issue said revised Premises Notice to the Airline promptly after said relocation.

18.4.5 If this Agreement is terminated under this Section 18.4, and Airline elects not to accept from the City the substitute space described in Section 18.4.4, all rights and obligations of the parties shall terminate (with the exception of (i) any undischarged rights and obligations that accrued prior to the effective date of such termination and (ii) any rights and obligations that this Agreement states shall survive such termination), and if Airline is not in default under this Agreement on the effective date of termination, any Airport Fees and Charges prepaid by Airline shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Airline.

18.5 City's Right to Partial Termination. If the City determines, in its reasonable discretion, that Airport operations or Capital Improvement Project development requires the use of all or a portion of Airline's Exclusive Use Premises, the City shall provide Airline with one hundred twenty (120) days' prior notice of termination of the required Exclusive Use Premises. If Airline is required to move pursuant to this Section 20.5, the City shall relocate Airline to

Exclusive Use Premises that are reasonably similar to those previously occupied by Airline, and shall pay for all reasonable costs of such relocation, which shall be recoverable under Article 10.

18.6 City's Right to Perform. Except as otherwise expressly set forth herein, all agreements and obligations to be performed by Airline under this Agreement shall be at Airline's sole cost and expense and without any abatement of Terminal Building Charges or Landing Fees. If Airline shall fail to make any payment or perform any act required to be performed under this Agreement, and such failure shall continue for ten (10) days after City's notice thereof, the City may, but shall not be obligated to, and without waiving or releasing Airline from any of its obligations, make any such payment or perform any such act on Airline's behalf. All sums so paid by the City and all necessary incidental costs shall be deemed additional Airport Fees and Charges hereunder, payable to the City on demand, and the City shall have (in addition to any other right or remedy of the City) the same rights and remedies in the event of the nonpayment thereof by Airline as in the case of Airline's default in the payment of Terminal Building Charges or Landing Fees.

18.7 Airline's Rights Related to Termination. In the event of any termination based on any breach of the covenants, terms and conditions contained in this Agreement, all of Airline's rights, powers and privileges under this Agreement shall cease, and Airline shall immediately vacate any portions of the Premises it occupies under this Agreement. Airline shall have no claim of any kind whatsoever against the City by reason of such termination, or by reason of any act by the City related to such termination.

Article 19

SURRENDER OF POSSESSION; HOLDING OVER

19.1 Surrender. Airline covenants and agrees to surrender possession of the Premises upon (a) termination of this Agreement; (b) partial termination of Premises under Section 18.5; (c) the effective date of the City's reallocation or recapture of all or any portion of the Premises under Article 4; (d) termination of any holdover period; or (e) expiration of the Term in as good condition as on the Effective Date (or in the case of improvements or alterations made or fixtures installed subsequent thereto, then as of the date such improvements, alterations, or fixtures were made or installed), reasonable wear and tear, and damage from casualty as described in Section 9.5 resulting in the termination of this Agreement, and repairs that are the responsibility of the City, excepted. No act or thing done by the City during the Term shall be deemed acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid, unless in writing and signed by the City.

If, upon such expiration or earlier termination, Airline shall fail to remove any personal property or trade fixtures (which Airline is allowed under the terms hereof to remove) on or before the date of termination, the City may, but without the obligation to do so, remove said personal property and trade fixtures and hold them for the owners thereof, or may place the same in a public warehouse, all at the expense and risk of the owners thereof. Airline shall reimburse the City for any reasonable expense incurred by the City in connection with such removal and storage. In addition, the City shall have the right, but not the obligation, to dispose of such property as waste, or sell such stored property and the proceeds of such sale shall be applied;

first, to the cost of the sale; second, to the payment of charges for storage and removal; third, to the payment of Airport Fees and Charges or any other obligation that may then be due from Airline to the City; and the remaining balance, if any, shall be paid to the City. If the expenses of such removal, storage, disposal and sale shall exceed the proceeds of sale, Airline shall pay such excess to the City upon demand. Airline shall indemnify, defend, release and hold harmless the City from any and all damage, cost and expenses related to said removal, storage, disposal and sale, which obligations shall survive expiration or earlier termination of this Agreement.

19.2 Holding Over. If Airline holds over, refuses, or fails to give up the possession of the Premises or the relevant portion thereof, as applicable, on the applicable date described in Section 19.1 without express written consent of the City, Airline shall have only the status of a tenant at sufferance and no periodic tenancy will be deemed to have been created. At all times during the holdover period, Airline shall pay the Airport Fees and Charges required under this Agreement. Notwithstanding anything set forth in this Agreement to the contrary, Airline shall not be entitled to the sharing of Net Remaining Terminal Complex Revenue described in Section 10.8 during any holdover period. Furthermore, if the City so elects, the City may accept Airport Fees and Charges from Airline and concurrently commence legal proceedings to regain possession of the Premises. The foregoing provisions shall not serve as permission to Airline to hold over, nor serve to extend the Term (although Airline shall remain bound to comply with all provisions of this Agreement until Airline vacates the Premises). The provisions of this Section 19.2 shall not operate as a waiver of any right of the City under this Agreement or Applicable Laws to re-enter and take possession of the Premises. If, during Airline's holdover period, Airline and the City execute a new use and lease agreement applicable to the Premises, the parties may agree to have the terms and conditions of such new use and lease agreement apply retroactively to Airline's use and occupancy of the Premises during said holdover period.

Article 20

ENVIRONMENTAL MATTERS

20.1 Airline Representations, Warranties, and Covenants.

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

20.1.1 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 and all Airline Entities that Airline expressly authorizes to use its Premises 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, 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.

20.1.2 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.

20.1.3 Airline shall not conduct its operations at the Airport during the Term in such a manner as to cause or contribute to a violation of applicable Environmental Laws 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 violation of Environmental Laws including via a Release of Hazardous Substances at the Airport in violation of Environmental Laws.

20.1.4 Airline shall, and shall ensure that Airline Entities, handle, use, store, dispose of, transport, or otherwise manage, any Hazardous Substance at the Airport during the Term in a manner consistent with Environmental Laws. Without limiting the foregoing, Airline shall not, 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 on the Airport except (a) in the locations specifically authorized by the City; (b) utilizing service providers or personnel specifically authorized by the City through a "Commercial Use Permit" to conduct such activities at the Airport; (c) in accordance with all applicable Environmental Laws and (d) in compliance with any de-icing policies and practices as may be adopted by the City in consultation with Airline.

20.1.5 Airline shall be, and shall ensure that Airline Entities are, responsible for the proper transportation and disposal of all Hazardous Substances 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 Hazardous Substances confiscated by the TSA, but only with respect to such Hazardous Substances obtained from Airline's passengers' checked baggage.

20.1.6 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, operated by Airline or Airline Entities on the Premises to treat sanitary sewer waste and storm water runoff 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 Hazardous Substances 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 City 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, and trench drains. Airline

shall remove and properly dispose of any Hazardous Substances in said designated structural controls maintained by Airline prior to vacating the Premises, except when such equipment itself and any Hazardous Substances contained therein are removed from the Airport, provided however, Airline shall not be required to eliminate the potential rebound of Hazardous Substances that may have adhered to designated structural controls except to the extent required by Environmental Laws.

20.1.7 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 City upon request. Airline shall remove and properly dispose of any Hazardous Substances in such air pollution control equipment operated by Airline prior to vacating the Premises, except when such equipment itself and any Hazardous Substances contained therein are removed from the Airport.

20.1.8 If Airline or Airline Entities cause, unlawfully allow or contribute to a Release of Hazardous Substances 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 City and to the appropriate governmental authorities in compliance with applicable Environmental Laws. Airline shall ensure that Airline Entities report any Release 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 on behalf of Airline cause, unlawfully allow or contribute to a Release of Hazardous Substances that are above any reportable quantity set forth in any applicable Environmental Laws.

20.1.9 Airline acknowledges that the City is subject to certain NPDES permits, state and federal storm water regulations, 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 at the request of the City. Airline shall not seek NPDES coverage under a separate mechanism unless so directed by the City 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 City and timely provided to Airline are incorporated by reference into this Agreement to the extent such effluent guidelines affect Airline's operations at or use of the Airport or operations or activities

conducted on its behalf at the Airport. The City 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 proposed and final permits issued to the City 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 City's compliance therewith.

20.1.10 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.

20.1.11 Airline and Airline Entities shall cooperate with the City, as reasonably requested from time to time by the City, to ensure that Airline's and Airline Entities' operations at, or use of, the Airport will not unreasonably interfere with the City's implementation of the City's Wildlife Hazard Management Plan to reduce wildlife hazards at the Airport.

20.1.12 Any fixed tanks, pumps, chemical or Hazardous Substances 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 City, except pursuant to the agreement of the City. No such equipment shall be installed without the written consent of the City.

20.1.13 If requested by the City, Airline shall, and shall cause Airline Entities to, reasonably cooperate with the City in its preparation of such submittals as are required of the City by a governmental agency in connection with Airline's future capital projects or in connection with the City's capital projects at the Airport.

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

(a) with respect to any Hazardous Substances on the Premises for which it is responsible under this Agreement, Airline shall demonstrate compliance with all other provisions of this Article 20. This demonstration shall be a condition precedent to the City's return of any security deposit, if any, to Airline upon termination or expiration of this Agreement;

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

(c) comply with applicable Environmental Laws regarding the closing or removal from service of any underground or aboveground tanks, vessels, and containers operated, owned or installed by Airline or Airline Entities and located on Premises.

20.2 Right of Entry to Perform Environmental Inspections and Sampling.

20.2.1 The City and its contractors and other agents shall have the full right to enter any part of the Premises, at all reasonable times and in the City's sole discretion, for the purpose of conducting an 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 Hazardous Substances, or other reasonable basis, the City and its authorized agents may, at the City'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. In order to minimize undue interference with Airline's operations, the City will provide seventy-two (72) hours' advance written notice of any City 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 City sampling to Airline, except in emergencies, when advance notice shall not be required. Airline shall have the right to accompany the City when any such inspection or sampling is performed, provided that the City 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 City shall promptly provide copies of all analytical results of such sampling, including any non-privileged reports.

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

20.2.3 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 material violation of this Agreement 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 with this Agreement as identified in the final audit report.

20.3 Information to be Provided to the City.

20.3.1 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 Hazardous Substances by Airline or by Airline Entities; or

(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 receipt, inform the City in writing of same, including a copy of such notice received by Airline. If the City receives any such written notice, citation, order, warning, complaint, claim or demand, the City shall promptly notify Airline.

20.3.2 Unless waived by the City in writing, Airline shall simultaneously provide to the City 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 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.

20.3.3 In connection with any matter arising under this Section 20.3, Airline shall make available, within thirty (30) days of Airline's receipt of the City's written request, subject to document retention requirements provided by Applicable Laws, the relevant, non-privileged documents that Airline has submitted to any governmental agency pertaining to the environmental compliance status 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 relevant, 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 Hazardous Substances by Airline or Airline Entities at the Airport used by Airline or an Airline Entity pursuant to this Agreement.

20.3.4 Within 30 days of Airline's receipt of the City's written request, Airline shall provide the City 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 Hazardous Substances 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 Hazardous Substances or pursuant to any Environmental Laws or permits on or about the Premises.

20.4 Airline's Environmental Response and Compliance Obligations.

20.4.1 Without limiting any other indemnity obligations in this Agreement, if, during the Term, Airline or any Airline Entities causes, unlawfully allows or contributes to a Release of Hazardous Substances 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, at any portion of the Airport or adjacent waters or property, 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 the following:

- (a) notify the City of such Release as required by and in accordance with the 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 Hazardous Substances, 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 ordered by a governmental agency exercising its authorized regulatory jurisdiction under Environmental Laws, to remedy any such Release of a Hazardous Substance, and any resulting impacts; and
- (f) if applicable, and to the extent feasible, promptly obtain documentation of the approval of the closure of such Release from the governmental agency(ies) with regulatory jurisdiction as such may be issued under Environmental Laws, and provide such documentation to the City.

20.4.2 Any 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.

20.4.3 Airline shall not be responsible under this Section 20.4 for a Release to the extent caused by an unrelated third party that is not an Airline Entity or another Airline that the City has compelled Airline to accommodate pursuant to this Agreement.

20.5 Investigation, Remediation, or Corrective Action Process

20.5.1 Before commencing any subsurface soil, surface water, storm water, or groundwater investigations, removals, remediation, or corrective actions that Airline or an Airline Entity is required to perform at the Airport under this Agreement, and except for immediate removal actions required by Environmental Laws, Airline shall promptly provide any proposed plans for such investigations, removals, remediation, or corrective actions to the City

for approval in accordance with applicable Environmental Laws. 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 City shall have the right to review and inspect all such work at any time using consultants and representatives of the City's choice, at the City'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 aviation purposes. 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 City in writing. 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 City. 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.

20.5.2 If during the Term, the City's planned uses of any portion of the Premises or Airport for which Airline has conducted investigations, removals, remediation, or corrective actions but such remediation or corrective actions have not fully removed the Hazardous Substances Released by Airline, 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 allocated to the Airfield and recovered through the Landing Fee.

20.6 The City's Rights to Ensure Airline's Compliance with Environmental Response and Compliance Obligations.

20.6.1 If, as is reasonably determined by the City, Airline or any Airline Entities:

(a) do not take appropriate Response actions required by applicable Environmental Laws in response to a Release for which it is responsible under this Agreement, 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 as required under this Agreement within the time(s) prescribed by applicable Environmental Laws and relevant governmental authorities, or within the time reasonably necessary to enable the City to meet its obligations under Environmental Laws;

the City 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 within Airline's receipt of said written notice, except in emergency circumstances in which such advance notice is not possible, then the City 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 City reasonably deems necessary to meet Airline's obligations under Environmental Laws, within the time required under such Environmental Laws, consistent with the requirements of this Agreement. In addition to such notice and opportunity to cure, the City 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 City, except in emergency circumstances where such advance notice is not possible. Such action taken by the City 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 City, including but not limited to any Environmental Damages.

20.6.2 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 City 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 this Agreement, then the City may take actions to report, repair, contain, investigate, remove, correct or remediate such Release consistent with Environmental Law, provided the City shall provide reasonable advance written notice to all Air Carriers serving the airport of its intention to take such actions (except in emergency circumstances in which such advance notice is not possible) as well as afford Airline a reasonable opportunity to review and comment on the City's plan to perform such actions, which comments shall be reasonably considered by the City, after which the costs incurred by the City to undertake such work shall be allocated by the City to the Airfield and recovered through the Landing Fee.

20.6.3 Nothing in this Section 20.6 is intended or shall be construed so as to prevent the City or Airline from exercising, in their reasonable discretion, any rights granted or available elsewhere in this Agreement, or by law, including without limitation the City's right to require Airline to take actions to report, repair, contain, investigate, remove, correct or remediate a Release or seek contribution from Airline or an Airline Entity for any activities undertaken by the City under this Agreement, or Airline's right to challenge any request by any government or the City to perform any of the actions identified in this Article under applicable Environmental Laws. Additionally, nothing in this Agreement shall relieve Airline or the City of any obligations, or operate as a waiver by Airline or the City of any respective rights, under any other agreement between Airline and the City except that Airline shall have no right to recover from the City any costs incurred by the City and recovered from Airline through Landing Fees under this Article 20 for Releases of Hazardous Substances for which Airline is responsible under this Agreement.

20.7 Environmental Indemnification and Reimbursement.

20.7.1 Notwithstanding any other provision to the contrary, Airline agrees to indemnify, defend, and hold harmless the City and the Indemnified Parties 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 or an Airline Entity to meet its obligations under this Article; or

(c) documented loss by any Indemnified Party from any Environmental Damages, to the extent caused, unlawfully allowed or contributed to by the unauthorized Release of a Hazardous Substances 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 negligence, violation of Environmental Laws or willful misconduct of the Indemnified Party.

20.7.2 The City shall provide Airline with prompt notice of any such Environmental Damages for which Airline may be responsible pursuant to this Agreement 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 such Environmental Damages whether frivolous or not. In the event the City undertakes any action, including, but not limited to, investigations, removals, remediation, or corrective actions with respect to any such Environmental Damages in response to the failure of Airline to defend such Environmental Damages as required under this Agreement, Airline shall reimburse the City, upon written demand by the City, for all reasonable and documented costs that the City 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.

20.7.3 Except to the extent arising out of the negligence, violation of Environmental Laws or willful misconduct of the Indemnified Parties, Airline waives the right of contribution and subrogation against the Indemnified Parties in connection with Environmental Damages set forth in Sections 20.7.1(a) and 20.7.1(b), above.

20.7.4 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 Indemnified Party bears any liability or responsibility under this Article or the Environmental Laws.

20.7.5 Any claims for environmental matters shall be subject to this Section 20.7 and shall not be subject to the general indemnity provision of Section 14.1 in this Agreement.

20.8 Environmental Disclosures.

Airline hereby acknowledges that excavation of soils from the Premises could result in exportation of a regulated waste requiring appropriate characterization, handling, transport and disposal (together “Regulated Waste Removal”). The City 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 City to recover costs or expenses arising out of or associated with Regulated Waste Removal associated with any project undertaken by Airline and agrees to indemnify, defend and hold harmless the City 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 City 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 City to recover any damages, losses, costs and expenses related to worker exposure or alleged exposure to any residual Hazardous Substances contamination at the Premises and agrees to indemnify, defend and hold harmless the City from and against any and all such claims, liabilities, losses, damages, costs, and expenses. Notwithstanding the foregoing, this Section 20.8 shall not apply to any project undertaken by Airline to accommodate the City’s use or planned use of the Premises or the Airport or another airline or tenant’s use or planned use of the Premises or the Airport.

20.9 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 City 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 City 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.

20.10 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 City 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 this Agreement. The City 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, or has otherwise failed to comply with the requirements of this Article 20, the City 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.

Article 21

MISCELLANEOUS PROVISIONS

21.1 No Personal Liability.

No director, officer, agent, employee, or elected official 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.

21.2 Governing Law.

This Agreement shall be deemed to have been made in, and be construed in accordance with the laws of, the State of North Carolina. Airline and the City expressly agree that, if either party brings suit against the other, venue shall be exclusively vested in the state courts of Mecklenburg County, or if federal jurisdiction is appropriate, exclusively in the United States District Court for the Western District of North Carolina.

21.3 Compliance With Laws.

Airline shall comply with all Applicable Laws. Airline's use of Exclusive, Preferential, Joint, or Common Use Premises and all other areas of the Airport shall be subject to the Airport Rules and Regulations to the extent that the Airport Rules and Regulations do not conflict with this Agreement or Applicable Laws. Airline shall obtain 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 Exclusive, Preferential, Joint, or Common Use Premises and all other areas of the Airport, and Airline's exercise of any rights under this Agreement. The CEO may cause the Airline's operations under this Agreement to be audited no more than once per calendar year, at the City's cost and expense, and where such audit requires access into Airline's Exclusive Use Premises with reasonable advance written notice and at a mutually agreeable time in the presence of Airline or its representative, to confirm that such operations comply with the requirements set forth in this Agreement. Airline shall cooperate with such audit. Airline shall be provided the opportunity to review and comment on the findings of such audit prior to finalization. In the event such audit shows that Airline is not complying with such requirements, without limiting City's ability to call an Event of Default, City may require that Airline reimburse City for the costs of such audit. Airline shall promptly remedy any noncompliance shown in any such audit.

21.4 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 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.

21.5 Cumulative Rights and Remedies.

All rights and remedies provided in this Agreement are cumulative and not exclusive of any other rights or remedies that may be available to the parties.

21.6 PFC Act and Assurances

Notwithstanding anything to the contrary in this Agreement, no provision of this Agreement shall impair the authority of City 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”). Airline acknowledges that City 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. 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. City agrees to provide Airline with advance written notice of any provisions that would adversely modify material terms of this Agreement.

21.7 Air Service Incentive Program. Subject to applicable federal laws and policies, and in order to enhance existing air service or attract new air service to the Airport, the City reserves the right to adopt and implement one or more Air Service Incentive Programs. Each Air Service Incentive Program, if implemented, shall be offered to all eligible Air Carriers on a nondiscriminatory basis.

21.8 SEC Rule 15c2-12.

Airline, upon the City’s request, shall provide to the City such information as the City may reasonably request in writing to comply with the City’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 City to an Airline or SEC website where the requested information is then currently available.

21.9 Waiver of Visual Artists Rights.

Airline shall not install any object in any areas of the Airport designated to Airline under the Premises Notice that constitutes a work of visual art under the Visual Artists Rights Act of 1990 unless and until Airline has (a) obtained the prior written approval of the CEO and (b) provided City with a written waiver from the author of such work of visual art, in form and substance reasonably satisfactory to City, which waiver shall identify specifically the work of visual art and the uses of that work to which the waiver applies in accordance with 17 U.S.C. § 106A(e)(1) and that specifies that installation of the work may subject the work to destruction, distortion, mutilation, or other modification, by reason of its removal in accordance with 17 U.S.C. § 113(d)(1)(B).

21.10 Americans with Disabilities Act.

21.10.1 Airline shall be solely and fully responsible for ensuring that Airline's operations, wherever they may occur at the Airport (to the extent within Airline's or Airline Entities' control), and any improvements made by Airline, shall comply with the Americans with Disabilities Act of 1990, Section 504 of the Rehabilitation Act of 1973, and the Air Carrier Access Act of 1986, as these acts may be amended from time to time ("ADA") to the extent applicable to Airline. Airline shall develop a workplan to correct or avoid any violations or non-compliance with the ADA. Airline shall deliver to the City, upon the City's request, a copy of each such report and workplan. The City's approval of or acceptance of any aspect of Airline's activities under this Agreement shall not be deemed or construed in any way as a representation that such item, activity or practice complies with the ADA. Airline agrees to indemnify, defend, and hold the City harmless from any and all costs incurred by the City with respect to Airline's failure to comply with the ADA for Airline's operations (to the extent within Airline's control) or any improvements made by Airline at the Airport.

21.10.2 As required by 14 C.F.R. § 382.95(b), Airline "must . . . provide boarding and deplaning assistance through the use of lifts or ramps at [Airport] where boarding and deplaning by level-entry loading bridges or accessible passenger lounges is not available." Consistent with the requirements of 14 C.F.R. § 382, Airline shall be responsible for acquiring or making arrangements – whether directly or through its ground handlers, other airlines operating at the Airport or the City (as set forth below or otherwise)– for boarding and deplaning assistance devices for use with its aircraft at the Airport. As required by 14 C.F.R. § 382.91(b), Airline "must also provide or ensure the provision of assistance requested by or on behalf of a passenger with a disability, or offered by carrier or airport operator personnel and accepted by a passenger with a disability, in moving from the terminal entrance (or a vehicle drop-off point adjacent to the entrance) through the airport to the gate for a departing flight, or from the gate to the terminal entrance (or a vehicle pick-up point adjacent to the entrance after an arriving flight)."

21.10.3 Consistent with the requirements of 14 C.F.R. § 382.141, Airline shall ensure that those personnel involved in providing boarding and deplaning assistance through the use of lifts, ramps or other accessibility devices are properly trained in the use and operation of the devices and appropriate boarding and deplaning assistance procedures that safeguard the safety and dignity of passengers.

As explained in 66 Federal Register 22107, the use of a boarding chair to carry a passenger up or down stairs is only permitted in "abnormal circumstances (e.g., if a lift breaks down)," and "is conditioned on the passenger's consent (except in the case of emergency evacuations)." Furthermore, pursuant to 14 C.F.R. § 382.101, Airline's personnel "must never use hand-carrying (i.e., directly picking up the passenger's body in the arms of one or more carrier personnel to effect a level change the passenger needs to enter or leave the aircraft), even if the passenger consents, unless this is the only way of evacuating the individual in the event of an emergency."

21.11 Force Majeure.

To the extent either party shall be delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of strikes, lockouts, labor disputes (all of which shall be subject to Section 21.26), inability to procure labor or materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, fire or other casualty, epidemics, pandemics or quarantines or other reason of a similar nature beyond the reasonable control of the party delayed in performing work or doing acts required under this Agreement, performance of such act shall be excused for the period of the actual delay attributable to such causes, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay (any such delay is herein referred to as an “Unavoidable Delay”). This Section shall not be applicable to Airline’s obligations to procure insurance or to pay Airport Fees and Charges, or any other sums, moneys, costs, charges or expenses required to be paid by Airline. If any provision of this Agreement negates or limits the period of any force majeure or Unavoidable Delay extension, such provision shall override this Section 21.11. Each party shall give the other party notice of any Unavoidable Delay within a reasonable time (not to exceed one (1) year) following the occurrence of the delaying event.

21.12 Severability.

If 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 that the invalidity of any such covenant, condition, or provision does not materially prejudice either the City or Airline in their respective rights and obligations contained in the valid covenants, conditions and provisions of this Agreement.

21.13 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, or the interpretation or construction, of this Agreement.

21.14 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.

21.15 Withholding Required Approvals.

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

21.16 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.

21.17 Taxes.

21.17.1 Airline shall be liable for, and shall pay throughout the Term, all taxes payable for, or on account of: (a) the activities conducted by Airline on the Airport; (b) all taxes on the personal property of Airline on or at the Premises; (c) taxes on any property interest in the Premises created by this Agreement; (d) any taxes levied in lieu of a tax on any such property interest; and (e) any sales, use, or other taxes levied on, or measured by, the Airport Fees and Charges and any other fees and charges payable under this Agreement, whether imposed on Airline or on the City.

21.17.2 Airline shall reimburse the City for all such taxes paid or payable by the City. With respect to any such taxes payable by the City that are levied on, or measured by, the Airport Fees and Charges or any other fees or charges payable under this Agreement, Airline shall pay to the City with each payment an amount equal to the tax levied on, or measured by, that particular payment. All other tax amounts for which the City is or will be entitled to reimbursement from Airline shall be payable by Airline to the City 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 Airline.

21.17.3 Airline may contest, in its own name or the name of the City, the validity or amount of any tax it shall be required to pay to a taxing entity; provided, however, that Airline shall defend, indemnify and hold the City harmless from all liability and expense arising from such contest, which obligations shall survive expiration or earlier termination of this Agreement and shall provide security satisfactory to the City for its performance of such indemnification obligation. Airline shall not permit a lien or encumbrance to attach to the Premises or the Airport by reason of any failure to pay taxes.

21.18 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 into this Agreement and deemed a part of this Agreement as fully as if set forth within it.

21.19 Entire Agreement.

21.19.1 Except as otherwise specifically provided in Sections 1.1 and 21.19, the City and Airline hereby terminate the 2016 Lease in its entirety effective as of 11:59 p.m. on the day before the Effective Date, and hereby agree that this Agreement supersedes the 2016 Lease as of 12:00 a.m. on the Effective Date; provided, however, that any approvals obtained from either party under the provisions of the 2016 Lease and any obligations that the 2016 Lease provides shall survive expiration or earlier termination of the 1985 Lease shall survive

termination of the 2016 Lease under this Section 21.19; and provided, however, that Article 10 of the 2016 Lease shall remain in effect until 11:59 p.m. on June 30, 2027, and Article 10 of this Agreement supersedes Article 10 of the 2016 Lease as of 12:00 a.m. on July 1, 2027. 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.

21.19.2 The termination and cancellation of the 2016 Lease shall in no way alter the validity and binding effect of other agreements executed by and between the City and Airline, nor shall the termination of the 2016 Lease and the release of rights thereunder by the City and Airline be construed as a waiver, relinquishment, or release of any claims, damage, liability, rights of action or causes of action that either the City or Airline may have against the other under the 2016 Lease that accrued prior to the date of such termination.

21.20 Amendments.

Except as specifically provided herein, neither this Agreement, nor any of its terms 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.

21.21 No Third-Party Beneficiaries.

There are no third-party beneficiaries to this Agreement other than as specifically provided in this Agreement.

21.22 No Joint Venture.

It is expressly agreed that the City and Airline are not, in any way or for any purpose, partners and, therefore, do not assume any responsibilities for one another.

21.23 Attorneys' Fees.

If either party shall be required to bring any action to enforce any provision of this Agreement, or shall be required to defend any action brought by the other party with respect to this Agreement, and if 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. If the City 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 Charlotte, North Carolina; provided, however, that Airline shall only be required to pay to the City the difference between the total attorneys' fees owed by Airline and the amount direct billed to the City by its in-house counsel.

21.24 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, defend and hold the City harmless in connection with any such liens filed against the Premises. At the City's request, Airline shall provide to the City written proof of payment of any item that would constitute the basis for such a lien on the Premises if not paid. The indemnification and other obligations under this Section 21.24 shall survive expiration or earlier termination of this Agreement.

21.25 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 City's Overnight Delivery and Street Addresses listed in Article 1. If mailed, they shall be sent to the City's Overnight Delivery and Street Address and Airline's Overnight Delivery and Street Address as provided in Article 1, respectively, or to such other respective addresses as either party may from time to time designate to the other party in writing. All notices and payments mailed by regular mail (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.

21.26 Labor Disputes.

Airline agrees to use reasonable efforts to avoid disruption to the City, 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 City, its tenants or members of the public, arising from such strike, picketing, demonstration or other labor difficulty.

21.27 Agreement Not to Grant More Favorable Terms.

During the Term, the City agrees not to enter into any lease, contract, or other agreement with any other Air Carrier conducting operations at the Airport that contains terms, fees and charges more favorable to such Air Carrier than the terms, fees and charges payable by Airline under this Agreement, unless the City also makes those more favorable terms, fees and charges available to Airline. The provisions of this Section 21.27 shall in no way limit, impair, or interfere with the City's ability to charge or establish such fees and charges as the City may deem applicable or necessary when entering into any lease, contract, or other agreement with any party that is not an Air Carrier.

21.28 Quiet Enjoyment.

Subject to the terms and conditions of this Agreement, and Airline's payment of the Airport Fees and Charges and performance of the covenants and agreements required under this Agreement, Airline shall peacefully have and enjoy the Premises and the rights and privileges granted by this Agreement. The foregoing covenant of quiet enjoyment is in lieu of any other like covenant, express or implied.

21.29 Agreements with the United States.

This Agreement is subject and subordinate to the provisions of any agreement heretofore or hereafter made between the City and the United States, the execution of which is required by, enables or permits the transfer of rights or property to the City for airport purposes, or the expenditure of federal grant funds for Airport operations, improvement, maintenance or development. Airline shall reasonably abide by the requirements of agreements entered into between the City and the United States, and shall consent to amendments and modifications of this Agreement if required by such agreements, if required as a condition of the City's entry into such agreements or if necessary to ensure compliance with any such agreements.

21.30 Counterparts, Electronic Signature.

This Agreement may be executed simultaneously in counterparts, each of which shall be deemed to be an original copy of this Agreement and, when taken together, shall be deemed to be one and the same Agreement.

The parties hereto consent to the use of both manual and electronic signatures to execute this Agreement, and any subsequent amendments, extensions, change orders, or other agreements, to the same legal effect and extent as if entirely manually signed. Electronic delivery of any counterpart of this Agreement is as effective and legally binding as physical delivery with all counterparts constituting one agreement.

[The remainder of this page is left blank intentionally.]

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

City of Charlotte, North Carolina,

a municipal corporation

By: _____

Name: _____

Title: _____

Airline,

a [State] corporation

By: _____

Name: _____

Title: _____

DRAFT

Exhibit A

Physical Layout of the Airport

DRAFT

EXHIBIT A
PHYSICAL LAYOUT OF THE AIRPORT

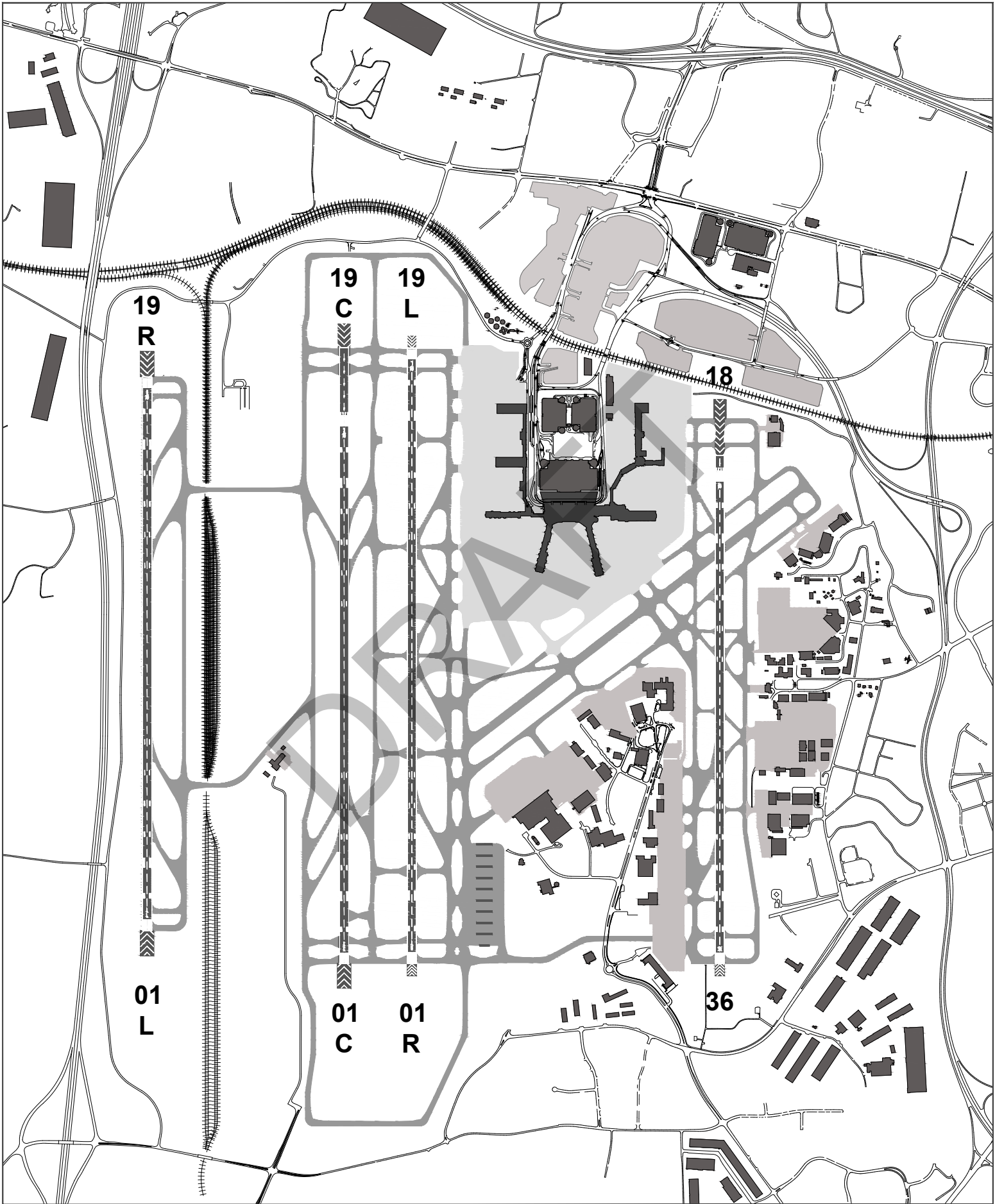


Exhibit B

Operation and Maintenance Expenses and Responsibilities

DRAFT

Exhibit B
MAINTENANCE RESPONSIBILITY OF TERMINAL AREA, RAMP AREA, SYSTEMS,
AND EQUIPMENT
CLT Airport

Defined Responsibility:	A = Airline
As further defined in Article 9 of AUA	C = City

	Exclusive Leased Premises	Preferentially Leased Premises		Common Use Premises		Joint Use Premises							
	Offices/ Lounges/ Etc.	Gate Area (Holdroom/Ramp)	Ticket Counters	Gate Area (Holdroom/Ramp)	Ticket Counter	Baggage Claim Area	Baggage Handling System Areas	Security Checkpoint Areas	Curbside Departure/Arrivals Level	Federal Inspection Station	Public Areas	Other Notes and Explanations	
Building Systems and Structure													
Building Structural and Exterior	C	C	C	C	C	C	C	C	C	C	C	Gate Area includes gate holdroom and aircraft parking position associated with the gate.	
Doors/Door Frames/Hardware	A	C	C	C	C	C	C	C	C	C	C		
Roof/Membrane/Drain/Flashing/Windows, Etc.	C	C	C	C	C	C	C	C	C	C	C		
Carpet/Floors/Tile/Terrazzo	A	C	C	C	C	C	C	C	C	C	C		
Escalators/Moving Walks/Elevators	A									C	C	Elevators or moving walks exclusive to Airline's leased premises are Airline's responsibility.	
Furniture, Seating, Seat Power, Fixtures	A	C		C		C			C	C	C		
Podiums, Millwork	A	C	A	C	C	C	C	C	C	C	C		
Passenger Loading Bridges	C	C	C	C	C	C	C	C	C	C	C		
HVAC/ Exhaust Systems	A/C	C	C	C	C	C	C	C	C	C	C	HVAC shall mean that system which has been installed by CLT to provide the general heating and cooling of the building. Airline installed (including previous tenant installed) systems are the responsibility of the Airline including VAV's FCU's, etc. All existing equipment must be identified with permanent identification. All new installations shall meet CLT Airport building and design standards and be approved by the airport prior to installation.	
Lighting and Electrical	A/C	C	C	C	C	C	C	C	C	C	C	Lighting and electrical shall mean general illumination and shall include re-lamping and replacement of the CLT standard starters, ballasts, switches and outlets. CLT will provide panel serving lessee's premises, all electrical from the sub-panel to lessee specific electrical needs is the responsibility of the lessee and shall meet CLT Airport building and design standards and must be approved by the airport prior to installation.	
Plumbing and Plumbing Fixtures	A/C	C	C	C	C	C	C	C	C	C	C	CLT will provide access to sewer main. All chugs identified to be in the length of piping beyond the access point, inside lessee premises, is the responsibility of the lessee and must be constructed to CLT building and design standards, and must be approved by the airport prior to installation.	
Signage (Directional, Informational, Branding)	A	A/C	A/C	C	C	C	C	C	C	C	C	Airport is obligated to maintain all directional signage at the airport. Airport has sole discretion over location and quantity of directional signage displayed.	
Locks/Keys	A	A	A	C	C	C	C	C	C	C	C	City is responsible for interior and exterior doors only. Preferentially leased counters/gates that utilize Common Use technology will be treated as Common Use premises. For Dual Millwork, Airline is responsible for locks that access proprietary equipment, CLT is responsible for locks that access Common Use technology.	
Utility Meters	C	C	C	C	C	C	C	C	C	C	C		
Guardrails/Bollards/Stanchions	A	A	A	C	C	C	C	C	C	C	C		
Safety and Security													
Fire Alarm System	C	C	C	C	C	C	C	C	C	C	C	CLT is responsible for the general fire suppression system of the buildings. In Exclusive Use/Preferential Use leased premises, airline will be responsible for maintaining any airline installed systems and devices to the point of connection with building systems.	
Fire Extinguishers	A	A/C	C	C	C	C	C	C	C	C	C	CLT will provide fire extinguishers on the ramp per Part 139 requirements. Maintenance and inspection of those ramp fire extinguishers will be the responsibility of the Airline.	
Security Controlled Access System	C	C	C	C	C	C	C	C	C	C	C	Airline may request additional access control installations at their own cost, these requests must be approved by the City.	
Camera System	A	C	C	C	C	C	C	C	C	C	C		
Special Equipment													
Digital Information Displays (EVID's)	A	A/C	A*	C	C	C	C	C	C	C	C	Proprietary technology installed at gate holdrooms assigned for preferential use is airline's responsibility. Shared Use Terminal Equipment installed at any gate holdroom is CLT's responsibility. CLT Responsibilities: Campus maps, marketing displays, ticket counter backdrops, curbside digital signage, PIDS, etc. * Preferentially Leased Ticket Counter: Unless prior approval is given by CLT for an airline to utilize CLT shared use systems.	
RIDS/Safegate/RFID		A											
Shared Use Terminal Equipment/ Common Use Equipment	C	C	C	C	C	C	C	C	C	C	C		
Lightning Detection System		C		C									
Paging/ Communication Systems	C	C	C	C	C	C	C	C	C	C	C		
Baggage Handling System	C	C	C	C	C	C	C	C	C	C	C		
Distributed Antenna System/ Wi-Fi	A	C	C	C	C	C	C	C	C	C	C		
Services													
Housekeeping/Trash Removal	A	A/C	A	C	C	C	C	C	C	C	C	City responsible for all gate holdroom areas. Airlines are responsible for leased gate apron area out to vehicle drive lane. Airline responsible in all cases to verify safe operating conditions and clearances. CLT is responsible for emptying dumpsters.	
Snow/ Ice Removal		A/C		C								Airlines are responsible for leased gate area out to vehicle drive lane.	
Apron Painting/Striping		A		C								Airline Preferentially Leased Aircraft Parking Positions are Airline's responsibility. All changes to apron painting/striping must be approved by CLT in writing prior to install. CLT is responsible for all Common Use gates. Airline responsible in all cases to verify safe operating conditions and clearances.	
Pest Control	C	C	C	C	C	C	C	C	C	C	C		
Information Technology													
IT Cabling/Infrastructure	A	A	A	C	C	C	C	C	C	C	C		

Exhibit C

Procedures for Parking and Gate Use, Assignment and Scheduling

DRAFT



Regulations for Use of Preferential and Common Use Premises & Equipment

Effective Date: January 1, 2027

Revision Date: January 1, 2027

DRAFT

SECTION 1: DEFINITIONS

SECTION 2: AUTHORITY, IMPLEMENTATION, AND AMENDMENTS

SECTION 3: DUTIES

SECTION 4: SCHEDULING OF GATES

SECTION 5: SCHEDULING OF OTHER COMMON USE PREMISES

SECTION 6: TRAINING AND EQUIPMENT USE

SECTION 7: COMPLIANCE

SECTION 1: DEFINITIONS

The following definitions shall be applicable whenever the specific term is used in these procedures:

ADVANCE SCHEDULE:

An Air Carrier's monthly flight schedule submitted as required under Section 3.1 of these procedures, subject to each Signatory Airline's right to amend its Advance Schedule in accordance with Section 4.11.3 of its AUA.

AIR CARRIER:

A carrier certificated by the Secretary of the U.S. Department of Transportation as a Passenger Carrier under 49 U.S.C. § 41102 or a Cargo Carrier under 49 U.S.C. § 41103.

AIRLINE USE AND LEASE AGREEMENT OR AUA:

The Airline Use and Lease Agreement executed between the City and each Signatory Airline operating at the Airport, as each may be amended from time to time in accordance with the AUA.

AIRPORT OPERATIONS DIVISION OR AIRPORT OPERATIONS:

The Airport division of the City that is responsible for operational management of the Airport.

ARRIVAL:

An inbound flight by an Air Carrier to deplane passengers, baggage and cargo at the Airport.

AUA

The Airline Use and Lease Agreement effective as of January 1, 2027.

CHIEF EXECUTIVE OFFICER OR CEO:

The Chief Executive Officer of the Airport or his/her successor, or the person, division, department, bureau, or agency designated by the City to exercise functions equivalent to those now exercised by the Chief Executive Officer or his/her successor.

CITY-OWNED EQUIPMENT:

Collectively, those certain fixtures, equipment, systems and improvements owned by the City and located throughout the Terminal Complex in furtherance and support of the air transportation business and related operations of Air Carriers at the Airport, including without limitation the passenger loading bridges owned by the City and the Shared Use Terminal Equipment.

COMMON USE GATE:

Each Gate designated by the City in accordance with the AUA to be used in common by Air Carriers operating at the Airport and shall not be deemed to include any Preferential Use Gate.

COMMON USE PREMISES:

Those areas within the Terminal Complex, including Common Use Gates (including associated Gate Ramps) and Common Use Ticket Counters, that are made available by the City to Airline and to one or more other Air Carriers, subject to Section 2.3.4 of the AUA and as more fully described in the Premises Notice.

COMMON USE TICKET COUNTER:

The Ticket Counters designated by the Airport CEO to be used in common by Air Carriers operating at the Airport.

DEPARTURE:

An outbound flight by an Air Carrier to enplane passengers, baggage and cargo to a specific destination.

DOMESTIC FLIGHT:

An aircraft arriving at the Airport from an airport located within the United States or carrying passengers that do not require clearance by FIS at the Airport.

EMERGENCY FLIGHT:

Any aircraft with an emergency due to a safety, security or other issue that is required to arrive at the Airport. Stated emergencies may include, without limitation, “medical on-board” or “request for law enforcement officer or security to meet the aircraft.”

FIS OR FEDERAL INSPECTION SERVICES:

Those services provided by federal agencies responsible for the inspection of passengers, baggage and cargo entering the United States including, without limitation, U.S. Customs and Border Protection, U.S. Immigration and Customs Enforcement, and U.S. Department of Agriculture.

FIS FACILITY:

The Federal Inspection Services facility located in the Terminal Building.

GATE:

An area of the Terminal Building made up of a Holdroom and a portal or stairwell, if any, through which passengers must pass to board or deplane an aircraft.

GATE REQUESTING AIRLINE:

A Scheduled Airline seeking to operate at a Preferential Use Gate that is leased to a Signatory Airline.

HOLDROOM:

An area associated with a Gate for the staging of passengers waiting to board an aircraft at a Gate.

INTERNATIONAL FLIGHT:

An aircraft arriving at the Airport that is not a Domestic Flight and is carrying passengers and/or cargo that require clearance by FIS at the Airport.

INTERNATIONAL GATE:

A Gate that provides passengers deplaning from an International Flight direct access to the FIS Facility.

IRREGULAR OPERATIONS:

An off-schedule arrival or departure of a Scheduled Operation at a particular Gate or any flight that is not a Scheduled Operation at a particular Gate but needs to operate at that Gate for reasons outside Airline's control or for other commercially reasonable purposes.

NINETY (90) DAY REVIEW:

The review by Airport Operations of each Air Carrier's International Advance Schedule submitted ninety (90) days in advance of operations, as further described in Section 3.2 of these procedures.

NON-SIGNATORY AIRLINE:

Any Air Carrier that is not a Signatory Airline.

OPERATING AGREEMENT:

The agreement executed between the City and a Non-Signatory Airline operating at the Airport, or the agreement executed between the City and each Affiliate of a Signatory Airline operating at the Airport, or any other authorization issued by the City to a Non-Signatory Airline operating at the Airport, each as applicable.

PERIOD OF USE (FOR ARRIVALS):

For a Scheduled Operation at a Preferential Use Gate, the Period of Use shall commence thirty (30) minutes prior to the time scheduled for an Arrival. The Period of Use shall terminate sixty (60) minutes after the time scheduled for an Arrival or upon the Air Carrier's completion of the deplaning process, whichever occurs first.

PERIOD OF USE (FOR DEPARTURES):

For a Scheduled Operation at a Preferential Use Gate, the Period of Use shall commence sixty (60) minutes prior to the time scheduled for a Domestic Departure and ninety (90) minutes prior to the time scheduled for an International Departure. The Period of Use shall terminate upon the actual departure of the aircraft from the Gate or thirty (30) minutes after the time scheduled for the departure, whichever occurs first; provided, however, that the scheduled departure time shall be extended if the aircraft is being boarded and actively prepared for departure, and in such instances, the extension shall extend only to the completion of the active boarding process.

PREFERENTIAL USE GATE:

A Gate assigned by the City to a Signatory Airline on a preferential use basis in accordance with its AUA and shall be deemed to include a Preferential Use International Gate.

PREFERENTIAL USE INTERNATIONAL GATE:

An International Gate assigned by the City to a Signatory Airline on a preferential use basis in accordance with its AUA.

SCHEDULED AIRLINE:

An Air Carrier performing scheduled passenger service operations at the Airport.

SCHEDULED OPERATION:

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 sixty (60) days prior for a Domestic flight or ninety (90) days prior for an International flight to the first day of the month in which the Scheduled Airline's schedule would take effect, and that is also submitted to the City in an Advance Schedule as required under these procedures, subject to each Signatory Airline's right to amend its Advance Schedule in accordance with Section 4.11.3 of its AUA.

SHARED USE TERMINAL EQUIPMENT:

Equipment owned and installed by the City for use in passenger processing, including without limitation, equipment casework, flight information displays ("FIDS"), gate information displays

("GIDS"), boarding gate readers, passenger processing workstations, seating and self-service kiosks (for boarding passes and bag tagging), and other shared use technology (e.g., reservation system portal open to all Air Carriers at the Airport).

SIGNATORY AIRLINE:

Airline and each other Passenger Carrier that (a) has agreed to lease, if available, at least one (1) Preferential Use Gate or its financial equivalent, at least one (1) Preferential Use Ticket Counter, and 500 square feet or more of Exclusive Use Premises; and (b) has executed an airline use and lease agreement with the City substantially similar to this Agreement. An Affiliate of a Signatory Airline shall not be a Signatory Airline.

SIXTY (60) DAY REVIEW:

The review by Airport Operations of each Air Carrier's Domestic Advance Schedule submitted sixty (60) days in advance of operations, as further described in Section 3.2 of these procedures.

TERMINAL BUILDING:

Those areas and facilities described in Exhibit H of the AUA.

TURNAROUND:

A flight by an Air Carrier that deplanes passengers, baggage and cargo at the Gate, remains at the Gate, and then enplanes passengers, baggage and cargo from the Gate for the purpose of departing a flight to a destination other than the Airport.

SECTION 2: AUTHORITY, IMPLEMENTATION, AND AMENDMENTS**2.1. AUTHORITY**

The Airport Operations Division shall be responsible for the administration and implementation of these procedures.

2.1.1. Email: GMCoordinators@cltairport.com

2.1.2. Phone: (704) 359-GATE (4283)

2.2. IMPLEMENTATION

The Airport Operations Division will use its best efforts to assign and schedule Common Use Premises in a fair and efficient manner pursuant to these procedures and applicable terms of the Airline Use and Lease Agreement (AUA).

2.3. AMENDMENTS

These procedures are subject to change by action of the CEO. Air Carriers will be provided thirty (30) days' advance written notice of proposed amendments or other changes to these procedures to allow for review and comment. The CEO shall have the final authority to amend or rescind these procedures and shall, at his/her sole discretion, approve and effect any such amendment(s) or rescission in writing; provided, however, that no such amendment shall conflict with the terms of each AUA or Operating Agreement. Air Carriers will be notified in writing of any amendments or other changes to these procedures at least thirty (30) days prior to implementation.

SECTION 3: DUTIES

Each Air Carrier, in its sole discretion, shall designate the appropriate Air Carrier staff to perform their respective duties listed below. Likewise, the City, in its sole discretion, will designate the appropriate Airport Operations staff to perform the duties below.

3.1. AIR CARRIERS SHALL:

- 3.1.1. Submit an Advance Schedule for the Sixty (60) Day Review for Domestic flights and Ninety (90) Day Review for International flights even if the Air Carrier's Scheduled Operations(s) have not changed from the prior month, and if the Air Carrier's Scheduled Operations(s) are likely to extend for more than thirty (30) days.
- 3.1.2. The Advance Schedule shall be submitted in a form approved by Airport Operations not later than the first (1st) day of the month preceding the applicable review period before the schedule would take effect (e.g. sixty (60) days prior for a Domestic advance schedule: the Domestic schedule for November is due not later than September 1st; or ninety (90) days prior for an International advance schedule: the International schedule for November is due not later than August 1st). The "Effective Date" of the Advance Schedule is the first day of each month, regardless of whether the schedule changes within each month.
- 3.1.3. Submit to Airport Operations information regarding changes to aircraft fleet mix, major changes to numbers of flights, and new service or destinations as soon as the Air Carrier is aware of such changes.
- 3.1.4. Provide to Airport Operations and (where applicable) FIS representatives reasonable notification of all Irregular Operations, and immediate notification of all flight delays, cancellations, schedule changes, emergencies and other matters affecting Airport operations in accordance with these procedures.
- 3.1.5. Notify Airport Operations about, and obtain requisite approvals for, RON and hardstand aircraft parking at the Airport in accordance with these procedures.
- 3.1.6. Comply with these procedures and related rules, directions and notices issued by Airport Operations or the City.

3.2. AIRPORT OPERATIONS SHALL:

- 3.2.1. Review each Air Carrier's Advance Schedule, as part of the Sixty (60) Day Review for Domestic flights and Ninety (90) Day Review for International flights.
- 3.2.2. Maintain a monthly master schedule for Common Use Gate allocation based on the results of the Sixty (60) and Ninety (90) Day Reviews according to the Gate access priority system described in these procedures. The resulting schedule showing all approved gate use times will be submitted to the Air Carriers no more than thirty (30) days following the respective Advance Schedule submittal date.
- 3.2.3. Implement Gate assignments and reassignments for Common Use Gates on a day – to - day basis (real-time and otherwise), including resolving Gate conflicts.
- 3.2.4. Confirm aircraft activity for each month and provide a forum for discussing schedule problems of the past and current months. If Airport Operations deems it necessary, a weekly Gate plan may be prepared.

3.3. CONFLICT RESOLUTION

- 3.3.1. Airport Operations shall use its best efforts to resolve conflicts arising under these procedures.
- 3.3.2. If Airport Operations is unable to resolve a conflict arising under these procedures, the CEO shall have final authority for conflict resolution.

SECTION 4: SCHEDULING OF GATES

4.1. DESIGNATION OF GATES

4.1.2. Preferential Use Gates

- (1) Each Signatory Airline shall have a scheduling priority at all of its Preferential Use Gates for all of its Periods of Use with respect to its Scheduled Operations, subject to the terms of Section 4.11 of its AUA and these procedures. A Gate Requesting Airline's use of a Signatory Airline's Preferential Use Gates shall be governed by the terms of Section 4.11 of such Signatory Airline's AUA. A Gate Requesting Airline shall be charged by the City for use of a Signatory Airline's Preferential Use Gates in accordance with Section 4.12 of such Signatory Airline's AUA.

4.1.3. Common Use Gates

- (1) The City shall retain exclusive control of the use of all Common Use Gates. Airport Operations will be guided by the Priority System described for Common Use Gates set forth below.

4.2. COMMON USE PRIORITY SYSTEM

4.2.2. Priority Scheduling System for Common Use Gates with FIS Facility access:

- (1) International scheduled arrivals
- (2) International scheduled departures
- (3) International precleared arrivals that require International FIS clearance per CBP criteria
- (4) Domestic scheduled departures that are continuations of international arrivals
- (5) Domestic scheduled arrivals or departures

4.2.3. Priority Scheduling System for Common Use Gates without FIS Facility access:

- (1) International precleared arrivals
- (2) International scheduled departures
- (3) Domestic scheduled arrivals or departures

4.2.4. In all instances, within each level of priority, flights will be prioritized in the following order:

- (1) Turnaround flight
- (2) Arrival only flight
- (3) Departure only flight

4.2.5. When two or more flights meet the description of any of the individual categories above:

- (1) A flight operated by an aircraft with a higher capacity has priority over a flight operated by an aircraft with a lower capacity, where capacity is defined by the number of seats operated over an entire 7-day period
- (2) A Scheduled Operation has priority over an Irregular Operation. Where two flights are Irregular Operations, the flight whose estimated time is farthest from its scheduled time has priority over the other flight.

4.2.6. Within each category of the priorities established herein, Airport Operations will first consider schedule requests for Common Use Gates from Air Carriers that do not have Preferential Use Gate(s).

4.2.7. An Air Carrier having Preferential Use Gate(s) will be required to demonstrate to the reasonable satisfaction of Airport Operations that each requested flight of the Air Carrier or any of its Affiliates for which assignment to a Common Use Gate has been requested could not be accommodated at such Preferential Use Gate(s) at such time.

4.3. GATE OCCUPANCY PERIODS

Airport Operations will use the following guidelines for scheduling at Common Use Gates:

- 4.3.1. Each category of flight will be allocated a fixed period of time on a Common Use Gate according to the type of aircraft being used to operate the flight as specified in the table below (although it is understood and agreed that Airport Operations may schedule flights that necessitate an overlap in Air Carriers' time to set-up and tear down);

(1) Domestic Flight or Precleared Flight

	Arrival Only	Departure Only	Turnaround
Aircraft Design Group			
II	30	30	60
III	45	45	90
IV or larger	60	60	120

(2) International Flight

	Arrival Only	Departure Only	Turnaround
Aircraft Design Group			
II	45	45	90
III	60	60	120
IV or larger	90	90	180

- 4.3.2. A Turnaround flight with a scheduled ground time in excess of the applicable maximum specified in the table above will be treated as two separate flights, an independent Arrival Only and a separate independent Departure Only.
- 4.3.3. For any Turnaround flight that is a mixture of International and Domestic or Precleared, the individual arrival and departure only Gate Occupancy Period will be combined to create a new combined Turnaround Gate Occupancy Period.
- 4.3.4. Air Carriers must advise Airport Operations when a flight scheduled to arrive at or depart from a Common Use Gate deviates by more than fifteen (15) minutes from the scheduled time.
- 4.3.5. A flight exceeding the applicable maximum ground time specified in the table above may be required to tow-off the Common Use Gate.
- 4.3.6. If an Air Carrier requires time at the Common Use Gate in excess of the maximum applicable ground time specified in the table above, the Air Carrier must notify Airport Operations and is subject to approval or denial in the sole discretion of Airport Operations.

4.4. GENERAL GATE USE PROVISIONS

- 4.4.1. Notwithstanding anything in these procedures to the contrary, Emergency Flight accommodation shall have priority over all other Gate scheduling. Every effort will be made to accommodate Emergency Flights on an unassigned Gate or at a Gate that will cause the least impact on other Air Carriers' operations.
 - 4.4.2. Airport Operations shall implement Gate assignments for Common Use Gates on a day-to-day basis.
 - 4.4.3. Unless previously agreed by the affected Air Carriers with concurrence from Airport Operations or otherwise consistent with these procedures, other aircraft must not be scheduled or allowed to use any portion of an Air Carrier's Period of Use.
 - 4.4.4. An early Arrival may enter an assigned Gate at any time prior to its scheduled arrival time, provided the preceding aircraft assigned to that Gate has departed and the Gate is available.
 - 4.4.5. Any change(s) to an Air Carrier's Gate assignment must be approved in advance by Airport Operations by contacting Airport Operations via phone for a real-time change or emailing projected schedule change(s). No aircraft may taxi onto an open Gate, or unilaterally relocate to another Gate, without such prior approval.
 - 4.4.6. If a Gate with a passenger loading bridge is inoperable or out of service, Airport Operations will use its best efforts to accommodate the affected flight on another Gate with a passenger loading bridge or on a Gate without a passenger loading bridge.
 - 4.4.7. Airport Operations reserves the right, in its reasonable discretion, to require an Air Carrier to tow off an aircraft from a Gate at any time (including, without limitation, an aircraft with a pre-approved extended ground time) to an alternative parking position if airfield operations have been disrupted, or if Airport Operations can find no other reasonable means of accommodating another Scheduled Operation; provided, however, that a Signatory Airline shall retain scheduling priority in the event said Signatory Airline's Irregular Operation at its
-

Preferential Use Gate interferes with a Gate Requesting Airline's use of such Preferential Use Gate. In that instance, the Signatory Airline shall work with and make commercially reasonable efforts to accommodate the Gate Requesting Airline at another Preferential Use Gate of the Signatory Airline that is located in the same Concourse as that Preferential Use Gate and can accommodate the size of the Gate Requesting Airline's aircraft.

- 4.4.8. Subject to the requirements of these procedures, Airport Operations will, to the best of their ability, attempt to re-assign an aircraft that has become an irregular operation and lost priority at its original assigned gate to another Common Use Gate or Preferential Use Gate at the first available time, at the highest level of priority that is consistent with the original priority level of the flight; provided, however, that such reassignment shall not displace an Air Carrier operating on-time. Reassignment of a previously assigned Common Use Gate may be required. The reassignment of on-time flights will be limited to only those times when a higher priority flight is delayed or, as agreed upon by the affected Air Carriers. Airport Operations will attempt to re-assign an aircraft to a Gate in close proximity to the Air Carrier's normal operational area.

SECTION 5: SCHEDULING OF OTHER COMMON USE PREMISES

Common Use Premises will be assigned to Air Carriers by Airport Operations for the processing of passengers and baggage for flights and the staging of aircraft

5.1. COMMON USE TICKET COUNTERS

- 5.1.1. The number of Common Use check-in positions assigned to an Air Carrier for a particular flight will be based upon the following table, and shall be limited to the associated maximum occupancy time contained within.

	Number of Check-In Positions
Aircraft Design Group	
II	2
III	4
IV or larger	6

- 5.1.2. The maximum periods for which an Air Carrier may be scheduled to occupy Common Use check-in positions in advance of a Departure shall be as follows (expressed in minutes prior to and after departure).

	Ticket Counter/Check-In Area	Baggage Claim
Aircraft Design Group		
II	-90 to +15	0 to +30
III	-120 to +15	0 to +45
IV or larger	-240 to +30	0 to +75

“-“ (minus) refers to prior to scheduled time of departure

“0” refers to scheduled time of arrival

“+” (plus) refers to after scheduled time of departure or arrival

After maximum “+” time shown for baggage claim, Air Carrier must pull baggage from claim belt(s) and move to Air Carrier office.

5.1.3 In addition to the number of positions allocated in the table above in section 5.1.1, Air Carriers may be allocated an additional ticket counter(s) upon request to Airport Operations. These additional counter(s) shall only be allocated if it can be done without conflicting with the check-in activities or, reducing the number of check-in positions for, another Departure operated by another Air Carrier at the same time.

5.1.4 In Lieu of additional ticket counters, an alternate option to extend the opening ticket counters times in advance of a flight may be coordinated ahead of time with Airport Operations provided the additional timeframe shall only be allocated if it can be done without conflicting with the check-in activities or, or reducing the number of check-in positions for, another Departure operated by another Air Carrier at the same time.

5.2. COMMON USE REMOTE AIRCRAFT PARKING RAMPS

5.2.1. Airport Operations is responsible for management of the common use remote aircraft parking (hardstand parking) areas. Air Carriers shall coordinate all parking requests with Airport Operations prior to repositioning any aircraft to a hardstand parking position.

5.2.2. Parking requests will be granted on a space available basis.

5.2.3. Aircraft will not be allowed to park on a hardstand parking position for longer than the scheduled parking time assigned, and in no event longer than twenty-four (24) hours, or for the express reason of staging aircraft, without prior approval of Airport Operations.

5.2.4. Air Carriers must provide to Airport Operations a twenty-four (24) hour contact number for emergency purposes.

5.2.5. When instructed by the CEO, the operator of any aircraft parked or stored at a hardstand parking position shall move said aircraft from the place where it is parked or stored. If the operator refuses to comply with such instructions, the CEO may order such aircraft moved at the expense of the Air Carrier, without liability for damage that may result in the course of such moving.

- 5.2.6. Air Carriers are required to obtain approval from Airport Operations for Remain Over Night (RON) parking assignments at Common Use Gates by contacting Airport Operations prior to any such RON. Once approved, RONs shall be subject to the Air Carrier's payment of applicable fees and charges then in effect.
- 5.2.7. Air Carriers (including Gate Requesting Airlines) are required to notify Airport Operations for RONs at Preferential Use Gates that are not listed on the then current Gate schedule produced by Airport Operations. Subject to Gate demand each morning and to Irregular Operations throughout the evening, an Air Carrier may RON its aircraft at its Preferential Use Gate as long as no Gate Requesting Airline has been assigned to said Preferential Use Gate.

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SECTION 6: TRAINING AND EQUIPMENT USE

All personnel, before attempting use or operating City-Owned Equipment, for or on behalf of Air Carrier must have received required training from either authorized City or Airport personnel or from Air Carrier's personnel trained as trainers by City or Airport personnel in the operation of said equipment. Each Air Carrier shall maintain for at least two (2) years the training records for each member of Air Carrier's personnel expected to operate City-Owned Equipment for or on behalf of Air Carrier, which records shall show each such individual's successful completion of the required training course(s). Each Air Carrier's use of equipment at the Gate shall not include equipment owned by or proprietary to another Air Carrier and shall instead be limited to the City-Owned Equipment. It is the sole responsibility of each Air Carrier to ensure compliance with this provision.

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SECTION 7: COMPLIANCE

If an Air Carrier fails to vacate the Common Use Premises at the scheduled time without the express approval of Airport Operations, and such failure interferes with another Air Carrier's use of the Common Use Premises, or with other Airport Operations, the City may, in addition to using any other remedies specified in these procedures, impose the following fines and remedies:

Offense:	Action:
First:	Written warning issued to Air Carrier
Second:	\$1,000 fine assessed against Air Carrier
Third:	\$2,500 fine assessed against Air Carrier
Fourth:	\$10,000 fine assessed against Air Carrier
Fifth:	Event of Default under Air Carrier's AUA or Operating Agreement (as the CEO shall elect in his/her sole discretion)

Reset Period: The offense level will be reset and all subsequent offenses will begin at the first level offense on a rolling twelve (12) month cycle.

All decisions regarding enforcement of these procedures and imposition of remedies shall be made by the CEO, whose decision shall be final.

Exhibit D

Common Use and Preferential Use Gate Assignments as of Effective Date

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Exhibit D
COMMON USE AND PREFERENTIAL USE GATE
ASSIGNMENTS AS OF EFFECTIVE DATE
(January 1, 2027)

Charlotte Douglas International Airport

CONCOURSE A		CONCOURSE B		CONCOURSE C		CONCOURSE D		CONCOURSE E		
Original Gates	Preferentially Assigned Airline	Gate	Preferentially Assigned Airline	Gate	Preferentially Assigned Airline	Gate	Preferentially Assigned Airline	Current Gate	Future Gate *	Preferentially Assigned Airline
A1	American	B1	American	C2	American	D1	American	E1	E1	Common Use (City)
A2	American	B2	American	C3	American	D2	American	E2	E2	Common Use (City)
A3	American	B3	American	C4	American	D3	American	E3	E3	Common Use (City)
A4	American	B4	American	C5	American	D4	Common Use (City)	E4	E4	American
A5	American	B5	American	C6	American	D5	American	E5	E5	American
A6	American	B6	American	C7**	American	D6	Common Use (City)	E5a	E7	American
A7	American	B7	American	C8	American	D7	American	E6	E6	American
A8	American	B8	American	C9	American	D8	Common Use (City)	E7	E9	American
A9	American	B9	American	C10	American	D9	American	E8	E8	American
A10	Common Use (City)	B10	American	C11	American	D10	Common Use (City)	E9	E10	American
A11	Common Use (City)	B11	American	C12	American	D11	American	E10	E12	American
A12	Common Use (City)	B12	American	C13	American	D12	Common Use (City)	E11	E11	American
A21	United	B13	American	C14	American	D13	American	E12	E14	American
A22	Common Use (City)	B14	American	C15	American			E13	E13	American
A23	United	B15	American	C16	American			E14a	E21	American
A24	Southwest	B16	American	C17	American			E14b	E22	American
A25	United			C18	American			E15	E15	American
A26	Southwest			C19	American			E16	E19	American
A27	Common Use (City)							E16a	E20	American
A28	Common Use (City)							E17	E16	American
A29	Common Use (City)							E18	E18	American
A30	Common Use (City)			Concourse C Expansion (Cx)***				E19	E17	American
A31	Frontier			Cx Gate 1	American (Future)			E20	E23	American
A32	Delta			Cx Gate 2	American (Future)			E21	E25	American
A33	Frontier			Cx Gate 3	American (Future)			E22	E24	American
A34	Delta			Cx Gate 4	American (Future)			E23	E27	American
A35	Common Use (City)			Cx Gate 5	American (Future)			E24	E26	American
A36	Delta			Cx Gate 6	American (Future)			E25	E29	American
A37	Delta			Cx Gate 7	American (Future)			E26	E28	American
A38	Delta			Cx Gate 8	American (Future)			E27	E31	American
A39	Delta			Cx Gate 9	American (Future)			E28	E30	American
				Cx Gate 10	American (Future)			E29	E33	American
				Cx Gate 11	American (Future)			E30	E32	American
				Cx Gate 12	American (Future)			E31	E35	American
				Cx Gate 13	American (Future)			E32	E34	American
				Cx Gate 14	American (Future)			E36	E36	American
				Cx Gate 15	American (Future)			E37	E37	American
				Cx Gate 16	American (Future)			E38	E38	American
								E39	E39	American
								E40	E40	American
								E41	E41	American
								E42	E42	American
								E43	E43	American
								E44	E44	American
								E45	E45	American

AIRLINE	Assigned Gates (Current)	Assigned Gates (Future)
American	93	109
Delta	6	6
Frontier	2	2
Southwest	2	2
United	3	3
Common Use (	17	17
TOTAL GATES	123	139

*E Gate re-numbering to occur Q1 2027
** C7 is not currently striped for aircraft use
*** Expected gate count and numbering to be determined during design process

Exhibit E

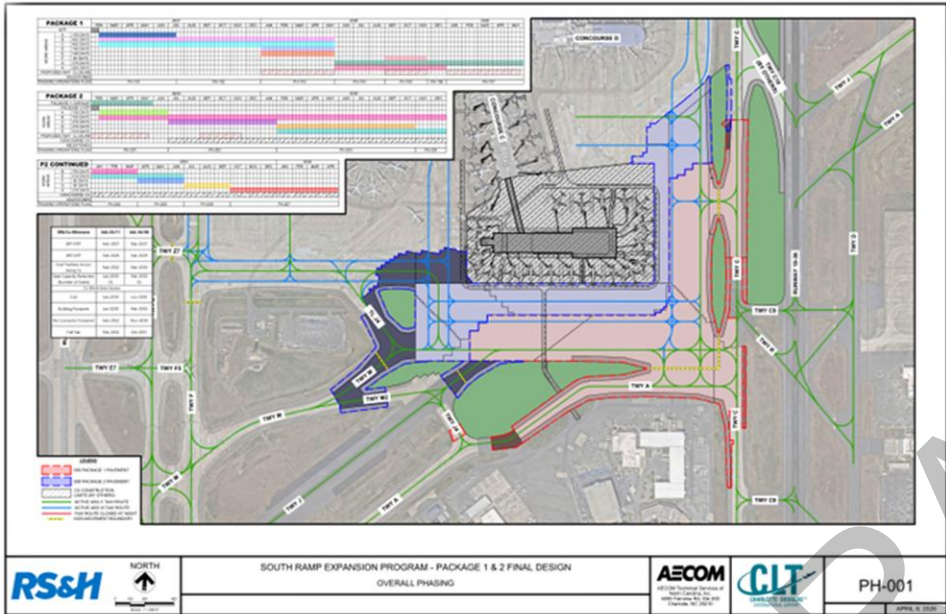
Pre-Approved Projects

DRAFT



Exhibit E: Pre-Approved Projects

Program	Project Name	Total Project Cost (2026 \$)	Previously Approved MII	AUA Pre-Approved Request
Airfield	Runway 18/36 Rehabilitation and TWY D Rehab - Construction Only	\$215,640,000	\$25,800,000	\$189,840,000
Airfield (TAP)	South Ramp Expansion	\$396,000,000	\$371,000,000	\$25,000,000
Terminal (TAP)	Concourse C Expansion	\$700,000,000	\$0	\$700,000,000
Terminal (TAP)	Central Tunnel	\$500,000,000	\$0	\$500,000,000
Terminal Support	FIS Renovations	\$56,000,000	\$0	\$56,000,000
Terminal Support	International Cross-Connect Reconfiguration	\$35,000,000	\$0	\$35,000,000
Terminal Support	International Concourse Expansion (Planning & Design Only)	\$60,000,000	\$0	\$60,000,000
Terminal Support	Atrium Expansion (Planning & Design Only)	\$36,000,000	\$0	\$36,000,000
Terminal Support	Main Switchgear East & West Replacement	\$50,000,000	\$0	\$50,000,000
Terminal Support	Basement Modernization & Enhancement	\$45,000,000	\$0	\$45,000,000
Airport Support	CLT Center Phase 16 - Building Rehabilitation	\$22,000,000	\$0	\$22,000,000
TOTAL		\$2,115,640,000	\$396,800,000	\$1,718,840,000



Total Project Budget		\$ 396M
Design Start	September 2025*	
Construction Duration	Q1 2029 – Q2 2032	5 Years

KEY HIGHLIGHTS

- Funding Plan: Non-PFC Bonds
- * South Ramp Expansion – Preliminary Engineering (\$5.5 Million) was approved by MII as part of the FY22 MII Projects on 2/21/2022.
- * South Ramp Expansion – Phase 1 Design/Construction and Phase 2 Design (\$371 Million) was approved by MII on 1/27/2025.

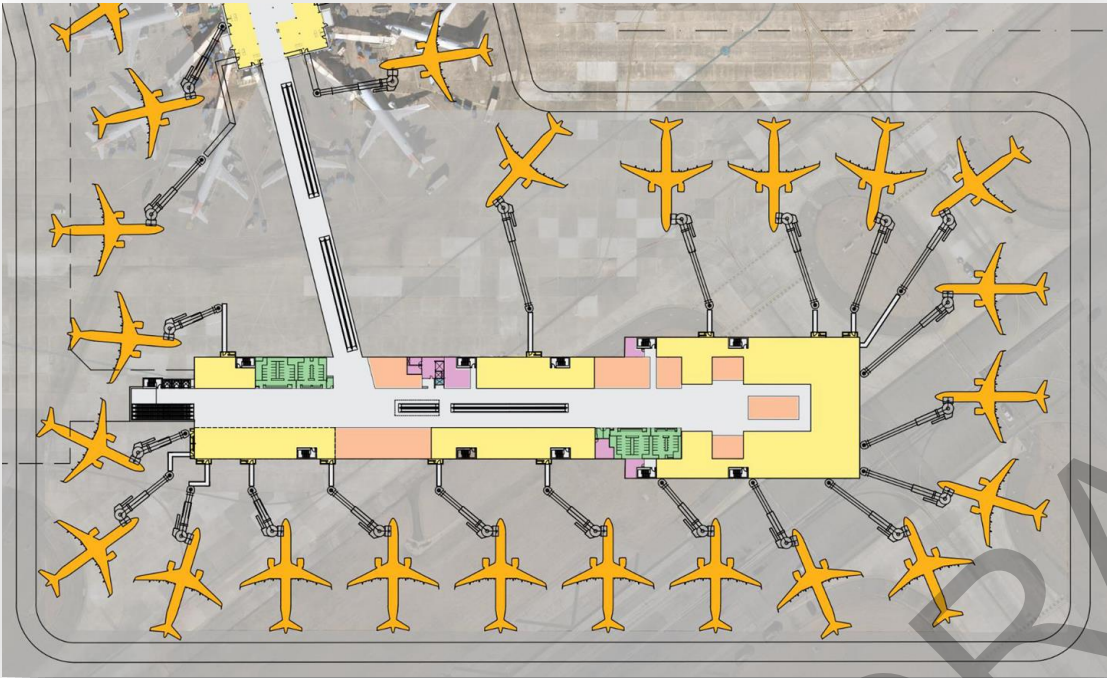
PROJECT DESCRIPTION

- The South Ramp Expansion (SRE) – Packages 1 and 2 represent two of the three planned expansions of the East–West dual taxilanes identified in the Terminal Area Plan. The project will provide expansion and reconfiguration of the aircraft ramp south of the terminal concourses to increase ramp circulation capacity and provide more direct routing for east-west movements. To align with the accelerated Concourse C expansion schedule, the SRE construction work will be delivered in two construction packages: Package 1 and Package 2 as shown in the exhibit above.

JUSTIFICATION

- During the 2021 Terminal Area Planning Study, a future passenger tunnel was identified as critical infrastructure to support not only the future satellite terminal, but also all future expansions to the Concourse B & C. To support the future concourse expansions and remedy a significant congestion point on the ramp, the South Ramp Expansion Program will provide for the additional required pavement to support future airline operations at CLT and provide full East/West taxilanes south of the terminal. While previous iterations of the program included a tunnel segment in the second phase, at this time no tunnel is included in the SRE program as it will be addressed by future projects.

PLANNING DESIGN CONSTRUCTION	2026				2027				2028				2029				2030				2031			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4



Total Project Budget		\$ 700M
Design Start	Q2 2027	
Construction Duration	Q2 2030 – Q2 2033	3 Years

KEY HIGHLIGHTS

- Funding Plan: Non-PFC Bonds

PROJECT DESCRIPTION

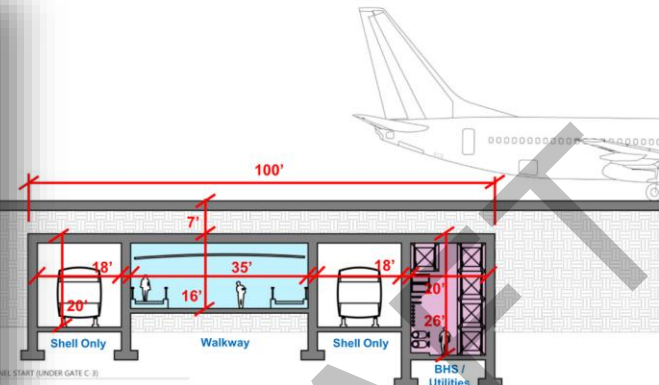
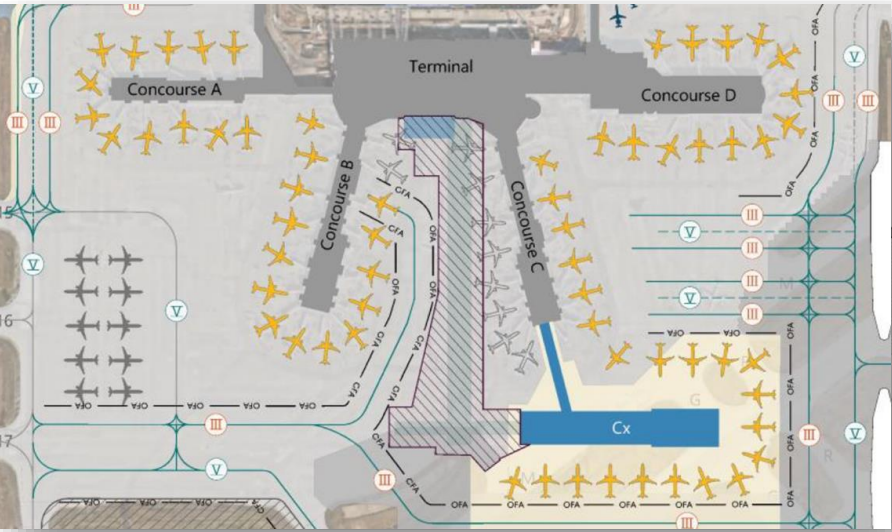
- Concourse C Expansion (Cx) would provide an additional sixteen to eighteen gates on a new concourse that can accommodate the latest generation ADG-III aircraft, with a basement level, an apron level, a departures level, and a mezzanine level. The concourse is connected to the existing Concourse C via an elevated connector/walkway and in the future to the terminal atrium via a central tunnel. To implement the Concourse C Expansion project prior to the implementation of a central tunnel, a closure of the interior gates would be required for passenger circulation.

JUSTIFICATION

- CLT has experienced strong and consistent growth with passenger volumes increasing from 44.3 million in 2014 to 58.8 million in 2024. CLT initiated the Terminal Area Plan (TAP) to create a development roadmap capable of supporting the continued growth of the airlines. TAP identified multiple alternatives and resulted in a preferred alternative that provides two concourse expansions at the end of both B and C concourses. Through the reviewed implementation plan, Cx was selected to provide incremental benefits without decreasing the total number of available gates and minimizing operational disruptions. CLT is preparing to initiate the advanced planning and schematic design phase to validate constructability, implementation, and associated costs.



PLANNING	2028				2029				2030				2031				2032				2033			
DESIGN	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
CONSTRUCTION																								



Total Project Budget		\$ 500M
Design Start	Q4 2029	
Construction Duration	Q2 2033 – Q1 2036	4 Years

KEY HIGHLIGHTS

- Funding Plan: Non-PFC Bonds

PROJECT DESCRIPTION

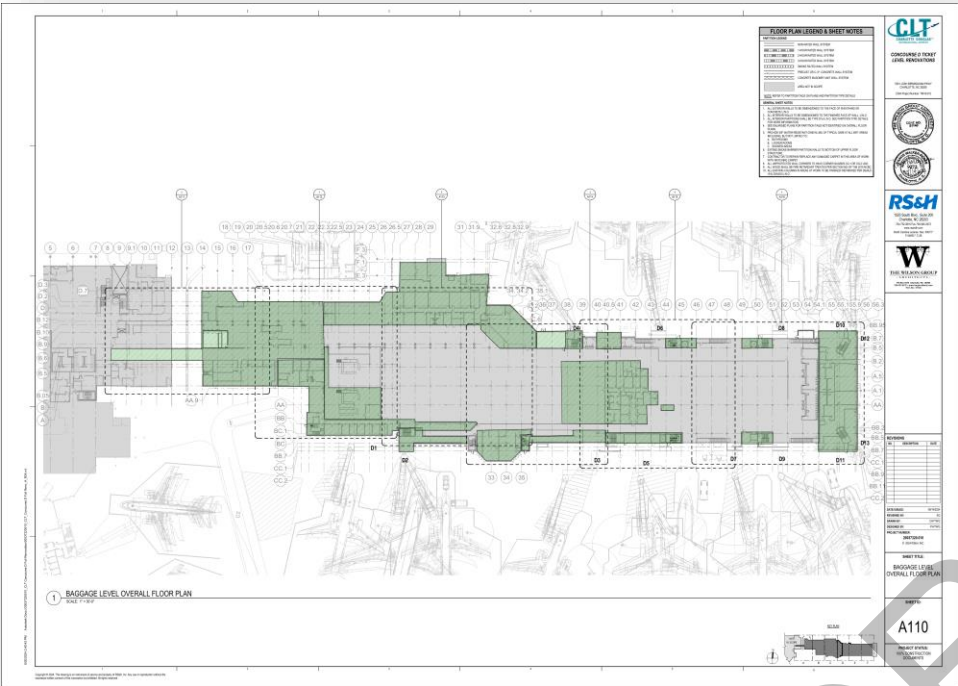
- This project will provide for the design and construction of an approximately 100’ wide tunnel, connecting the main passenger terminal to the Concourse B&C expansion, provide for the required finishes including lighting, ventilation, vertical/horizontal circulation, and provide for the dedicated pathways for required infrastructure including electrical, water, gas, data, BHS, and other infrastructure as required.

JUSTIFICATION

- During the 2021 Terminal Area Plan, the project team was tasked to evaluate the passenger circulation between the Concourse B & C expansions as well as the potential future satellite concourse to confirm whether a tunnel would be required to connect the satellite concourse. The analysis concluded that the at-grade use of buses was not a feasible for the hub operation at CLT due to the operational impact on the bi-directional taxilane operation needed at CLT. It is generally understood that the activation of the tunnel would provide a bypass for connecting passengers between B & C and as an alternative route between those concourses and the main terminal. It is also therefore understood, that if a tunnel is activated, that the interior alley gates could be re-activated for Air Carrier use.



PLANNING DESIGN CONSTRUCTION	2030				2031				2032				2033				2034				2035			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4



Total Project Budget		\$ 56M
Design Start	Q3 2026	
Construction Duration	Q3 2027 – Q2 2029	2 Years

KEY HIGHLIGHTS

- Funding Plan: Non-PFC Bonds

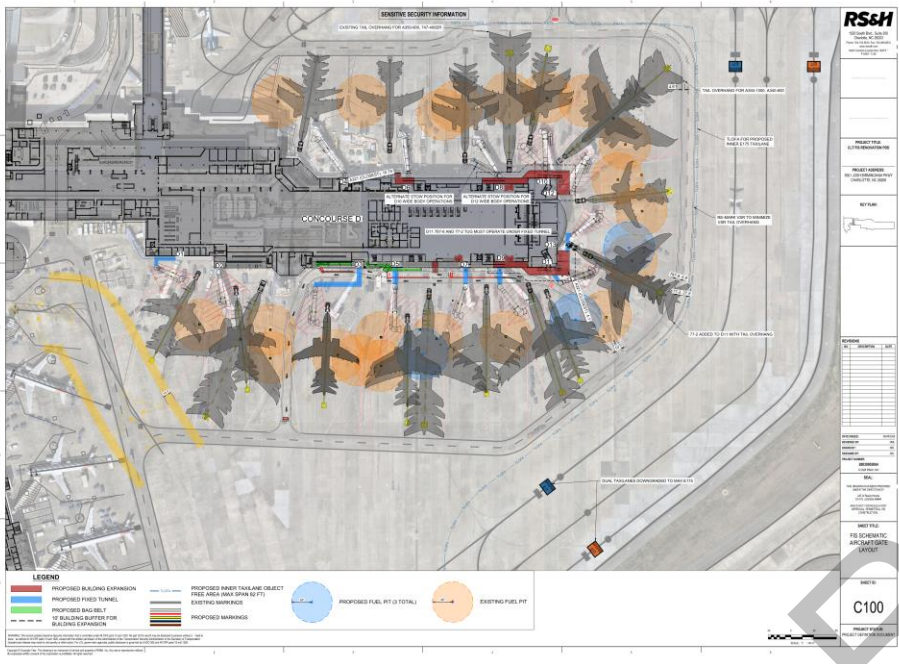
PROJECT DESCRIPTION

- The FIS Renovations at Charlotte Douglas International Airport consists of a renovation of the existing FIS/CBP facility located at ground level of Concourse D.

JUSTIFICATION

- The FIS/CBP Facility requires renovation to address aging finishes and restrooms within the existing facility. The project will address identified building code and compliance deficiencies and improve the facility’s overall condition. The project does not include reconfiguration or expansion.

PLANNING	2027				2028				2029				2030				2031				2032			
DESIGN	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
CONSTRUCTION																								



Total Project Budget		\$ 35M
Design Start	Q3 2026	
Construction Duration	Q3 2027 – Q3 2029	2 Years

KEY HIGHLIGHTS

- Funding Plan: Non-PFC Bonds

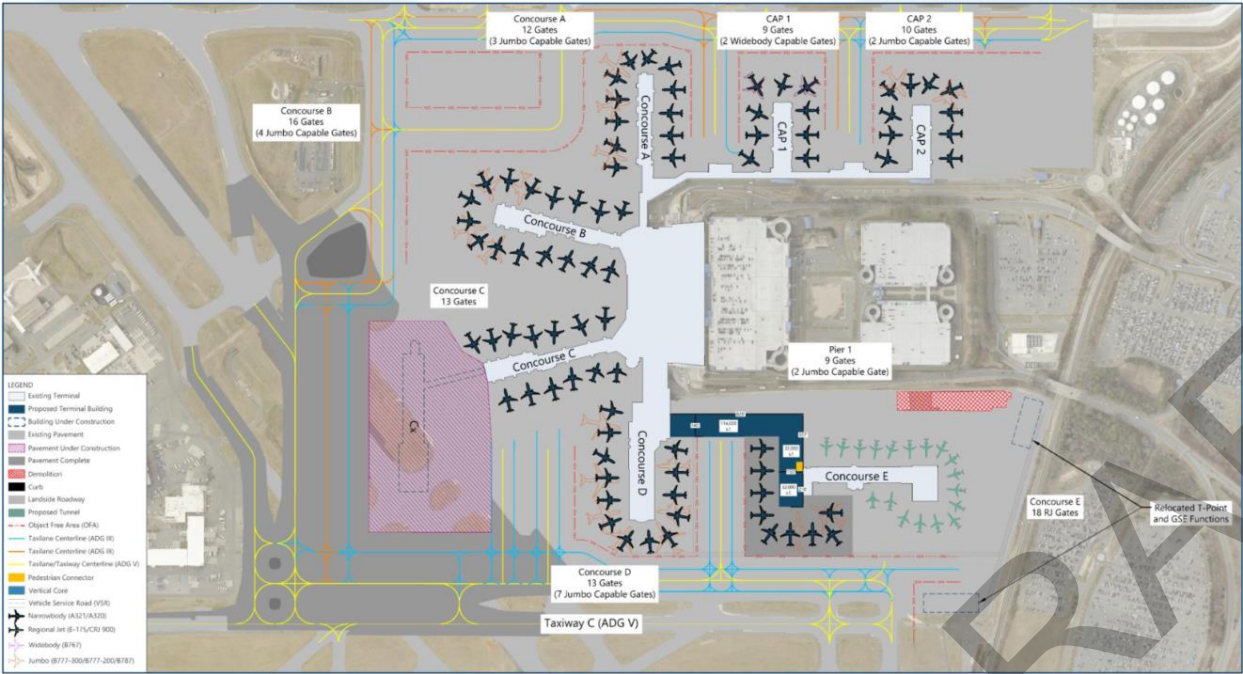
PROJECT DESCRIPTION

- This project will reconfigure the international gate corridor cross-connects to improve connectivity between designated international arrival gates and the Federal Inspection Services (FIS)/CBP Facility. The project will modify existing sterile corridors, doors, partitions, security controls, signage, and associated building systems to provide secure and reliable passenger routing from arriving aircraft to the FIS.

JUSTIFICATION

- The existing corridor configuration limits the operational flexibility and efficient use of international-capable gates. Reconfiguring the cross-connects will provide more direct and reliable routing of international passengers to the FIS, reduce potential conflicts with domestic passenger flows, and maintain required CBP security and passenger-separation protocols. The improvements will also support more efficient gate assignments and international operations without adding gates or increasing terminal capacity.

PLANNING DESIGN CONSTRUCTION	2027				2028				2029				2030				2031				2032			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4



Total Project Budget		\$ 60M
Design Start	Q2 2027	
Construction Duration	Q1 2029 – Q2 2034	2 Years

KEY HIGHLIGHTS

PROJECT DESCRIPTION

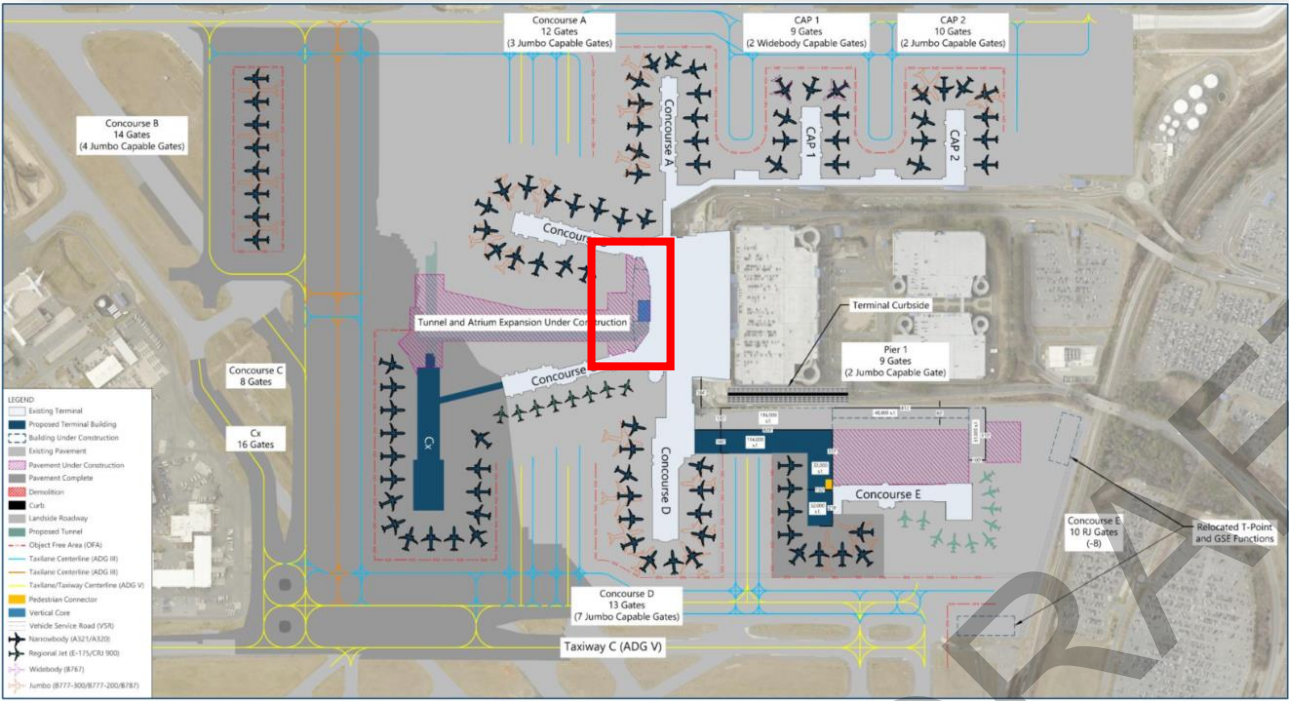
- This project provides planning and design services for the proposed expansion of CLT’s international concourse facilities. Work will evaluate and refine the preliminary concept, establish facility and gate requirements, assess aircraft parking and apron needs, coordinate international passenger circulation and connectivity to the FIS/CBP Facility, and develop a phased implementation strategy that minimizes impacts to ongoing airport operations. The project will also advance the preferred concept through design, including support for architectural, structural, civil, utility, building-systems, security, and cost-estimating services. Construction is not included in this project.

JUSTIFICATION

- Additional planning and design are necessary to determine how CLT can accommodate projected international gate demand while maintaining safe and efficient airline, aircraft, passenger, and CBP operations. The existing international facilities offer limited flexibility to accommodate changes in aircraft types, gate requirements, and future demand. Advancing the concept through planning and design will validate the proposed improvements, identify enabling projects and operational impacts, establish a coordinated phasing and implementation plan, and develop reliable cost estimates before future construction funding is requested.



PLANNING	2027				2028				2029				2030				2031				2032			
DESIGN	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
CONSTRUCTION																								



Total Project Budget		\$ 36M
Design Start	Q2 2027	
Construction Duration	Q1 2033 – Q2 2035	2 Years

KEY HIGHLIGHTS

PROJECT DESCRIPTION

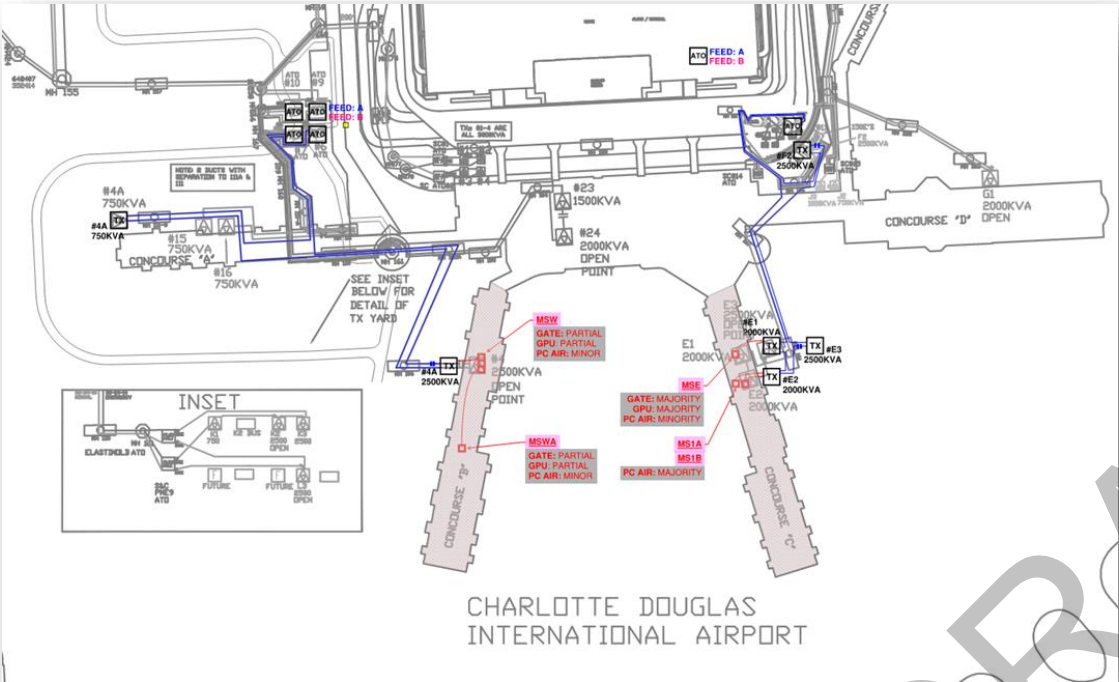
- This project provides planning and design services for the proposed expansion of CLT’s terminal atrium. Work will refine the preliminary concept; evaluate passenger circulation, vertical circulation, concessions, support-space needs, and the ultimate connection to the central tunnel. In addition, this project will assess impacts to utilities, building systems, security, baggage operations, and adjacent airfield facilities. The project will advance the preferred concept through design and develop phasing, cost estimates, and implementation documents. Construction is not included.

JUSTIFICATION

- The existing atrium will require improvements to support future concourse development and accommodate changes in passenger circulation and terminal operations. Planning and design are necessary to confirm the appropriate size, configuration, and functional requirements of the expanded facility; coordinate the work with other terminal and airfield projects; and develop a phased approach that minimizes disruption to ongoing operations. Advancing the concept will also identify enabling projects, operational impacts, and reliable costs before construction funding is requested.



PLANNING	2027				2028				2029				2030				2031				2032			
DESIGN	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
CONSTRUCTION																								



Total Project Budget		\$ 50M
Design Start	Q3 2025	
Construction Duration	Q1 2027 – Q3 2029	3 Years

KEY HIGHLIGHTS

- Funding Plan: Non-PFC Bonds

PROJECT DESCRIPTION

- The Main Switchgear – East and West Replacement project will replace the outdated switchgear with modern, double-ended main-tie-main switchgear featuring PLC-controlled automatic breakers and redundant power feeds from separate Duke Energy substations. The implementation of this system will significantly increase the airport’s electrical resiliency, reduce operational risks, and prevent unplanned outages that could severely impact passenger experience and airline operations. Given long lead times for equipment procurement and the complexity of design and construction, immediate action is required to ensure timely completion.

JUSTIFICATION

- The existing main terminal electrical distribution switchgear—MSE and MSW—were installed in the early 1980s and have exceeded their useful life expectancy. Main switchboard MSE (Main Switch, East) supports nearly all operations on Concourse C while Main switchboard MSW (Main Switch, West) supports nearly all operations on Concourse B. Due to their age, these systems are unmaintainable and pose an immediate risk to airport operations. Industry assessments by third party consultants and on-call contractors confirm that exercising the breakers could lead to catastrophic failure, and replacement parts are no longer available from manufacturers. To mitigate this risk, CLT must proceed immediately with a replacement project featuring modern, redundant switchgear, ensuring long-term operational continuity and resilience.



PLANNING	2026				2027				2028				2029				2030				2031			
DESIGN	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
CONSTRUCTION																								

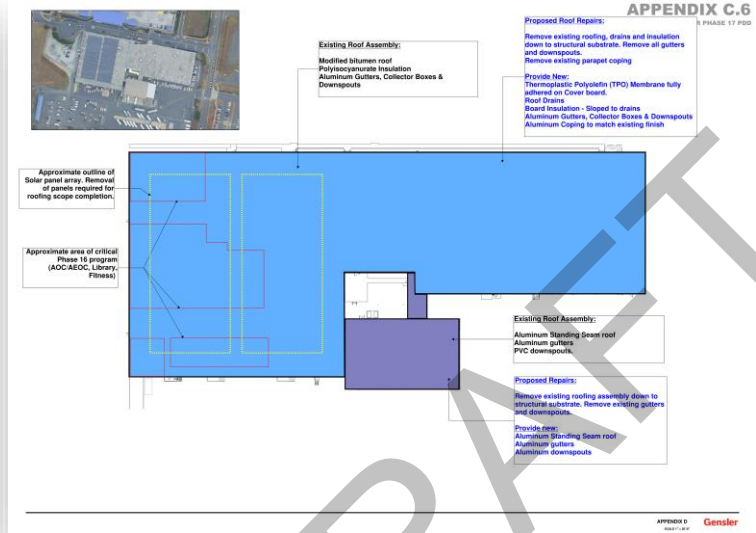
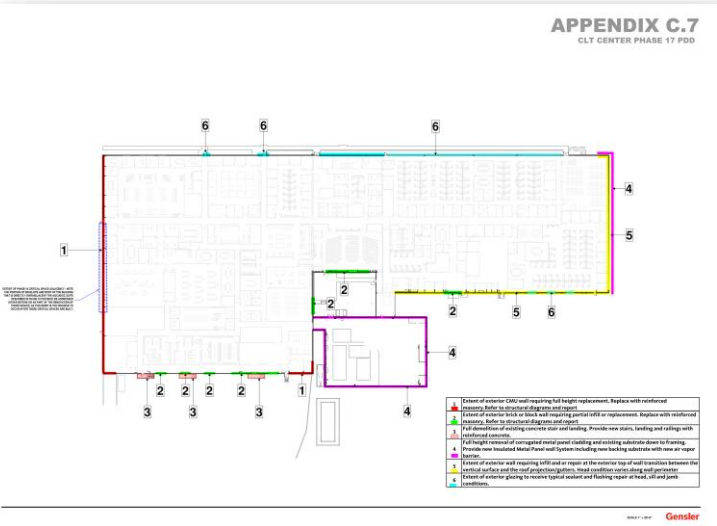


- Funding Plan: Non-PFC Bonds

- The Basement Modernization and Enhancement project will replace and upgrade critical infrastructure that supports the entire airport, while simultaneously addressing the critical life safety issues and operational deficiencies due to an evolved airport operation.

- The terminal basement, which supports core operational and mechanical infrastructure, delivery, and food processing functions for the entire terminal, is in critical need of infrastructure upgrades. The failing mechanical systems, outdated life safety components, and aging building automation equipment have not been modernized since original construction in 1982. These deficiencies present an opportunity not only to modernize critical systems and improve emergency egress and vertical circulation, but also to realign and repurpose underutilized space. By addressing infrastructure needs first, the renovation will create a safer, more resilient, and more efficient environment that supports future operational growth.

[illegible]



Total Project Budget		\$ 22M
Design Start	Q4 2026	
Construction Duration	Q4 2027 – Q2 2029	2 Years

KEY HIGHLIGHTS

- Funding Plan: Non-PFC Bonds

PROJECT DESCRIPTION

- This project will rehabilitate the CLT Center building and its critical systems. Improvements include roof replacement and repairs, structural rehabilitation, installation or replacement of the emergency generator, HVAC upgrades, and fire-protection system improvements. Associated electrical, controls, drainage, insulation, and building-envelope work will also be completed as necessary to support the rehabilitation.

JUSTIFICATION

- The CLT Center has aging and deteriorated building components that require rehabilitation to maintain a safe, reliable, and code-compliant facility. Deficiencies in the roof, structural elements, emergency power, HVAC, and fire-protection systems increase the risk of water intrusion, equipment failure, service interruptions, and continued deterioration. These improvements will extend the building’s useful life, protect airport personnel and assets, improve system reliability, and reduce the potential for costly emergency repairs and operational disruptions.



PLANNING DESIGN CONSTRUCTION	2026				2027				2028				2029				2030				2031			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

Exhibit F

Premises Notice

(Provided Separately)

This Exhibit is customize for each airline

DRAFT

Exhibit G

Illustrations of Rate Calculations

DRAFT

Exhibit G-1
Illustrative Landing Fee Calculation
Charlotte Douglas International Airport

AIRFIELD REQUIREMENT		Sample Year
Airfield O&M Expenses	[A]	\$ 24,460,000
Change in Airfield O&M Reserve	[B]	435,000
Airfield Capital Equipment Depreciation	[C]	700,000
Airfield Revenue Bond Debt Service (Net of PFCs and Grants)	[D]	3,950,000
Airfield Amortization of City Investment (Net of PFCs and Grants)	[E]	4,370,000
Airfield Airport Services Facilities Costs	[F]	43,600,000
Total Airfield Requirement	[G] = [A] thru [F]	\$ 77,515,000
<i>LESS: Airfield Credits</i>		
Ancillary Airfield Revenues	[H]	\$ 460,000
Net Airfield Requirement	[I] = [G] - [H]	\$ 77,055,000
Forecast Maximum Gross Landed Weight (1,000 pounds)	[J]	29,980,000
Landing Fee Rate (per 1,000 pound unit)	[K] = [I] / [J]	\$ 2.57

**All amounts included in this exhibit are for illustrative purposes only*

Exhibit G-2
Illustrative Terminal Rental Rate Calculation
Charlotte Douglas International Airport

TERMINAL REQUIREMENT		Sample Year
Terminal O&M Expenses	[A]	\$ 121,975,000
Change in Terminal O&M Reserve	[B]	2,170,000
Terminal Capital Equipment Depreciation	[C]	45,000
Terminal Revenue Bond Debt Service (Net of PFCs)	[D]	25,990,000
Terminal Amortization of City Investment (Net of PFCs and Grants)	[E]	3,880,000
Terminal Airport Services Facilities Costs	[F]	23,890,000
Total Terminal Costs	[G] = [A] thru [F]	\$ 177,950,000
LESS: Terminal Credits		
FIS Requirement	[H]	\$ 13,903,271
EBSS Requirement	[I]	\$ 1,200,000
Unenclosed Space Rentals (\$25.00 psf)	[J]	\$ 1,050,000
Shared Use Terminal Equipment (EASE/RMS)	[K]	\$ 2,000,000
Total Terminal Revenue Requirement	[L] = [G] less [H] thru [K]	\$ 159,796,729
Rentable Terminal Space	[M]	1,380,000
Terminal Rental Rate	[N] = [L] / [M]	\$ 115.79
Airline Leased Terminal Space	[O]	975,000
Gross Airline Terminal Requirement (before credits)	[P] = [N] x [O]	\$ 112,899,863
LESS: Airline Terminal Credits		
Baggage System Requirement	[Q]	8,750,000
Loading Bridge Fees	[R]	6,880,000
Airline Terminal Revenue Requirement	[S] = [P] - [Q] - [R]	\$ 97,269,863
Airline Leased Terminal Space	[T]	975,000
Airline Terminal Rental Rate (psf)	[U] = [S] / [T]	\$ 99.76

**All amounts included in this exhibit are for illustrative purposes only*

**Unenclosed Space Rentals reflect 67,000 square feet of Unenclosed Space less the Early Bag Storage System space shown on Exhibit G-4, which is recovered in full through the Early Bag Storage System Requirement.*

Exhibit G-3
Illustrative Joint Use Fee Calculation
Charlotte Douglas International Airport

JOINT USE REQUIREMENT		Sample Year
Terminal Rental Rate	[A]	\$ 99.76
Total Airline Joint Use Space	[B]	365,000
Gross Joint Use Requirement	[C] = [A] x [B]	\$ 36,413,846
LESS: TSA Credits	[D]	400,000
Joint Use Requirement	[E] = [C] - [D]	\$ 36,013,846

ALLOCATION OF JOINT USE REQUIREMENT (ILLUSTRATIVE EXAMPLE ONLY)

20% of Joint Use Requirement Share [F] = [E] x [20%] \$ 7,202,769

20% Share based on Number of Airlines		Number of Airlines	% of Total Airlines [G]		
Airline A		1	16.7%	[H] = [F] x [G]	\$ 1,200,462
Airline B		1	16.7%	[H] = [F] x [G]	1,200,462
Airline C		1	16.7%	[H] = [F] x [G]	1,200,462
Airline D		1	16.7%	[H] = [F] x [G]	1,200,462
Airline E		1	16.7%	[H] = [F] x [G]	1,200,462
City of CLT		1	16.7%	[H] = [F] x [G]	1,200,462
Total - 20% of Joint Use Requirement		6	100.0%		\$ 7,202,769

80% of Joint Use Requirement Share [I] = [E] x [80%] \$ 28,811,077

80% Share based on Number of Enplanements		Airline Enplanements	% of Total Enplanements [J]		
Airline A		20,000,000	90.5%	[K] = [I] x [J]	\$ 26,085,176
Airline B		1,000,000	4.5%	[K] = [I] x [J]	1,304,259
Airline C		500,000	2.3%	[K] = [I] x [J]	652,129
Airline D		300,000	1.4%	[K] = [I] x [J]	391,278
Airline E		150,000	0.7%	[K] = [I] x [J]	195,639
Total - 80% of Joint Use Requirement		21,950,000	99.4%		\$ 28,628,481

Low Volume Air Carriers

Airline F	80,000	0.4%	[K] = [I] x [J]	\$ 104,341
Airline G	35,000	0.2%	[K] = [I] x [J]	45,649
Airline H	15,000	0.1%	[K] = [I] x [J]	19,564
Airline I	5,000	0.0%	[K] = [I] x [J]	6,521
Airline J	5,000	0.0%	[K] = [I] x [J]	6,521
Total Low Volume Air Carriers	140,000	0.6%		\$ 182,596

Total Enplaned Passengers 22,090,000

TOTAL JOINT USE RENTAL BY AIRLINE

Airline A	[L] = [H] + [K]	\$ 27,285,637
Airline B	[L] = [H] + [K]	2,504,720
Airline C	[L] = [H] + [K]	1,852,591
Airline D	[L] = [H] + [K]	1,591,739
Airline E	[L] = [H] + [K]	1,396,100
Low Volume Air Carriers (based on pro rata share of enplanements)		\$ 182,596
City of CLT	[H]	1,200,462
Total Joint Use Fees		\$ 36,013,846

**All amounts included in this exhibit are for illustrative purposes only*

Exhibit G-4
Illustrative Early Bag Storage System Fee Calculation
Charlotte Douglas International Airport

EARLY BAG STORAGE SYSTEM (EBSS) REQUIREMENT		Sample Year
Unenclosed Rental Rate	[A]	\$ 25.00
Early Bag Storage System Space	[B]	25,000
Early Bag Storage System Space Requirement	[C] = [A] x [B]	\$ 625,000
Early Bag Storage System O&M Expenses	[D]	\$ 500,000
Early Bag Storage System Amortization of City Investment	[E]	\$ 75,000
Early Bag Storage System Requirement	[F] = [C] + [D] + [E]	\$ 1,200,000
Early Bags Stored (per bag)	[G]	2,000,000
Early Bag Storage System Fee (per bag)	[H] = [F] / [G]	\$ 0.60

**All amounts included in this exhibit are for illustrative purposes only*

	Early bags stored by airline	EBSS Fees by airline
Airline A	1,804,000	\$ 1,082,400
Airline B	90,000	54,000
Airline C	50,000	30,000
Airline D	30,000	18,000
Airline E	10,000	6,000
	1,984,000	\$ 1,190,400
Low Volume Air Carriers		
Airline F	10,000	6,000
Airline G	3,000	1,800
Airline H	1,000	600
Airline I	1,000	600
Airline J	1,000	600
	16,000	\$ 9,600
Total EBSS Fees		\$ 1,200,000

Exhibit G-5
Illustrative Common Use Gate and PLB Fee Calculation
Charlotte Douglas International Airport

COMMON USE GATE AND HOLDROOM REQUIREMENT				Sample Year
Terminal Rental Rate	[A]	\$		99.76
Common Use Gate & Holdroom Space	[B]			26,118
Common Use Gate & Holdroom Space Requirement	[C] = [A] x [B]	\$		2,605,635
Number of City-Owned Common Use Loading Bridges	[D]			[13]
Annual Loading Bridge Charge per Bridge	[E]	\$		55,935
Common Use Loading Bridge Requirement	[F] = [D] x [E]	\$		727,154
Shared Use Terminal Equipment	[G]			1,000,000
Total Common Use Gate & Holdroom Requirement	[H] = [C] + [F] + [G]	\$		4,332,790
Airline Seats Delivered to Common Use Gate	[I]			1,900,000
Common Use Holdroom Gate and PLB Fee (per Seat Delivered)	[J] = [H] / [I]	\$		2.28
Low Volume Joint Use Premise Requirement	[K]	\$		182,596
Low Volume Seats Delivered	[L]			164,000
Additional Low Volume Joint Use Requirement per Seat Delivered	[M] = [K] / [L]	\$		1.11
Low Volume CUH Gate and PLB Fee (per Seat Delivered)	[N] = [J] + [M]	\$		3.39
Common Use Gate Seats Delivered				
Airline A	850,000	\$	2.28	\$ 1,938,353
Airline B	455,000	\$	2.28	1,037,589
Airline C	222,000	\$	2.28	506,252
Airline D	139,000	\$	2.28	316,978
Airline E	70,000	\$	2.28	159,629
	1,736,000			3,958,801
Low Volume Air Carriers				
Airline F	93,000	\$	3.39	\$ 315,624
Airline G	41,000	\$	3.39	139,146
Airline H	18,000	\$	3.39	61,089
Airline I	6,000	\$	3.39	20,363
Airline J	6,000	\$	3.39	20,363
	164,000			556,584
				\$ 4,515,386

*All amounts included in this exhibit are for illustrative purposes only

*Bracketed figures are placeholders pending confirmation against the gate assignment schedule behind Exhibit D of the Agreement.

Exhibit G-6
Illustrative Common Use Ticket Counter Fee Calculation
Charlotte Douglas International Airport

COMMON USE TICKET COUNTER REQUIREMENT		Sample Year
Terminal Rental Rate	[A]	\$ 99.76
Common Use Ticket Counter Space	[B]	2,183
Common Use Ticket Counter Space Requirement	$[C] = [A] \times [B]$	217,785
EASE/RMS Support and O&M — Ticket Counter Share	[D]	1,000,000
Total Common Use Ticket Counter Requirement	$[E] = [C] + [D]$	\$ 1,217,785
Common Use Ticket Counter Hours	[F]	70,000
Common Use Ticket Counter Fee (per hour)	$[G] = [E] / [F]$	\$ 17.40

**All amounts included in this exhibit are for illustrative purposes only*

Exhibit G-7
Illustrative FIS Fee Calculation
Charlotte Douglas International Airport

FIS REQUIREMENT		Sample Year
Terminal Rental Rate	[A]	\$ 99.76
FIS Space	[B]	129,338
FIS Space Requirement	[C] = [A] x [B]	\$ 12,903,271
FIS O&M Expenses	[D]	1,000,000
FIS Amortization of City Investment	[E]	-
Total FIS Facility Requirement	[F] = [C] + [D] + [E]	\$ 13,903,271
International Arriving Passengers (Deplanements)	[G]	1,750,000
FIS Facility Fee per Int'l Arriving Passenger	[H] = [F] / [G]	\$ 7.94

**All amounts included in this exhibit are for illustrative purposes only*

Exhibit G-8
Illustrative Loading Bridge Fee Calculation
Charlotte Douglas International Airport

LOADING BRIDGE REQUIREMENT		Sample Year
Loading Bridge O&M Expenses	[A]	\$ 6,880,000
Loading Bridge Capital Expenses	[B]	-
Total Annual Loading Bridge Requirement	[C] = [A] + [B]	\$ 6,880,000
Number of City-Owned Loading Bridges	[D]	[123]
Annual Loading Bridge Fee (per Bridge)	[E] = [C] / [D]	\$ 55,935

**All amounts included in this exhibit are for illustrative purposes only*

**Bracketed figures are placeholders pending confirmation against the gate assignment schedule behind Exhibit D of the Agreement.*

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Exhibit G-9
Illustrative Inline Bag System Fee Calculation
Charlotte Douglas International Airport

INLINE BAG SYSTEM REQUIREMENT		Sample Year
Inline Baggage System O&M Expenses	[A]	\$ 8,750,000
Inline Baggage System Amortization of City Investme	[B]	-
Total Inline Baggage System Requirement	[C] = [A] + [B]	\$ 8,750,000
Total Bags Processed	[D]	10,500,000
Inline Bag System Fee (per Bag)	[E] = [C] / [D]	\$ 0.83

**All amounts included in this exhibit are for illustrative purposes only*

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Exhibit G-10
Illustrative Revenue Sharing Calculation
Charlotte Douglas International Airport

		Sample Year
TERMINAL COMPLEX REVENUES		
Terminal Building Revenues	\$	221,135,000
Ground Transportation Revenues	\$	175,000,000
Fueling Facilities Revenues	\$	3,865,000
Total Terminal Complex Revenues	\$	400,000,000
LESS: TERMINAL COMPLEX COSTS		
O&M Expenses		
Terminal O&M	\$	(121,975,000)
Ground Transportation O&M		(57,500,000)
Fueling Facilities O&M		(2,400,000)
Terminal Complex Capital Depreciation		
Terminal Capital Depreciation	\$	(45,000)
Terminal Capital Amortization		(3,880,000)
Ground Transportation Depreciation / Amortization		(1,000,000)
Fueling Facilities Amortization		(150,000)
Terminal Complex ASF		
Terminal ASF	\$	(23,890,000)
Ground Transportation ASF		(9,300,000)
Fueling Facilities ASF		(100,000)
Change in Terminal Complex O&M Reserve		
Change in Terminal O&M Reserve	\$	(2,170,000)
Change in Ground Transportation O&M Reserve		(1,023,000)
Change in Fueling Facilities O&M Reserve		(175,000)
Terminal Complex Debt Service (Net of PFCs)		
Terminal Debt Service	\$	(25,990,000)
Ground Transportation Debt Service		(15,100,000)
Fueling Facilities Debt Service		(1,040,000)
NET REMAINING TERMINAL COMPLEX REVENUE	\$	134,262,000
Revenue Sharing Calculation		
Airport Share of Net Remaining Revenue	55.0%	\$ 73,844,100
Airline Share of Net Remaining Revenue	45.0%	60,417,900
	100.0%	\$ 134,262,000

Note: Airline Percentage increased from 40% to 45% (Airport 60% to 55%) per successor AULA.

Note: Terminal Complex Revenues comprise revenues allocable to the Terminal Building, Ground Transportation and Fueling Sub-Cost Centers, shown separately above.

Note: Fueling Facilities Revenues are shown equal to Fueling Facilities costs. The Fueling Sub-Cost Center is a residual cost center and nets to zero.

Exhibit G-10B**Illustrative Revenue Sharing Timing and Funding (\$ in '000)****Charlotte Douglas International Airport***ILLUSTRATIVE EXAMPLE ONLY - amounts are placeholders and are not forecasts**Assumes an Effective Date of January 1, 2027, with the first full Fiscal Year of rates and charges under this Agreement beginning July 1, 2027*

FISCAL YEAR	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037
REVENUE SHARE EARNED												
Net Remaining Terminal Complex Revenue (Illustrative)	\$ 140,000	\$ 145,000	\$ 150,000	\$ 155,000	\$ 160,000	\$ 165,000	\$ 170,000	\$ 175,000	\$ 180,000	\$ 185,000	\$ 190,000	\$ 195,000
2016 Lease (Legacy) Rate - FY 2026 and the portion of FY 2027 preceding the Effective Date												
Airline Percentage - Legacy Rate	40.0%	(Paid in FY 2027)										
Revenue Share Earned - Legacy Rate (40%)	\$ 56,000											
Successor Agreement Rate - from the Effective Date												
Airline Percentage - Successor Agreement - See Note 3	42.5%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%
Revenue Share Earned - Successor Rate	\$ 61,625	\$ 67,500	\$ 69,750	\$ 72,000	\$ 74,250	\$ 76,500	\$ 78,750	\$ 81,000	\$ 83,250	\$ 85,500		
(No Airline Percentage is earned under this Agreement for FY 2037 - see Note 4)												
REVENUE SHARE PAID (Including Pre-Funding of First Year Distribution)												
Prior Agreement (FY 2026 Revenue Share earned under the 2016 Lease, distributed in FY 2027) - See	\$ 56,000											
Successor Agreement (Earned Amount Distributed Following FY)		\$ 61,625	\$ 67,500	\$ 69,750	\$ 72,000	\$ 74,250	\$ 76,500	\$ 78,750	\$ 81,000	\$ 83,250	\$ 85,500	
Pre-Funding of First Year Distribution	\$ 56,000											
(Paid in a single lump sum no later than February 28, 2027; in addition to, and not in lieu of, the ordinary distribution above)												
Total Paid to Airlines During Fiscal Year	\$ 112,000	\$ 61,625	\$ 67,500	\$ 69,750	\$ 72,000	\$ 74,250	\$ 76,500	\$ 78,750	\$ 81,000	\$ 83,250	\$ 85,500	
Funding Source												
Paid from Airport Discretionary Fund	\$ 112,000	\$ 61,625	\$ 67,500	\$ 69,750	\$ 72,000	\$ 74,250	\$ 76,500	\$ 78,750	\$ 81,000	\$ 83,250	\$ 85,500	

Notes:

1. Amounts shown are illustrative placeholders selected solely to demonstrate timing. They are not forecasts, budgets, or projections of Net Remaining Terminal Complex Revenue, and no inference as to actual amounts should be drawn from them.
2. In addition to the ordinary distribution of Revenue Share earned for FY 2026, the City shall pre-fund the first-year distribution of the Revenue Share with a one-time payment equal to such Signatory Airline's pro-rata share of the Revenue Share earned for FY 2026 at the legacy 40% rate. This payment shall be paid as a single lump sum no later than February 28, 2027, and is in addition to, and shall not reduce, offset, or otherwise affect, the ordinary distribution.
3. The Airline Percentage shown for FY 2027 is 42.5%, calculated as 40.0% for the first six months of FY 2027 under the prior agreement and 45.0% for the second six months of FY 2027 under this Agreement.
4. In consideration of the pre-funding of the first year distribution, no Airline Percentage is earned under this Agreement for FY 2037, the final Fiscal Year of the Term, unless the Agreement is extended to FY 2042. No amount is to be distributed under this Agreement following the conclusion of the Term.
5. All distributions under this Exhibit G-10B are to be paid from the Airport Discretionary Fund. Discretionary Fund balances, deposits, and pay-as-you-go capital amounts are not part of this exhibit and are not represented herein.
6. The FY 2026 Revenue Share shown at the legacy 40.0% rate is earned and payable under the 2016 Lease and not under this Agreement. It is shown here solely to illustrate the timing of distributions across the transition; no rate for Fiscal Year 2026 is established by this Agreement.
7. Amounts shown are annual totals. Distributions are made as provided in Section 10.7.4: estimated monthly payments of eighty percent (80%) of one-twelfth (1/12th) of the estimated pro-rata share beginning July 31 of the Distribution Year, a true-up within thirty (30) days of completion of the Final Audit, and the City's right of set-off under Section 10.7.4(c).

Exhibit G-11
Illustrative Debt Service Coverage Charge Calculation
Charlotte Douglas International Airport

GUARANTEED COVERAGE LEVEL TEST		Sample Year
Operating Revenues	[A]	\$ 580,000,000
PLUS: PFCs and Grants Applied to the Payment of Debt Service	[B]	90,000,000
LESS: O&M Expenses	[C]	(345,000,000)
LESS: Change in the O&M Reserve	[D]	(3,803,000)
Net Airport Revenues	[E] = [A] thru [D]	\$ 321,197,000
Revenue Bond Debt Service	[F]	\$ 218,000,000
Other Debt Service (non-Revenue Bond obligations)	[G]	-
Debt Service	[H] = [F] + [G]	218,000,000
Applicable Guaranteed Coverage Level	[I]	1.50x
Required Net Airport Revenues at Guarantee	[J] = [H] x [I]	\$ 327,000,000
Debt Service Coverage	[K] = [E] / [H]	1.47x
Guarantee Coverage Fee (Coverage Below Guarantee)	[L]	\$ 5,803,000
Guarantee Coverage Fee (Coverage At or Above Guarantee)	[M]	—

Share of payments made by Signatory Airlines pursuant to Sections 10.2 and 10.3 during the immediately preceding Fiscal Year

Airline A	92.0%	\$ 5,338,760
Airline B	3.0%	174,090
Airline C	3.0%	174,090
Airline D	1.0%	58,030
Airline E	1.0%	58,030
Total	100.0%	\$ 5,803,000

Note: [L] = IF [J] > [E], [J] - [E], —. [M] = IF [J] ≤ [E], \$0, —. [L] and [M] are mutually exclusive — exactly one shows a dollar amount each Fiscal Year.

Operating Revenues include interest earnings on the Airport Operating Fund and exclude unrealized investment valuation adjustments. [D] is the sum of the changes in the O&M Reserve shown on Exhibits G-1, G-2 and G-10. Other Debt Service [G] is shown as zero. The Fueling Facilities Debt Service shown on Exhibit G-10 is a component of Revenue Bond Debt Service [F]

Exhibit H

List of Cost Centers (Including Cost Center Map)

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Exhibit H

LIST OF COST CENTERS Charlotte Douglas International Airport

Each of the Included and Excluded Cost Centers described below and presented graphically on the attached exhibit, any sub-cost centers thereto, and any new Cost Center or sub-cost center subsequently created under the Airport's cost accounting system are used to accumulate revenues, operating expenses, capital costs (including Debt Service and Amortization of City Investments), those amounts required to be deposited to any fund created pursuant to the terms of the Bond Order, and all other charges and costs allocable, in whole or in part, to each Cost Center. As appropriate, each Cost Center's revenue shall include those revenues generated from land, facilities, improvements and equipment included within that Cost Center and those revenues allocable to such Cost Center under the Airport's cost accounting system.

INCLUDED COST CENTERS

1. Airfield

The Airfield Cost Center, includes the total area of those portions of the Airport that provide for the landing, takeoff and taxiing of aircraft, including landing areas, runways, taxiways, ramp apron, deice pads, adjacent field areas and related support facilities (*e.g.*, navigational aids, hazard designation and warning devices, airfield security roads and fencing, lighting and clear zone areas). "Airfield" shall also mean such other modifications, additions, and expansions thereto, including avigation easements and interests in land utilized in connection therewith or acquired for such purposes.

2. Terminal Complex

The Terminal Complex Cost Center is comprised of the following sub-cost centers:

- Terminal Building Sub-Cost Center
- Ground Transportation Sub-Cost Center
- Fueling Sub-Cost Center

Each of these sub-cost centers are further defined below:

- The ***Terminal Building Sub-Cost Center*** includes:
 - The building or buildings and areas adjacent thereto, as they presently exist and may hereafter be expanded, modified, constructed, or relocated, in which are housed the Ticket Counters, Baggage Make-Up Areas, Baggage Claim Areas, public lobbies, Concession Premises, administrative and operations offices within the Terminal Building, the

sidewalks and curbs associated with the Terminal Building, and other areas and facilities provided by the City for the operation of Air Carrier passenger processing operations at the Terminal Building, and through which passengers and their baggage must pass to and from the Concourses, and to and from aircraft parked at the Leased Ramp Areas and Non-Leased Ramp Areas;

- o Facilities now or hereafter located on or at the Airport for any equipment or personal property acquired or owned by the City for use in connection with the Terminal Building, including, without limitation, the City Owned Equipment, Shared Use Terminal Equipment, and ramp information display systems purchased by the City.

The Terminal Building sub-cost center shall not include any personal property of an Air Carrier.

- The ***Ground Transportation and Other Sub-Cost Center*** includes:
 - o Facilities provided by the City for the parking of vehicles operated by employees of the City and other employers doing business at the Terminal Complex;
 - o The portions of the Airport roadway systems immediately adjacent to with the arrival and departure curbs of the Terminal Building, including the roadway in front of and on the arrivals level of the Terminal Building set aside for and restricted to use by rental car and other commercial companies delivering and picking up their customers or otherwise conducting their Airport business activities;
 - o The public parking facilities owned or operated by the City for the temporary parking of vehicles in connection with vehicle operators' visits to or use of the Airport, as all presently exist and may hereafter be expanded, modified, constructed or relocated;
- The ***Fueling Sub-Cost Center*** includes Facilities located on or at the Airport for receipt, storage, delivery and distribution of Air Carrier aviation fuels.

3. *Airport Services Facilities (or "ASF")*

The Airport Services Facilities Cost Center includes both direct and indirect Airport Services Facilities Costs associated with the property, property rights and facilities used by the City to provide and operate the Airport Services and Airport Services Facilities,

including administration, operation, maintenance, and capital investment associated with services and/or airport facilities provided by the City at the Airport of the type hereinafter set forth, for which costs are not otherwise attributable to any of the direct cost centers of the Airport.

Examples of Airport Services Facilities Costs, include, but are not limited to:

- Aircraft Rescue and Fire Fighting ("ARFF") including all staffing and capital investment costs associated with ARFF services and facilities at the Airport.
- Airport administrative costs associated with the Aviation Director and CLT Airport employees engaged in the overall administration of the Airport (i.e., Human Resources, Finance, Business Office, etc.), excluding CLT Airport employees assigned to administer specific facilities, such as the terminal building or airfield. Where those employees have dual functions the costs of such must be allocated by an acceptable accounting system between the overall Airport administration function and the function of administering the specific facility.
- Overall Airport systems for distribution of utilities (including but not limited to water, sewer, electrical, and internet); the collection and treatment of sewage and other wastes; storm drainage/and communication where the costs of same must be borne by the Airport and the system cannot be attributed to any other specific Cost Center.
- Non-revenue producing land.
- Landscaping on airport property.
- Costs of any Airport studies that are not otherwise attributable to a direct Cost Center such as an Airport Master Plan, utility studies, land use plan, etc.
- The purchase, acquisition, and the addition to the Airport of any other property or property rights (including property acquired from payments made in settlement of litigation or otherwise)
- City Services (CAP)

Distribution of Airport Services Facilities Costs

Airport Services Facility costs shall be allocated to the other Airport Cost Centers based on the following methodology:

1. Total Airport Services Facility Costs shall be determined by summing all operation, maintenance, Debt Service, and Amortization of City Investments as defined above in Section I of this Exhibit H.
2. Fifty percent (50%) of the total Airport Services Facility Costs shall be distributed to the Cost Centers of the Airport (present or future) on the basis that the income-

producing acreage occupied by such cost center bears to the total income-producing acreage on the Airport.

3. Fifty percent (50%) of the total Airport Services Facility Costs shall be distributed to the Cost Centers of the Airport (present or future) on the basis that the capital invested in each income-producing cost center bears to the capital invested in all income-producing cost centers on the Airport.
 - a. The term "capital invested" shall include the "Undepreciated Portion of the Adjusted Acquisition Cost (of all) Capital Assets" as hereinafter defined.
 - i. "Capital Assets" shall include all capital improvements in the Airport, including without limiting the generality hereof, such things as runways, taxiways, utilities, permanent structures and all equipment located therein that have the nature of fixture, and all other such things that have the nature of improvements to land; but capital assets shall not include land, nor rights to land, nor such items of personality as vehicles and rolling stock, furniture, office equipment, computer, excepting such computers that are a functional part of a building control system, movable and removable jetways, and other such items of personal property.
 - ii. "Adjusted Acquisition Cost" means the total cost of acquiring (whether by construction or otherwise) the capital asset, adjusted to 2015 dollars by the use of the Turner Building Cost Index published by Turner Construction Company (or other qualified index), without regard to whether the funds expended to acquire the asset were private or public funds (including state and federal grant-in-aid).
 - iii. The "Undepreciated Portion of the Adjusted Acquisition Costs of Capital Assets" shall be determined by multiplying the Adjusted Acquisition Cost by a fraction, the numerator of which is the number of remaining years of useful life of the Capital Asset and the denominator of which is the total number of years of useful life of the Capital Asset as determined by the Airport.

EXCLUDED COST CENTERS

Excluded Cost Centers consist of all other cost centers other than the Terminal Complex Cost Center (which includes both the Terminal Building and Ground Transportation and Other sub-Cost Centers), the Airfield Cost Center, and the Airport Services Facilities Cost Center as described previously.

All costs and revenues associated with these Excluded Cost Centers are specifically excluded from the airlines' rate base, and are also excluded from Pledged Revenues, Operating Expenses, and Debt Service for the purposes of satisfying the Airport's Rate Covenant as defined in the Bond Order.

1. Aeronautical Excluded

The Aeronautical Excluded Cost Center includes areas and facilities for cargo, freight, catering, aircraft maintenance, airline support, and other aviation-related activities excluding airfield pavement and ramp areas.

2. Consolidated Rental Car Facility (CONRAC)

The Consolidated Rental Car Facility Cost Center ("CONRAC") includes the consolidated rental car facility and associated roadway systems owned or operated by the City for the parking, operation, and servicing of rental car vehicles in connection with rental car customers' visits to or use of the Airport, as all presently exist and may hereafter be expanded, modified, constructed or relocated. In addition, any special facility debt, operating expenses, and Customer Facility Charge revenues attributable to the consolidated rental car facility and its operations are included in the Consolidated Rental Car Facility Cost Center.

3. General Aviation and Fixed Base Operator

The General Aviation and Fixed Base Operator Cost Center includes areas and facilities for fixed base operator (FBO), corporate hangar and basing areas, general aviation facilities and services, and other aviation-related FBO/general aviation activities.

4. Other Excluded Areas

The Other Excluded Areas Cost Center is a miscellaneous cost center that includes all other cost centers not defined as Included Cost Centers, Cargo, CONRAC or General Aviation and Fixed Base Operator.

EXHIBIT H
LIST OF COST CENTERS

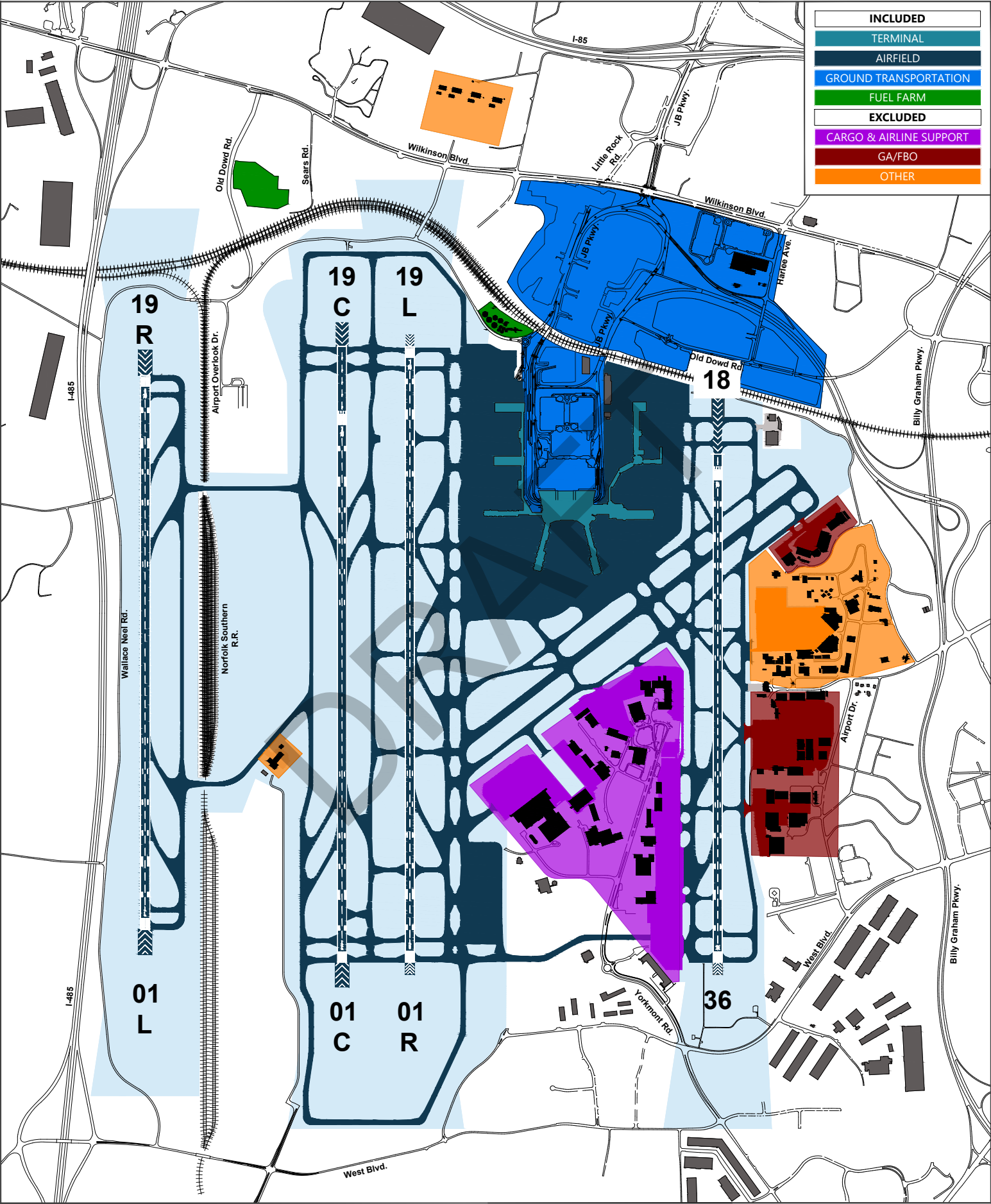


Exhibit I

Form of Affiliate Operating Agreement

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CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT

FORM OF AFFILIATE OPERATING AGREEMENT

ARTICLE 1- SCOPE OF AGREEMENT

This Agreement between the City of Charlotte, North Carolina (the “City”) and _____ (the “Affiliate”) grants to the Affiliate certain rights to use facilities to conduct its air transportation business as an Affiliate of [SIGNATORY AIRLINE] (the “Signatory Airline”) at Charlotte Douglas International Airport (the “Airport”). The Airline Use and Lease Agreement Lease between the City and the Signatory Airline, effective as of _____, 2027 (the “Airline Use and Lease Agreement”), gives the Signatory Airline the opportunity to designate an Affiliate if certain conditions are met. The intent of this Agreement is to adopt by reference various specified provisions of the Airline Use and Lease Agreement, and make them applicable to the Affiliate. In consideration of these benefits, the Affiliate agrees to abide by all of the terms and conditions of this Agreement.

ARTICLE 2 - DEFINITIONS

All capitalized terms used in this Agreement, if not defined within this Agreement, shall have the meanings specified in Article 1 of the Airline Use and Lease Agreement.

ARTICLE 3 - TERM OF AGREEMENT

3.01 Effective Date. This Agreement shall take effect as of the date specified in Section 6.1.1 of the Airline Use and Lease Agreement as the effective date of the Signatory Airline’s designation of the Affiliate, which designation and effective date shall be provided to the City in the form attached as **Exhibit A** and made a part hereof.

3.02 Termination Date. This Agreement shall terminate as of the earliest of (a) the expiration (including extensions as provided in Section 1.2.3 of the Airline Use and Lease Agreement) or earlier termination date of the Airline Use and Lease Agreement; (b) the termination date of this Agreement as provided in Article 21 below; (c) the effective date of the Signatory Airline's termination of the Affiliate's status as an Affiliate of the Signatory Airline in accordance with Section 6.4 of the Airline Use and Lease Agreement [which termination and effective date shall be provided to the City in the form attached as **Exhibit B** and made a part hereof]; or (d) the date on which the Affiliate becomes a Signatory Airline at the Airport and terminates this Agreement in accordance with Section 6.5 of the Airline Use and Lease Agreement.

ARTICLE 4 - USE OF THE AIRPORT

4.01 Rights and Privileges. For the operation of the Affiliate's air transportation business as an Affiliate of the Signatory Airline, the Affiliate shall have the same rights as the Signatory Airline under Article 2, and Sections 3.1, 3.2.1, 3.2.2, 3.2.3, 3.2.4 (except that the Affiliate shall have no right whatsoever to operate one or more VIP Lounges, passenger clubs, or lounge rooms), 3.2.6, 3.3, 3.4 and 3.5 of Article 3 of the Airline Use and Lease Agreement to use the Premises leased to the Signatory Airline, and shall be subject to the same exclusions and conditions applicable to the Signatory Airline thereunder, as such Premises are more fully described in the Signatory Airline's then current Premises Notice issued by the City in accordance with Section 2.3.1 of the Airline Use and Lease Agreement.

4.02 Provisions Inapplicable to Affiliate. Section 3.2.5 of Article 3 of the Airline Use and Lease Agreement shall not apply to the Affiliate.

ARTICLE 5 – ASSIGNMENT, USE OF GATES, ACCOMMODATION, REALLOCATION

5.01 Provisions Applicable to Affiliate. The Affiliate shall be subject to and bound by the following provisions of the Airline Use and Lease Agreement: Sections 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7 (except for Section 4.7.6), 4.9, 4.10, 4.12, 4.13 and 4.14 of Article 4, and Article 5.

5.02 Provisions Inapplicable to Affiliate. Sections 4.7.6, 4.8 and 4.11 of Article 4 of the Airline Use and Lease Agreement shall not apply to the Affiliate.

ARTICLE 6 – AFFILIATE’S REPORTING AND PAYMENT OBLIGATIONS

The Affiliate shall comply with and remain subject to Article 6 of the Airline Use and Lease Agreement, including but not limited to the requirements to report and pay to the City all PFCs (if any) that the Affiliate collects for enplaning passengers at the Airport, and to remain, with the Signatory Airline, jointly and severally liable to the City for payment of all Landing Fees, Terminal Building Charges and other charges (including PFCs) and for submission of all activity reports that are due to the City for the Affiliate’s use of any Airport facilities or Airport Services as an Affiliate of the Signatory Airline, which obligations are described in Article 10 and Article 11 of this Agreement.

If the Affiliate executes and delivers to the City an airline use and lease agreement in substantially the same form as the Airline Use and Lease Agreement, and thus itself becomes a “Signatory Airline,” the Affiliate shall immediately terminate its status as an Affiliate of the Signatory Airline in writing to the City; provided, however, that unless otherwise agreed to in writing by the Signatory Airline and the City, the Affiliate shall remain responsible to the Signatory Airline and the City for all payment and other obligations that survive termination of this Agreement.

ARTICLE 7 - CAPITAL IMPROVEMENT PROJECTS

Article 7 of the Airline Use and Lease Agreement shall not apply to the Affiliate.

ARTICLE 8 – UTILITIES AND AIRPORT SERVICES

8.01 Affiliate's Obligations. The Affiliate shall conduct its air transportation business as an Affiliate of the Signatory Airline in a manner consistent with the Signatory Airline's obligations under Sections 8.2 and 8.3 of Article 8 of the Airline Use and Lease Agreement.

8.02 Provisions Inapplicable to Affiliate. The following provisions of the Airline Use and Lease Agreement shall not apply to the Affiliate: Sections 8.1, 8.4, 8.5, 8.6, 8.7, and 8.8 of Article 8.

ARTICLE 9 – MAINTENANCE AND REPAIR OF AIRPORT AND PREMISES

9.01 Affiliate's Obligations. The Affiliate shall conduct its air transportation business as an Affiliate of the Signatory Airline in a manner consistent with the Signatory Airline's obligations under Sections 9.2 and 9.3 of Article 9 of the Airline Use and Lease Agreement.

9.02 Provisions Inapplicable to Affiliate. The following provisions of the Airline Use and Lease Agreement shall not apply to the Affiliate: Sections 9.1, 9.4 and 9.5 of Article 9.

ARTICLE 10 - AIRPORT FEES AND CHARGES, ACTIVITY REPORTS

10.01 Airport Fees and Charges. The Landing Fees, Terminal Building Charges, PFCs and other charges (including without limitation all applicable personal property, sales and use, and other applicable taxes) due to the City for the Affiliate's use of the Airport facilities and Airport Services as an Affiliate of the Signatory Airline shall be calculated in accordance with Sections 10.1, 10.2, 10.3, 10.8 and 10.9 of Article 10, and Section 11.2 of Article 11 of the Airline Use and Lease Agreement.

10.02 Activity Reports. Activity reports of the Affiliate's activities as an Affiliate of the Signatory Airline at the Airport, as described in Section 10.8 of the Airline Use and Lease Agreement, shall be submitted to the City by the Signatory Airline on behalf of the Affiliate.

10.03 Security Deposit. The Affiliate shall not be subject to and bound by Article 17 of the Airline Use and Lease Agreement.

10.04 Adjustments. The Landing Fees, Terminal Building Charges and other charges due to the City for the Affiliate's use of the Airport facilities and Airport Services as an Affiliate of the Signatory Airline shall be adjusted as provided in Sections 10.5 and 10.6 of the Airline Use and Lease Agreement.

10.05 Provisions Inapplicable to Affiliate. Section 10.8 of Article 10 of the Airline Use and Lease Agreement shall not apply to the Affiliate; provided, however, that payments by the Affiliate or the Signatory Airline on account of the Affiliate's activity as an Affiliate of the Signatory Airline shall be treated as payments by the Signatory Airline for purposes of said Section 10.8, as provided in Section 6.2.5 of the Airline Use and Lease Agreement. Sections 10.4, 10.5, and 10.7 of the Airline Use and Lease Agreement shall not apply to the Affiliate.

ARTICLE 11 - PAYMENTS

11.01 Payments. Payments of Landing Fees, Terminal Building Charges and other charges due to the City for the Affiliate's use of the Airport facilities and Airport Services as an Affiliate of the Signatory Airline shall be made to the City by the Signatory Airline on behalf of the Affiliate; provided, however that the Affiliate shall report and pay directly to the City all PFCs collected by the Affiliate for enplaning passengers at the Airport, and shall be subject to and bound by Section 11.2 of the Airline Use and Lease Agreement.

11.02 Provision Inapplicable to Affiliate. Section 11.1 of Article 11 of the Airline Use and Lease Agreement shall not apply to the Affiliate.

ARTICLE 12 – AUDIT

12.01 Books and Records. The Affiliate shall be subject to and bound by Section 12.2 of the Airline Use and Lease Agreement.

12.02 Provisions Inapplicable to Affiliate. Section 12.1 of Article 12 of the Airline Use and Lease Agreement shall not apply to the Affiliate.

ARTICLE 13 – REPRESENTATIONS AND WARRANTIES

The Affiliate shall be subject to and bound by Article 13 of the Airline Use and Lease Agreement.

ARTICLE 14 - INDEMNIFICATION AND INSURANCE

14.01 Indemnification Obligations. The Affiliate shall be subject to and bound by the same obligation to indemnify each Indemnified Party as provided in Section 14.1 of Article 14 of the Airline Use and Lease Agreement.

14.02 Insurance Obligations. The Affiliate shall be subject to and bound by the insurance obligations set forth in Section 14.2 of Article 14 of the Airline Use and Lease Agreement.

14.03 Waiver of Subrogation. The Affiliate shall be subject to and bound by Section 14.4 of Article 14 of the Airline Use and Lease Agreement.

14.04 Increases in Cost of Insurance. The Affiliate shall be subject to and bound by Section 14.6 of Article 14 of the Airline Use and Lease Agreement.

ARTICLE 15 – NON-DISCRIMINATION

The Affiliate shall be subject to and bound by Article 15 of the Airline Use and Lease Agreement.

ARTICLE 16 – ASSIGNMENT AND SUBLETTING

Article 16 of the Airline Use and Lease Agreement shall not apply to the Affiliate. The Affiliate shall have no right to assign or transfer this Agreement or sublet the whole or any portion of the Premises leased to the Signatory Airline.

ARTICLE 18 – NO LEASE

This Agreement does not constitute a lease between the Affiliate and the City with respect to any premises, facilities, services, equipment, or otherwise at the Airport.

ARTICLE 19 – TERMINATION, AFFILIATE’S DEFAULT, CITY’S REMEDIES

19.01 Default. The occurrence of any event described in Section 18.1 of Article 18 of the Airline Use and Lease Agreement involving the Signatory Airline or the Affiliate shall be considered an event of default by the Affiliate.

19.02 Remedies. If the Affiliate shall be in default under this Agreement, the City shall have the right to terminate this Agreement under Section 18.2.1(a) of Article 18 of the Airline Use and Lease Agreement. The City shall also have the rights and remedies specified in Sections 18.2.1(e), 18.4, 18.5, 18.6 and 18.7 of Article 18 of the Airline Use and Lease Agreement.

19.03 Provisions Inapplicable to Affiliate. Sections 18.2.1(b), 18.2.1(c), 18.2.1(d), 18.3 and 18.4.4 of Article 18 of the Airline Use and Lease Agreement shall not apply to the Affiliate.

ARTICLE 20 – SURRENDER OF PREMISES; HOLDING OVER

Article 19 of the Airline Use and Lease Agreement shall not apply to the Affiliate.

ARTICLE 21 – ENVIRONMENTAL MATTERS

21.01 Environmental Compliance. The Affiliate shall be subject to and bound by Sections 20.1 through 20.6, and Sections 20.8, 20.9, 20.10 of the Airline Use and Lease Agreement.

21.02 Environmental Indemnity. The Affiliate shall be subject to and bound by the same obligation to indemnify the City as provided in Section 20.7 of the Airline Use and Lease Agreement.

ARTICLE 22 – MISCELLANEOUS PROVISIONS

24.01 Applicable Provisions. The Affiliate shall be subject to and bound by the following provisions of the Airline Use and Lease Agreement: Sections 21.1, 21.2, 21.3, 21.4, 21.6, 21.7, 21.8, 21.9, 21.10, 21.11, 21.12, 21.13, 21.14, 21.16, 21.18, 21.19, 21.20, 21.21, 21.22, 21.23, 21.24, 21.26, 21.29 and 21.30.

24.02 Inapplicable Provisions. The following provisions of the Airline Use and Lease Agreement shall not apply to the Affiliate: Sections 21.5, 21.15, 21.17, 21.25, 21.27, and 21.28.

ARTICLE 25 - NOTICES

Except as specifically provided elsewhere in this Agreement, any notice given under this Agreement shall be in writing and shall be delivered personally or sent by certified or registered mail, postage prepaid:

To City: Charlotte Douglas International Airport
5601 Wilkinson Boulevard
Charlotte, NC 28208

To Affiliate: _____

or to such other respective addresses as the parties may designate to each other in writing from time to time. Notice by certified or registered mail shall be deemed given three (3) days after the date that such notice is deposited in a United States Post Office.

[The remainder of this page is intentionally left blank.]

DRAFT

IN WITNESS WHEREOF, the parties intending to be legally bound have executed this

Agreement this ____ day of _____ 20__.

CITY OF CHARLOTTE,
a municipal corporation

[AFFILIATE]

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

DRAFT

Exhibit A to Affiliate Operating Agreement

DESIGNATION OF AFFILIATE

[AIRLINE] (the "Airline"), a Signatory Airline under the Airline Use and Lease Agreement (the "Airline Use and Lease Agreement") with the City of Charlotte, North Carolina (the "City"), effective as of _____, hereby designates [AFFILIATE] (the "Affiliate") as its Affiliate at Charlotte Douglas International Airport (the "Airport") in accordance with and subject to Article 6 of the Airline Use and Lease Agreement.

1. This designation is effective as of _____, 20__.
2. (a) Airline hereby represents to the City that the Affiliate [check at least one]:
 - ☐ is a parent or subsidiary, or a subsidiary of the parent company, of the Airline, or is under the same parental control as the Airline, or
 - ☐ shares an International Air Transport Association (IATA) flight designator code with the Airline, or
 - ☐ otherwise operates under essentially the same trade name as the Airline and uses essentially the same livery as the Airline.

(b) No Passenger Carrier with annual operating revenues of \$1 billion or more shall be classified as an Affiliate of another such major Passenger Carrier unless either the first clause or third clause set forth in Paragraph 2(a), above, defines the relationship between such Passenger Carriers. Airline hereby represents to the City as follows: Does the Affiliate have annual operating revenues of \$1 billion or more? _____. If so, does either the first clause or third clause of Paragraph 2(a), above, define the relationship between Airline and Affiliate? _____
3. The Affiliate has executed and delivered to the City an Affiliate Operating Agreement as required by Section 6.1.1 of the Airline Use and Lease Agreement.
4. The Airline hereby confirms and agrees that the Airline will pay to the City all Landing Fees, Terminal Building Charges and other charges due to the City for the Affiliate's use of the Airport facilities or Airport Services as an Affiliate of the Airline, and will submit to the City the activity reports required by Section 10.8 of the Airline Use and Lease Agreement and due to the City for the Affiliate's use of the Airport facilities and Airport Services as an Affiliate of the Airline.
5. The Airline confirms and agrees that it shall remain, with the Affiliate, jointly and severally liable to the City for the payment of all Landing Fees, Terminal Building Charges and other charges (including PFCs) and the submission of all activity reports due to the City for the Affiliate's use of any Airport facilities or Airport Services as an Affiliate of the Airline.

[AIRLINE]

By: _____, Airline's authorized representative
Name

Title: _____

Date: _____

Exhibit B to Affiliate Operating Agreement

NOTICE OF TERMINATION OF AFFILIATE STATUS

[AIRLINE] (the “Airline”), a Signatory Airline under the Airline Use and Lease Agreement (the “Airline Use and Lease Agreement”) with the City of Charlotte, North Carolina (the “City”), effective as of _____, hereby notifies the City that the Airline is terminating its designation of [AFFILIATE] (the “Affiliate”) as its Affiliate at Charlotte Douglas International Airport in accordance with and subject to Section 6.4 of the Airline Use and Lease Agreement.

This termination of the Affiliate’s status as an Affiliate of the Airline is effective as of [DATE, NOT LESS THAN 30 DAYS FROM THE DATE OF THIS NOTICE].

[AIRLINE]

By: _____, Airline’s authorized representative

Name

Title: _____

Date: _____

Exhibit J

Form of Non-Affiliate Non-Signatory Operating Agreement

DRAFT

CITY OF CHARLOTTE

NON-AFFILIATE NON-SIGNATORY AIRLINE OPERATING AGREEMENT

This agreement ("Agreement") is made and entered into as of _____, 20__ ("Effective Date"), by and between the City of Charlotte, a North Carolina municipal corporation ("City") and _____, a _____ ("Airline").

Witnesseth:

WHEREAS, the City is the owner of the Charlotte Douglas International Airport ("Airport"); and

WHEREAS, Airline wishes to operate its air transportation business at, from and on the Airport.

NOW, THEREFORE, in consideration of the premises set forth above and the mutual promises set forth below, the City and Airline agree as follows:

ARTICLE 1 – DEFINITIONS AND EXHIBITS

1.1 Definitions. The following terms shall have the following meanings wherever used in this Agreement. Capitalized terms used but not defined in this Agreement shall have the meanings ascribed to them in the AUA.

"Advance Schedule" means an Air Carrier's flight schedule submitted in the form required by the City's Airport Operations Division prior to, or on, the designated due date for participation in the sixty (60)-day and ninety (90)-day review thereof by such Division pursuant to Exhibit C.

"Affiliate" means a Passenger Carrier providing air service at the Airport that (i)(a) is a parent or subsidiary of a Signatory Airline, or a subsidiary of said Signatory Airline's parent company, or is under the same parental control as said Signatory Airline; or (b) shares an International Air Transport Association (IATA) flight designator code with said Signatory Airline; or (c) otherwise operates at the Airport under essentially the same trade name as said Signatory Airline and uses essentially the same livery as said Signatory Airline, and (ii) is properly designated as an Affiliate by said Signatory Airline in accordance with Article 6 of the AUA; provided, however, that no Passenger Carrier with annual operating revenues of \$1 billion or more shall be classified as an Affiliate of another Passenger Carrier with annual operating revenues of \$1 billion or more unless either clause (i)(a) or clause (i)(c) above defines the relationship between such Passenger Carriers at the Airport.

"Air Carrier" means a carrier certified by the Secretary of the U.S. Department of Transportation as a 'passenger carrier' under 49 U.S.C. § 41102 or a 'cargo carrier' under 49 U.S.C. § 41103.

“Airfield” (which is designated as “Public Aircraft Facilities” or “P.A.F.” under the Revenue Bond Order and shown on Exhibit H attached thereto) means those areas and facilities described in Exhibit H to the AUA.

“Airline” means the Air Carrier executing this Agreement.

“Airline Entities” means employees, contractors, subcontractors, agents, licensees, sublessees, and vendors, and any other other parties under Airline’s direction or control that come onto the Airport in connection with Airline’s use or occupancy of the Airport or for whose acts the Airline is responsible.

“Airport” means the realty and improvements generally known and designated as the “Charlotte Douglas International Airport.” The improvements on the realty consist of the Airfield, ramps and parking aprons, the Terminal Buildings, freight buildings, hangars, vehicle roadways, parking facilities and all other improvements presently existing or hereafter constructed on such realty. The term “Airport” shall also include any adjacent or nearby realty presently owned or hereafter acquired by the City for Airport purposes and all improvements presently existing or hereafter constructed on, located at, or affixed to such realty. A current depiction of the physical layout of the Airport is set forth in Exhibit A to the AUA.

“Airport Rules and Regulations” means, collectively, all rules, procedures, requirements and regulations currently effective and hereinafter amended, adopted or established by the City, including without limitation the Procedures for Parking and Gate Use, Assignment and Scheduling attached as **Exhibit C**, the City’s advertising policies and guidelines and the City’s “Tenants’ Rules and Regulations”, all of which are incorporated into and made a part of this Agreement, provided that such Airport Rules and Regulations do not conflict with applicable provisions of state or federal law or the provisions of this Agreement.

“Applicable Laws” means, collectively, 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, sanitation and safety; (ii) the environment, including without limitation the Environmental Laws; (iii) access for persons with disabilities, including without limitation the Americans with Disabilities Act, 42 U.S.C. §§ 12101 *et seq.*; and (iv) airport security, including without limitation the regulations of the TSA, 49 CFR Parts 1540, 1542, 1544 *et seq.* and security directives applicable to pipeline safety, security and cybersecurity with respect to airport facilities and fuel systems.

“AUA” means the Airline Use and Lease Agreement executed between the City and each Signatory Airline operating at the Airport, as each may be amended from time to time in accordance with the AUA.

“Baggage Claim Areas” means the areas located in the Terminal Building where inbound baggage is unloaded and made available for delivery to or claim by arriving passengers.

“Baggage Make-up Areas” means the areas located in the Terminal Building where outbound baggage is sorted for delivery to departing aircraft.

“City” means the City of Charlotte.

“Chief Executive Officer” or “CEO” means the Chief Executive Officer of the Airport or his/her successor, or the person, division, department, bureau, or agency designated by the City to exercise functions equivalent to those now exercised by the Chief Executive Officer or his/her successor.

“City-Owned Equipment” means, collectively, those certain fixtures, equipment, systems and improvements owned by the City 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 PLBs owned by the City and the Shared Use Terminal Equipment.

“Common Use Gates” means the Gates designated by the City in accordance with Article 4 of the AUA to be used in common by Air Carriers operating at the Airport, and shall not be deemed to include any Preferential Use Gates.

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

“Concourses” means the buildings connected to the Terminal Building and leased to or used by Air Carriers for enplaning and deplaning passengers, as such buildings presently exist and may hereafter be expanded, modified, constructed, or relocated.

“Effective Date” means the date recited on page 1 of this Agreement.

“Enplanement” means any passenger boarding an aircraft, including any such passenger that previously disembarked from another aircraft of the same or a different Air Carrier, or from the same aircraft previously operating under a different flight number.

“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 Hazardous Substances upon, about, or beneath the Airport or migrating or threatening to migrate to or from the Airport, or the existence of a violation of Environmental Laws pertaining to Airline’s or an Airline Entity’s operations at the Airport including without limitation: (i) damages for injury to property or natural resources occurring upon or off the Airport, foreseeable or unforeseeable, including without limitation, interest and penalties and claims brought on behalf of employees of Airline or the City; (ii) interference with the City’s use or planned use of the Airport; (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 Laws” means all Applicable Laws and all permits, orders or approvals implementing the same relating to the environment or Hazardous Substances, and any state and federal policies and guidance that implement any of the foregoing.

“Event of Default” means the occurrence of any one or more of the events described in Section 11.1 that shall constitute a breach of, and shall entitle the City to exercise its remedies under, this Agreement.

“Exclusive Use Premises” means those areas designated for exclusive use by a Signatory Airline in accordance with Section 2.3.2 of the AUA.

“FAA” means the Federal Aviation Administration or its successor.

“Fees and Charges” means, for any Fiscal Year, all fees, charges and other amounts payable by Airline for such Fiscal Year as determined and adjusted pursuant to Article 4.

“FIS Facility” means the Federal Inspection Services Facility located in the Terminal Building and the sterile areas utilized for such purposes on the ticketing level of the Terminal Building as shown on Exhibit H to the AUA.

“Fiscal Year” means a year beginning July 1 and ending June 30, as may be amended or changed by the City from time to time.

“Gate” means an area of the Terminal Building made up of a Holdroom and a portal or stairwell, if any, through which passengers must pass to board or deplane an aircraft.

“Gate Ramp” means the ramp area associated with a Gate.

“Gate Requesting Airline” means a Scheduled Airline seeking to operate at a Preferential Use Gate that is leased to a Signatory Airline, as further described in Section 5.1.

“Hazardous Substance” means any substance, chemical compound, product, solid, gas, liquid, waste, by-product, pollutant, contaminant or material which is classified or regulated as “hazardous” or “toxic” pursuant to any Environmental Law, including, without limitation, asbestos, polychlorinated biphenyls, PFOS and PFOA, and petroleum (including crude oil or any fraction thereof).

“Holdrooms” means areas associated with Gates for the staging of passengers waiting to board an aircraft at Gates.

“Independent Accountant” means a certified public accountant or firm of certified public accountants selected by the City.

“Inline Baggage Handling System” means all equipment owned, operated and maintained by the City that is associated with the transportation of baggage from Ticket Counters to baggage make-up devices.

“Landing Fees” means the fees calculated pursuant to Section 10.2 of the AUA and further described in Section 4.1.

“Maximum Gross Landed Weight” or “MGLW” means the maximum certificated weight, in thousand pound units, at which each aircraft operated by an Air Carrier is authorized

by the FAA to land at the Airport, as certified by the aircraft's manufacturer and recited in the Air Carrier's flight manual governing that aircraft type.

"Monthly Activity Report" is the accurate summary report prepared by Airline describing Airline's operations at the Airport during the month preceding the month in which the summary is submitted to the City, and signed by an authorized representative of Airline certifying the accuracy of the information set forth therein, and submitted by Airline to the City in accordance with Section 4.6.

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

"Passenger Loading Bridge" or "PLB" means a passenger loading bridge, and its preconditioned air system(s), ground power supply unit(s) and related equipment, attached to a Concourse at a Gate.

"PFC Regulations" means, collectively, 49 U.S.C. § 40117 and applicable implementing regulations adopted by the FAA, 14 CFR Part 158, as they may be amended from time to time.

"Preferential Use Gate" means a Gate assigned by the City to a Signatory Airline in accordance with Section 2.3.3 of the AUA, and shall be deemed to include a Preferential Use International Gate.

"Preferential Use International Gate" means an International Gate assigned by the City to a Signatory Airline in accordance with Section 2.3.3 of the AUA.

"Preferential Use Premises" means those areas designated for preferential use by a Signatory Airline in accordance with Section 2.3.3 of the AUA.

"Public Areas" means sidewalks, Concourses, corridors, lobbies, passageways, restrooms, elevators, escalators and other similar space made available by the City from time to time for use by passengers, City employees, Airline employees and agents, other Air Carrier employees and agents and other members of the public, as such areas presently exist or may hereafter be expanded, modified, constructed, or relocated.

"Release" means, when used in connection with Hazardous Substances, 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.

"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 Hazardous Substances.

"Revenue Landing" means any aircraft arrival at the Airport for which Airline has received or made a fee or charge, including, without limitation, scheduled trips, charters and other trips for which a fee is received, but excluding local promotional flights. A revenue flight that returns to or lands at the Airport because of mechanical, meteorological, or other

precautionary reasons, without landing at another airport, shall not be considered a Revenue Landing.

“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 sixty (60) or ninety (90) days prior to the first day of the month in which Airline’s schedule would take effect, and that is also submitted to the City in an Advance Schedule as required under **Exhibit C**, subject to each Signatory Airline’s right to amend its Advance Schedule in accordance with Section 4.11.3 of the AUA.

“Seat” means a seat on an aircraft arriving or departing from the Airport other than those seats reserved in the flight deck or aircraft cabin for members of the flight crew.

“Security Checkpoint Area” means an area used for passenger security screening and associated queuing space as designated by the CEO, which area may be changed from time to time by the CEO in his/her sole discretion.

“Shared Use Terminal Equipment” means equipment owned and installed by the City for use in passenger processing, including without limitation, equipment casework, flight information displays (“FIDS”), gate information displays (“GIDS”), boarding gate readers, passenger processing workstations, seating and self-service kiosks (for boarding passes and bag tagging), and other shared use technology (*e.g.*, reservation system portal open to all Air Carriers at the Airport).

“Signatory Airline” means Airline and each other Passenger Carrier that (a) has agreed to lease, if available, at least one (1) Preferential Use Gate or its financial equivalent, at least one (1) Preferential Use Ticket Counter, as defined in the AUA, and 500 square feet or more of Exclusive Use Premises; and (b) has executed an AUA with the City. An Affiliate of a Signatory Airline shall not be a Signatory Airline.

“Space Requesting Airline” means an Air Carrier seeking to commence or expand Scheduled Operations at the Airport that does not have adequate access to the Terminal Building for its operations.

“Terminal Building” means those areas and facilities described in Exhibit H of the AUA.

“Terminal Building Charges” means the charges calculated pursuant to Section 10.3 of the AUA and further described in Section 4.2 and **Exhibit B**.

“Ticket Counters” means those areas in the Terminal Building designated by the CEO for use by Airline for ticketing and processing passengers and their baggage, and similar activities, including ticketing kiosk space and associated queuing space (as calculated to include the area twenty-five (25) linear feet in front of the ticket counters, as may be adjusted from time to time by the City), but excluding curbside check-in positions.

“Total Bags” means the total number of bags inducted into the Inline Baggage Handling System.

“TSA” means the Transportation Security Administration or its successor.

“Turn” means the 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.

1.2 Exhibits. The following Exhibits are attached to and made a part of this Agreement:

Exhibit A: Monthly Activity Report

Exhibit B: Landing Fees and Terminal Building Charges

Exhibit C: Parking and Gate Use, Assignment and Scheduling Procedures

Exhibit D: PFC Letter

ARTICLE 2 – AIRPORT USE

2.1 Right to Operate. Airline shall have the non-exclusive right to conduct its air transportation business at the Airport and to perform all operations and functions in connection with the conduct and operation of such business at the Airport, subject at all times to the terms of this Agreement and the City’s exclusive control and management of the Airport. Airline shall not conduct any business or commercial operation from, at, or on the Airport that is not part of an air transportation business. Airline shall not use the Airport, and shall not cause or permit its employees, contractors, vendors, suppliers, consultants, agents, licensees, or invitees to use the Airport for any purpose other than as specified in this Agreement or such other instrument executed between the City and Airline.

2.2 License to Use Areas of and City-Owned Equipment in Airport. The City grants to Airline a non-exclusive license to use the following solely for the purposes described in Section 2.1:

(a) The Airfield, in common with other Air Carriers, in the manner described in Section 2.1 and Section 3.4 of the AUA;

(b) The Public Areas, in common with others, in the manner described in Section 2.2 of the AUA;

(c) The Common Use Gates and Gate Ramps and Common Use Ticket Counters, in common with other Air Carriers, in the manner described in Section 2.3.4 and Section 3.3 of the AUA;

(d) The Baggage Make-up Areas, Baggage Claim Areas and Security Checkpoint Areas, jointly with other Air Carriers, in the manner described in Section 2.3.5 of the AUA; and

(e) The City-Owned Equipment, in common with other Air Carriers, in the manner described in Section 3.5 of the AUA.

Airline specifically acknowledges and agrees that the City is permitting Airline's use of the areas and the City-Owned Equipment described in this Section 2.2 on an "as is with all faults" basis, without any representations or warranties of any kind whatsoever, express or implied, from the City as to any matters concerning such areas and the City-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 such areas and the City-Owned Equipment. Airline's use of the areas and City-Owned Equipment described in this Section 2.2 shall at all times be subject to the City's exclusive control and management, and shall comply with all Applicable Laws and Airport Rules and Regulations.

2.3 Changes in Certain Areas of and City-Owned Equipment in Airport. Airline acknowledges that it has no exclusive, leasehold, or priority interest in the City-Owned Equipment or any areas or facilities in, on or at the Airport, and agrees that the City may change the Airfield, Public Areas, Common Use Gates and Gate Ramps, Baggage Make-up Areas, Baggage Claim Areas, Security Checkpoint Areas, and City-Owned Equipment at any time during the Term.

2.4 Inspections by City. The City may cause the areas used by Airline and Airline's operations at the Airport to be inspected to confirm that such areas and Airline's operations comply with the requirements of this Agreement. The City shall use reasonable efforts not to interfere with Airline's operations during any such inspection, and Airline shall cooperate with such inspection. If such inspection shows that Airline is not complying with the requirements of this Agreement, without limiting the City's rights and remedies under this Agreement, the City reserves the right to complete these responsibilities for Airline at Airline's expense, and may require that Airline reimburse the City for the reasonable costs of such inspection in addition to the City's costs to complete said responsibilities for Airline. Airline shall promptly remedy any noncompliance shown in any such inspection.

ARTICLE 3 – TERM

This Agreement shall commence on the Effective Date, and shall continue until the earlier of (a) termination by either party upon thirty (30) days' written notice to the other party, or (b) the date on which Airline becomes an Affiliate or a Signatory Airline at the Airport, or (c) termination by the City in accordance with Section 11.2, or (d) expiration or earlier termination of the AUA with all Signatory Airlines (the "Term").

ARTICLE 4 – FEES AND CHARGES

4.1 Landing Fees. Airline shall pay to the City a Landing Fee for each Revenue Landing at the Airport, calculated by the City at a rate expressed in dollars and cents per one thousand pounds in Maximum Gross Landed Weight. The Landing Fee as of the Effective Date is set forth in **Exhibit B**, and shall be adjusted by the City during the Term in accordance with Article 10 of the AUA. The City shall notify Airline of the Landing Fee prior to the start of each Fiscal Year.

4.2 Terminal Building Charges. Airline shall pay to the City Terminal Building Charges associated with Airline's use of the Terminal Building, the City-Owned Equipment and other areas of the Airport. The Terminal Building Charges as of the Effective Date are set forth in **Exhibit B**, and shall be adjusted by the City during the Term in accordance with Article 10 of the AUA. The City shall notify Airline of all Terminal Building Charges prior to the start of each Fiscal Year.

4.3 Passenger Facility Charges ("PFCs"). The City has imposed PFCs in accordance with 49 U.S.C. § 40117 and the PFC Regulations. The City shall provide to Airline a letter ("PFC Letter") outlining the amounts, if any, that Airline is obligated to collect and pay to the City under the PFC Regulations, the form of which is set forth in **Exhibit D**, as may be amended from time to time in the sole discretion of the City. Airline shall collect all PFCs in accordance with the PFC Regulations and the then current PFC Letter, and shall hold in trust for the City the net principal amount of all PFCs so collected by Airline or its agents on behalf of the City. For purposes of this Section 4.3, "net principal amount" means the total principal amount of all PFCs that are collected by Airline or its agents on behalf of the City, reduced by any amount that Airline is permitted to retain pursuant to Section 158.53(a) of the PFC Regulations. Airline shall remit to the City all PFCs collected and held as described above in accordance with the PFC Regulations and the then current PFC Letter.

4.4 Other Fees and Charges. Airline shall pay to the City any other Fees and Charges related to Airline's operation at and use of the Airport that may be imposed or adjusted by the City on Airline and all other Air Carriers at the Airport.

4.5 No Revenue Sharing. Airline acknowledges that Section 10.7 of the AUA ("Sharing of Net Remaining Terminal Complex Revenue") applies only to Air Carriers that were Signatory Airlines during the immediately preceding Fiscal Year, and not to Airline.

4.6 Monthly Activity Report. Airline shall furnish to the City, on or before the tenth (10th) day of each month, a Monthly Activity Report. Airline's Monthly Activity Report shall be in a format prescribed by the City, and shall include at least the following information: (a) the aircraft make, model and series, MGLW, seating capacity and configuration of every aircraft type operated by Airline at the Airport during the preceding month, listing arriving and departing aircraft separately; (b) the total MGLW of all passenger aircraft and, separately, all cargo aircraft landing at the Airport; (c) the total number of domestic and international enplaned and deplaned passengers served by Airline at the Airport, including the breakdown of FIS Facility and non-FIS Facility deplaned passengers, revenue and non-revenue passengers and enplaned passengers by Concourse; (d) the total amount (in pounds or kilograms) of domestic and international cargo and mail enplaned and deplaned by Airline at the Airport; (e) the total number of revenue and non-revenue aircraft operations; (f) total Airline use of Common Use Gates by date and time, including Gate, aircraft type and registration (tail) number; (g) total number of hours that Airline used each Common Use Ticket Counter; (h) total number of Airline's Turns, and (i) total number of Airline's Total Bags. A copy of the current Monthly Activity Report form (if any) is set forth in **Exhibit A**. If Airline fails to provide to the City any Monthly Activity Report in a timely manner, Airline's Landing Fee, Terminal Building Charges, and any other Fees and 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 City. Any necessary adjustments in Airline's charges shall be calculated after Airline delivers to the City a Monthly Activity Report for the month in question. Resulting credits or debits shall be applied to the appropriate invoices in the next billing period.

4.7 Payment of Fees and Charges. Beginning on the Effective Date, Airline shall pay to the City, on a monthly basis, Landing Fees and Terminal Building Charges calculated and invoiced by the City in accordance with this Article 4, as follows:

(a) Not later than the tenth (10th) day of each month of each Fiscal Year, Airline shall remit to the City the amount of Airline's Landing Fees, together with Airline's Monthly Activity Report described in Section 4.6 and on which Airline's payment under this Section 4.7(a) is based; provided, however, that the City reserves the right to use in the future an automated tracking system instead of Airline's Monthly Activity Report to determine the amount of Landing Fees due from Airline; and further provided, that if the City elects to use such an automated tracking system, the City shall implement a reasonable method of reconciling the reports generated by the automated tracking system with Monthly Activity Reports submitted by Airline and resolving any discrepancies. Any payments received after the tenth (10th) day of said month shall be considered late, and shall be subject to Section 4.8.

(b) Not later than the tenth (10th) day of each month of each Fiscal Year, Airline shall, without demand, remit to the City the amount of Airline's Terminal Building Charges other than the Inline Baggage Handling System Fees. Any payments received after the tenth (10th) day of said month shall be considered late, and shall be subject to Section 4.8.

(c) Within thirty (30) days of the date of the City's invoice setting forth Airline's total Inline Baggage Handling System Fees for the preceding month, Airline shall remit to the City the amount so charged.

(d) All amounts payable by Airline under this Agreement shall be paid to the City at the City's Post Office and Payment Address listed in Section 14.26, or at such other place as the CEO may from time to time designate in writing. The City shall give Airline written notice of any late payments, and any amount that is not paid within fifteen (15) days of Airline's receipt of such notice shall bear interest at a rate of one and one-half (1.5%) percent per month.

(e) Airline's payment to the City, and the City's acceptance from Airline, of any payment amount hereunder shall not preclude either Airline or the City from questioning, within six (6) months from the date of Airline's receipt of the Final Audit (as described in Section 4.9), the accuracy of any statement on the basis of which such payment was made, or preclude the City from making, within such period, any claim against Airline for any additional amount payable by Airline under this Agreement, or preclude Airline from making, within such period, any claim against the City for any credit for any excess amount paid by Airline under this Agreement; provided, however, that neither the City nor Airline shall be limited by such six-month period if the other

party shall have attempted to defraud or shall have defrauded the party seeking to question the accuracy of such statement or make such claim. Notwithstanding the foregoing, Airline shall not abate, suspend, postpone, set-off, or discontinue any payments of Fees and Charges that it is obligated to pay under this Agreement.

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

4.9 Annual Settlement. Upon completion, but in no event later than two hundred and forty (240) days after the close of each Fiscal Year during which Airline operates at the Airport, the City shall provide to Airline its Final Audit, which shall be a copy of its annual audit report, prepared in accordance with generally accepted accounting principles and certified by an Independent Accountant, covering the Airport's operations for such preceding Fiscal Year. Such Final Audit shall contain information sufficient to allow the City to compare its projections of Landing Fees and Terminal Building Charges to actual experience. If Terminal Building Charges or Landing Fees actually paid by Airline were greater than the corresponding amounts chargeable to Airline, the City shall issue a check for the amount of such overpayment to the account of Airline within thirty (30) days of Airline's receipt of the Final Audit. If Terminal Building Charges or Landing Fees paid by Airline were less than the corresponding amounts chargeable to Airline, the City shall invoice Airline upon the City's transmission of the Final Audit to Airline, and Airline shall pay such amounts to the City no later than thirty (30) days after receipt of the Final Audit.

ARTICLE 5 – ACCOMMODATION OF AIRLINE BY SIGNATORY AIRLINE

5.1 General. If the City cannot accommodate Airline on a Common Use Gate or within common use space under the City's control, the City may identify Airline as a Gate Requesting Airline or Space Requesting Airline, respectively, to one or more Signatory Airlines in order that one or more Signatory Airlines can attempt to accommodate Airline at their Preferential Use Gates or within its/their Exclusive Use Premises or Preferential Use Premises (other than Gates) in accordance with Section 4.12 or Section 5.1 of the AUA, respectively. This Article 5 shall only apply where Airline is a passenger Air Carrier.

5.2 Accommodation at Preferential Use Gate of Signatory Airline. If Airline is accommodated at the Preferential Use Gate of a Signatory Airline, Airline shall be required to pay the City the same charges for use of the Preferential Use Gate that Airline would have been required to pay the City for use of a Common Use Gate plus a fifteen percent (15%)

administrative fee. A Signatory Airline may not demand any additional payments from Airline on account of Airline's use of the Preferential Use Gate.

5.3 Accommodation within Exclusive Use or Preferential Use Premises of Signatory Airline. If Airline is accommodated within the Exclusive Use Premises or Preferential Use Premises (other than Gates) of a Signatory Airline, Airline shall (in the absence of an agreement with the Signatory Airline) be required to pay the City (i) the same charges for use of the Exclusive Use Premises or Preferential Use Premises (other than Gates) that Airline would have been required to pay the City for use of such space on a common use basis, (ii) any additional City charges that the Signatory Airline incurs as a result of its accommodation of Airline, and (iii) a fifteen percent (15%) administrative fee. A Signatory Airline may not demand any additional payments from Airline on account of Airline's use of the Exclusive Use Premises or Preferential Use Premises (other than Gates).

5.4 Insurance and Indemnification Requirements for Accommodation. As a condition of Airline's accommodation on a Signatory Airline's Preferential Use Gate or within a Signatory Airline's Exclusive Use Premises or Preferential Use Premises (other than Gates), Airline agrees that its insurance and indemnification obligations under this Agreement shall inure to the benefit of the accommodating Signatory Airline as a third-party beneficiary for any period of accommodation, and that Airline shall provide to the Signatory Airline upon its request (a) proof of insurance, for the benefit of the Signatory Airline, of the types and with the limits of coverage that Airline is required to carry under this Agreement; and evidencing that the Signatory Airline has been named an additional insured on all liability policies of Airline, and (b) a deposit securing Airline's payment to the Signatory Airline of the charges described in this Article 5.

ARTICLE 6 – INDEMNIFICATION

6.1 Except for claims for environmental matters (which are the subject of the indemnification obligation under Section 10.6), Airline shall release, defend, indemnify, and hold the City, its directors, officers, employees, agents, representatives, anyone claiming by or through any of the aforesaid, any Signatory Airline that accommodates Airline in the manner described in Article 5, and the successors and assigns of each (the City and each of the aforesaid, an "Indemnified Party") completely harmless from and against any and all claims, suits, demands, actions, liabilities, losses, damages, judgments, fines, civil penalties, costs, and expenses of whatever kind or nature (including, but not limited to, attorneys' fees, court costs, consultant fees and expert fees) associated therewith in any way and to the extent arising from or based upon Airline's or Airline Entity's conduct of its air transportation business on or at the Airport, and Airline or an Airline Entity's violation of any Applicable Laws, Airport Rules and Regulations or any license, certificate, permit or other authorization issued under any of the foregoing or the use or occupancy of the Premises by Airline or an Airline Entity except to the extent such claim arises from the negligent act or omission or willful misconduct of the City.

6.2 In addition to, and without limiting Airline's obligations pursuant to Section 6.1, if the City is alleged to be in non-compliance with Applicable Laws governing access to secure areas of the Airport or to the areas of the Airfield, and said non-compliance is the result of or due to the negligence or willful act or omission of the Airline or an Airline Entity, and such breach of a secure area results in a civil penalty or other action against the City, the Airline agrees to

reimburse the City for all expenses, including reasonable attorneys' fees, incurred by the City in defending against the civil penalty action or other action, and for any civil penalty or settlement amount paid by the City as a result of being deemed in non-compliance as aforesaid. The City shall give the Airline reasonable notice of any allegation, investigation, or proposed or actual civil penalty or other action sought for such non-compliance.

6.3 If any action or proceeding is brought against the City by reason of any claim, suit, demand, action, liability, loss, damage, judgment, fine, or penalty that may be subject to Airline's indemnification obligations contained in this Article 6, Airline, upon reasonable notice from the City, shall resist or defend such claim, suit, demand, action, liability, loss, damage, judgment, fine, or penalty with counsel reasonably acceptable to the City, and the City shall take reasonable actions to mitigate its damages.

6.4 The foregoing express obligation of indemnification shall not be construed to negate or abridge any other obligation of indemnification running to the City or an 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. The City shall give Airline written notice of any claims threatened or made or any suit instituted against it that could result in a claim of indemnification hereunder.

6.5 Notwithstanding anything to the contrary set forth in this Agreement, neither party nor any of its members, directors, officers, agents, representatives or employees shall be liable to the other party for any loss of business or any indirect, incidental, special or consequential damages or lost profits arising out of or relating to this Agreement or such party's performance or non-performance hereunder; provided, however, that this Section 6.5 shall not apply to third-party claims arising out of or relating to this Agreement.

6.6 The indemnification and other obligations under this Article 6 shall survive expiration or earlier termination of this Agreement, but only with respect to acts, omissions, or events occurring during the Term, unless this Agreement expressly provides otherwise.

ARTICLE 7 – INSURANCE

7.1 Insurance Coverages. During the Term, and for such longer periods required under this Agreement, Airline shall provide to the City at City's Post Office and Payment Address set forth in Section 14.26, pay for and maintain, with companies reasonably satisfactory to the City, the following insurance coverages without interruption:

(a) Aircraft Liability Insurance and Commercial General Liability Insurance. Aircraft or Aviation Liability Insurance and Commercial General Liability Insurance (which may be covered under the Aircraft or Aviation Liability Insurance Policy) shall be maintained by Airline during the Term, and for such longer periods as described in Section 7.6. Any Aviation Liability Insurance Policy shall include Aircraft Liability Insurance. Coverage shall include, but not be limited to, Premises and Operations, Personal and Advertising Injury, Contractual Liability, Hangarkeepers' Legal Liability, Additional Insured endorsement (noted below), Aircraft Liability (including Passenger

Liability), Passenger Checked and Unchecked Baggage Liability, Bodily Injury and Property Damage to Third Parties, Independent Contractors, Broad Form Property Damage, Products and Completed Operations Coverage and shall include Explosion (XCU), Collapse, Liquor Liability, Terrorism or War Risk. The limits of coverage per occurrence shall not be less than (with the exception of industry standard Airline Liability sublimits):

- (i) Passenger Airlines with 20 seats or less. Comprehensive Airline Liability: \$50,000,000
- (ii) Passenger Airlines with 21 to 60 seats. Comprehensive Airline Liability: \$100,000,000
- (iii) Passenger Airlines with 61 to 299 seats. Comprehensive Airline Liability: \$500,000,000
- (iv) Passenger Airlines with 300 seats or more. Comprehensive Airline Liability: \$700,000,000
- (v) Cargo Legal Liability with less than 60,000 lbs. \$50,000,000
- (vi) Cargo Legal Liability with 60,000 lbs. or more. \$250,000,000

The Aircraft or Aviation Liability Insurance and Commercial General Liability Insurance required hereunder shall also include coverage applicable to mobile and other ground vehicle equipment operated on those parts of the Airport that are not accessible to the public and are designated as restricted areas with a limit of not less than \$25,000,000 for each occurrence, and hereafter in such increased amounts or on such revised reasonable terms and conditions as the City may from time to time specify. Mobile and other ground vehicle equipment shall include, but not be limited to, baggage tugs, aircraft pushback tugs, provisioning trucks, air stair trucks, belt loaders, and owned, non-owned and hired automobiles.

Airline's Aircraft or Aviation Liability Insurance and Commercial General Liability Insurance shall be placed with one or more companies with an AM Best rating of A- or better, and a financial size rating of IV or better (or equivalent S&P rating, or its equivalent as reasonably determined by the City). The City shall be named as an additional insured (using ISO Form CG 20 26 11 85 or equivalent endorsement acceptable to the City), and shall be furnished with appropriate written evidence to establish that Airline's insurance coverages required by this Subsection (a) have been met. The inclusion of the City as an additional insured shall not create any premium liability for the City. The liability insurance required by this Subsection (a) shall not contain a deductible or self-insured retention in excess of \$1,000,000 (unless otherwise approved in writing by the City). All deductibles and self-insured retentions shall be paid by Airline and assumed for the account of Airline, at Airline's sole risk. To the extent that Airline relies on an excess or "umbrella" policy of insurance to satisfy the requirements of this Subsection (a), any such policy shall be no less broad than the

underlying policy, shall cover the term of the underlying policy without interruption, and shall include a drop-down provision.

(b) Automobile Liability Insurance (non-restricted areas of the Airport).

Commercial automobile liability insurance covering all owned, non-owned and hired automobiles and other mobile and other ground vehicle equipment (as defined in Subsection (a), above) operated on non-restricted areas of the Airport in the minimum single limit of \$10,000,000 per occurrence, and hereafter in such increased amounts or on such revised terms and conditions as the City may from time to time specify. The liability insurance required by this Subsection (b) shall not contain a deductible or self-insured retention in excess of \$1,000,000 (unless otherwise approved in writing by the City). All deductibles and self-insured retentions shall be paid by Airline and assumed for the account of Airline, at Airline's sole risk. To the extent that Airline relies on an excess or "umbrella" policy of insurance to satisfy the requirements of this Subsection (b), any such policy shall be no less broad than the underlying policy, shall cover the term of the underlying policy without interruption, and shall include a drop-down provision.

(c) Environmental Liability Insurance. Coverage shall be maintained by the Airline in an amount not less than \$10,000,000 per occurrence for sudden and accidental pollution, and clean-up costs, to the extent required by Applicable Laws, arising out of Airline's activities under this Agreement, and hereafter in such increased amounts or on such revised terms and conditions as the City may from time to time specify. Airline may provide for reasonable limits of self-insurance against environmental liability risks in lieu of obtaining coverage from a third-party insurer. All amounts paid to the City 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 City by Airline shall be the same as if insurance were provided by a third-party insurer on commonly available, commercially reasonable terms for such insurance based on Airline's activities under this Agreement, and Airline shall have all the obligations and liabilities of a third-party insurer hereunder (*e.g.*, obligation to provide a defense for covered claims).

(d) Liquor Liability Insurance. If Airline serves or sells alcoholic beverages at any facility on or about the Airport, Airline shall maintain liquor law liability insurance (on an occurrence basis) with limits of liability of \$5,000,000 per occurrence, \$25,000,000 in the aggregate, and hereafter in such increased amounts or on such revised terms and conditions as the City may from time to time specify. The City shall be named as an additional insured using an appropriate policy form or endorsement, and shall be furnished with appropriate written evidence to establish that Airline's insurance coverages required by this Subsection (d) have been met. The inclusion of the City as an additional insured shall not create any premium liability for the City. The liability insurance required by this Section shall not contain a deductible or self-insured retention in excess of \$1,000,000 (unless otherwise approved in writing by the City). All deductibles and self-insured retentions shall be paid by Airline and assumed for the account of Airline, at Airline's sole risk. To the extent that Airline relies on an excess or "umbrella" policy of insurance to satisfy the requirements of this Subsection (d), any

such policy shall be no less broad than the underlying policy, shall cover the term of the underlying policy without interruption, and shall include a drop-down provision.

(e) Workers' Compensation and Employers' Liability Insurance. Workers' compensation insurance as required by Applicable Laws, and employers' liability insurance with minimum limits of \$100,000 per accident, \$500,000 disease per policy, \$100,000 disease per employee. Airline shall require all of its contractors and consultants to carry workers' compensation insurance as required by Applicable Laws.

(f) Property Insurance. Property insurance, naming the City and the Airline as loss payees as their respective interests may appear, insuring any personal property at the Airport (including without limitation, inventory, trade fixtures, floor coverings, furniture, improvements and other personal property) against the perils of fire (with extended coverage) and physical loss or damage. Such insurance shall be in an amount equal to the full replacement cost of the insured property.

(g) Network Security/Privacy Liability Insurance. Network Security/Privacy Liability Insurance, naming the City as an additional insured, including network security/data protection liability insurance covering liabilities for financial loss resulting or arising from security wrongful acts, privacy breaches, and security breaches (including claims arising from violations of PCI-DSS standards) in connection with Airline's operations at Airport with a minimum limit of \$5,000,000 each and every claim. The policy must be endorsed to be primary and non-contributory, including a waiver of subrogation in favor of the City, and separately triggered from claims arising from either (1) a cyber/security incident or breach, or (2) errors or omissions in Airline's operations at the Airport. Airline's policy may not have a cyber-terrorism exclusion. Airline may, subject to the provisions of this paragraph, request to fulfill its Network Security/Privacy Liability Insurance obligations under this Agreement by self-insurance. Any self-insurance maintained by Airline must be deemed to contain all of the terms and conditions applicable to the insurance as required in this paragraph, including, without limitation, a deemed additional insured provision and a deemed waiver of subrogation; consequently, the City must be treated, for all purposes, as if Airline had actually purchased the insurance from a third party. Prior to the institution of any self-insurance, Airline must notify the City in writing of its request to self-insure, and provide financial documentation to the City, evidencing Airline's ability to so self-insure, both for the City and for any other airport it so self-insures. The notice must designate the name, address, and telephone number of the claims administrator. If Airline requests to self-insure, then with respect to any claims which may result from incidents occurring during this Agreement, the self-insurance obligation survives the expiration or earlier termination of this Agreement to the same extent as the insurance required in this Agreement would survive. The City will consider Airline's request to self-insure and may approve within its discretion, which approval will not be unreasonably withheld

(h) Other Insurance. Airline shall also obtain all other forms of insurance required for its particular use of the Airport, and as required under Applicable Laws or Airport Rules and Regulations.

7.2 Termination, Renewal and Additional Insurance. Airline shall use commercially reasonable efforts to ensure that no policy of insurance required of Airline under this Agreement shall be cancellable or subject to non-renewal or adverse, material modification except after thirty (30) days' prior written notice to the City. Airline shall, in a timely manner prior to the expiration, cancellation, non-renewal or modification of such policies, furnish the City with evidence of renewals or insurance binders that evidence the renewal thereof. In the event of cancellation of any insurance required of the Airline at any time during the Term, or any change not reasonably acceptable to the City, including an erosion in available limits below those specified in this Article 7, the City reserves the right, after consultation with Airline, to provide additional insurance and charge the cost of any premiums for such coverage to Airline. The City's right under this Section 7.2 includes, but is not limited to, the City's right to purchase higher limits for its own insurance program to account for an erosion in Airline's limits.

7.3 No Representation of Adequacy. The City makes no representation that the limits or forms of insurance coverage specified or required under this Agreement are adequate to cover Airline's property or Airline's liabilities or obligations under this Agreement.

7.4 City's Right to Request Information from Airline's Insurance Company. If the City requests a written statement from Airline's insurance company regarding any impairments to Airline's aggregate limit(s), Airline shall promptly authorize and have delivered such statement to the City. Airline authorizes the City and its insurance consultant to confirm with Airline's insurance agents and brokers all information furnished to the City regarding Airline's compliance with the insurance requirements under this Agreement.

7.5 Primary Coverage. All insurance policies required of Airline under this Agreement shall be endorsed to state that Airline's policy is primary and not contributory with any insurance carried by the City.

7.6 Duration of Insurance Obligations. Airline shall maintain its aircraft liability insurance, commercial general liability insurance, automobile liability insurance and liquor liability insurance required under this Article 7 in force and effect at all times during the Term, and for a period of two (2) years after the expiration or earlier termination of this Agreement. Any insurance coverage that is written on a claims-made basis must remain in force for two (2) years after the expiration or earlier termination of this Agreement.

7.7 Amounts of Coverage. All requested insurance limit amounts must be in U.S. dollars.

7.8 Waiver of Subrogation. The City and Airline (for themselves and on behalf of anyone claiming through or under them by way of subrogation or otherwise) hereby release each other from liability and waive all right of recovery against each other for any loss to real or personal property located anywhere on or about the Airport from perils which can be insured against under a standard form commercial property or fire insurance policy with extended perils coverage endorsements generally available in North Carolina at the time the loss occurs. The effect of the release and waiver of the right to recover damages shall not be limited by whether the party incurring the loss has actually obtained such insurance, by the amount of insurance carried, or by any deductibles applicable thereto. If a party's applicable insurance policies do not

allow the insured to waive the insurer's right to recovery, the party shall cause each insurance policy to be endorsed to allow the waiver of subrogation required by this Article 7.

7.9 Increase in Cost of Insurance. Airline shall not use the Airport, the City-Owned Equipment, or any areas or facilities on or at the Airport in any manner not contemplated by this Agreement so as to increase the existing rates of insurance applicable to the Airport, the City-Owned Equipment, or any areas or facilities on or at the Airport. If Airline shall do so, then, at the City's option, the full amount of any resulting increase in premiums paid by the City, and to the extent allocable to the Term, shall be paid by Airline to the City.

7.10 Surviving Obligations. Airline's obligations under this Article 7 shall survive expiration or earlier termination of this Agreement.

ARTICLE 8 – ASSIGNMENT

Airline shall not assign or transfer this Agreement or any right or interest herein or hereunder without first obtaining the City's prior written consent, which consent may be withheld in the sole discretion of the City.

ARTICLE 9 – MAINTENANCE AND REPAIR

9.1 Airline's Obligations. Airline shall keep all areas and facilities that Airline uses or occupies on or at the Airport clean at all times during and after its use and occupancy thereof. If Airline does not keep such areas and facilities properly clean, in the reasonable opinion of the City, Airline will be so advised and shall take immediate corrective action. Airline shall promptly remove from the areas and facilities that Airline uses or occupies on or at the Airport all garbage, trash and refuse, and shall store and dispose of it only in the manner approved by the City.

9.2 No Alterations; No Signs. Airline shall not alter the City-Owned Equipment or any area or facility on or at the Airport in any way whatsoever, nor erect any signs in, at or on any part of the Airport, nor permit any advertising of any nature in, at or on any part of the Airport.

ARTICLE 10 – ENVIRONMENTAL MATTERS

10.1 Airline Representations, Warranties, and Covenants. Airline represents, warrants, and covenants the following with respect to its use of the Airport pursuant to this Agreement:

(a) Airline has obtained and throughout the Term shall regularly maintain and timely update all applicable licenses, permits, registrations and other authorizations and approvals, and shall provide any notices required under Environmental Laws to conduct its operations at the Airport during the Term. Airline shall ensure that Airline and all Airline Entities that come onto the Airport in connection with Airline's use or occupancy of the Airport, 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.

(b) 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.

(c) Airline shall not conduct its operations at the Airport during the Term in such a manner as to cause or contribute to a violation of applicable Environmental Laws 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 violation of Environmental Laws including via a Release of Hazardous Substances at the Airport in violation of Environmental Laws.

(d) Airline shall, and shall ensure that Airline Entities, handle, use, store, dispose of, transport, or otherwise manage, any Hazardous Substance at the Airport during the Term in a manner consistent with Environmental Laws. Without limiting the foregoing, Airline shall not, 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 on the Airport except (a) in the locations specifically authorized by the City; (b) utilizing service providers or personnel specifically authorized by the City through a "Commercial Use Permit" to conduct such activities at the Airport; (c) in accordance with all applicable Environmental Laws and (d) in compliance with any de-icing policies and practices as may be adopted by the City in consultation with Airline.

(e) Airline shall be, and shall ensure that Airline Entities are, responsible for the proper transportation and disposal of all Hazardous Substances 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 Hazardous Substances confiscated by the TSA, but only with respect to such Hazardous Substances obtained from Airline's passengers' checked baggage.

(f) 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, operated by Airline or Airline Entities at the Airport to treat sanitary sewer waste and storm water runoff 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 Hazardous Substances 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 City 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, and trench drains. Airline shall remove and properly dispose of any Hazardous Substances in said designated structural controls maintained by Airline prior to vacating the Airport, except when such equipment itself and any Hazardous Substances contained therein are removed from the Airport, provided however, Airline shall not be required to eliminate the potential rebound of Hazardous Substances that may have adhered to designated structural controls except to the extent required by Environmental Laws.

(g) 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 at the Airport 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 City upon request. Airline shall remove and properly dispose of any Hazardous Substances in such air pollution control equipment operated by Airline prior to vacating the Airport, except when such equipment itself and any Hazardous Substances contained therein are removed from the Airport.

(h) If Airline or Airline Entities cause, unlawfully allow or contribute to a Release of Hazardous Substances 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 City and to the appropriate governmental authorities in compliance with applicable Environmental Laws. Airline shall ensure that Airline Entities report any Release 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 on behalf of Airline cause, unlawfully allow or contribute to a Release of a Hazardous Substances that is above any reportable quantity set forth in any applicable Environmental Laws

(i) Airline acknowledges that the City is subject to certain NPDES permits, state and federal storm water regulations, 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 at the request of the City. Airline shall

not seek NPDES coverage under a separate mechanism unless so directed by the City 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 City and timely provided to Airline are incorporated by reference into this Agreement to the extent such effluent guidelines affect Airline's operations at or use of the Airport or operations or activities conducted on its behalf at the Airport. The City 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 proposed and final permits issued to the City 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 City's compliance therewith.

(j) 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 Airport.

(k) Airline and Airline Entities shall cooperate with the City, as reasonably requested from time to time by the City, to ensure that Airline's and Airline Entities' operations at, or use of, the Airport will not unreasonably interfere with the City's implementation of the City's Wildlife Hazard Management Plan to reduce wildlife hazards at the Airport.

(l) Any fixed tanks, pumps, chemical or Hazardous Substances 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 City, except pursuant to the agreement of the City. No such equipment shall be installed without the written consent of the City.

(m) If requested by the City, Airline shall, and shall cause Airline Entities to, reasonably cooperate with the City in its preparation of such submittals as are required of the City by a governmental agency in connection with the City's capital projects at the Airport.

10.2 Information to be Provided to the City.

(a) 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 Airport 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:

- (i) concerning any alleged Release of Hazardous Substances by Airline or by Airline Entities; or

- (ii) 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
- (iii) 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 receipt, inform the City in writing of same, including a copy of such notice received by Airline. If the City receives any such written notice, citation, order, warning, complaint, claim or demand, the City shall promptly notify Airline.

(b) Unless waived by the City in writing, Airline shall simultaneously provide to the City 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:

- (i) Airline's or Airline Entities' alleged failure to comply with any Environmental Laws at any property at the Airport used by Airline pursuant to this Agreement, or
- (ii) any Release arising out of the past or present operations at or use of any property at the Airport used by Airline or Airline Entities pursuant to this Agreement.

(c) In connection with any matter arising under this Section 10.2, Airline shall make available, within thirty (30) days of Airline's receipt of the City's written request, subject to document retention requirements provided by Applicable Laws, the relevant, non-privileged documents that Airline has submitted to any governmental agency pertaining to the environmental compliance status of Airline's or an Airline Entity's operations at or use of any property at Airport used pursuant to this Agreement by Airline or an Airline Entity, including without limitation any and all relevant, 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 Hazardous Substances by Airline or Airline Entities at the Airport used by Airline or an Airline Entity pursuant to this Agreement.

(d) Within 30 days of Airline's receipt of the City's written request, Airline shall provide the City 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 Hazardous Substances 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 Hazardous Substances or pursuant to any Environmental Laws or permits on or about the Airport.

10.3 Airline's Environmental Response and Compliance Obligations.

(a) Without limiting any other indemnity obligations in this Agreement, if, during the Term, Airline or any Airline Entities causes, unlawfully allows or contributes to a Release of Hazardous Substances 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, at any portion of the Airport or adjacent waters or property, in connection with their operations at any property at the Airport used by Airline pursuant to this Agreement, Airline shall perform or shall cause to be performed the following:

- (i) notify the City of such Release as required by and in accordance with the Airport Rules and Regulations and applicable Environmental Laws;
- (ii) report such Release to appropriate governmental agencies as required by and in accordance with applicable Environmental Laws;
- (iii) promptly Respond to the Release of a Hazardous Substances, as required by applicable Environmental Laws;
- (iv) promptly take all further actions required under Environmental Laws to abate any threat to human health or the environment;
- (v) promptly undertake any further removals, remediation, or corrective actions as are required by Environmental Laws or ordered by a governmental agency exercising its authorized regulatory jurisdiction under Environmental Laws, to remedy any such Release of a Hazardous Substance, and any resulting impacts; and
- (vi) if applicable, and to the extent feasible, promptly obtain documentation of the approval of the closure of such Release from the governmental agency(ies) with regulatory jurisdiction as such may be issued under Environmental Laws, and provide such documentation to the City.

(b) Any 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.

(c) Airline shall not be responsible under this Section 10.3 for a Release to the extent caused by an unrelated third-party that is not an Airline Entity or another Airline that the City has compelled Airline to accommodate pursuant to this Agreement.

10.4 Investigation, Remediation, or Corrective Action Process.

(a) Before commencing any subsurface soil, surface water, storm water, or groundwater investigations, removals, remediation, or corrective actions that Airline or an Airline Entity is required to perform at the Airport under this Agreement, and except for immediate removal actions required by Environmental Laws, Airline shall promptly provide any proposed plans for such investigations, removals, remediation, or corrective actions to the City for approval in accordance with applicable Environmental Laws. 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 City shall have the right to review and inspect all such work at any time using consultants and representatives of the City's choice, at the City'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 aviation purposes. 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 City in writing. 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 City. 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.

(b) If during the Term, the City's planned uses of any portion of the Airport for which Airline has conducted investigations, removals, remediation, or corrective actions but such remediation or corrective actions have not fully removed the Hazardous Substances Released by Airline, 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 Airport suitable for any such planned uses shall be allocated to the Airfield and recovered through the Landing Fee.

10.5 The City's Rights to Ensure Airline's Compliance with Environmental Response and Compliance Obligations.

(a) If, as is reasonably determined by the City, Airline or any Airline Entities:

- (i) do not take appropriate Response actions required by applicable Environmental Laws in response to a Release for which it is responsible under this Agreement, within the time(s) prescribed by such Environmental Laws and relevant governmental authorities; or
- (ii) do not perform or complete reporting, notifications, investigations, removals, remediation, corrective actions, or closure actions as required under this Agreement within the time(s) prescribed by applicable Environmental Laws and relevant governmental

authorities, or within the time reasonably necessary to enable the City to meet its obligations under Environmental Laws;

the City 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 recommending 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 within Airline's receipt of said written notice, except in emergency circumstances in which such advance notice is not possible, then the City 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 City reasonably deems necessary to meet Airline's obligations under Environmental Laws, within the time required under such Environmental Laws, consistent with the requirements of this Agreement. In addition to such notice and opportunity to cure, the City 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 City, except in emergency circumstances where such advance notice is not possible. Such action taken by the City 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 City, including but not limited to any Environmental Damages.

(b) 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 (b) the City 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 this Agreement, then the City may take actions to report, repair, contain, investigate, remove, correct or remediate such Release consistent with Environmental Law, provided the City shall provide reasonable advance written notice to all Air Carriers serving the airport of its intention to take such actions (except in emergency circumstances in which such advance notice is not possible) as well as afford Airline a reasonable opportunity to review and comment on the City's plan to perform such actions, which comments shall be reasonably considered by the City, after which the costs incurred by the City to undertake such work shall be allocated by the City to the Airfield and recovered through the Landing Fee.

(c) Nothing in this Section 10.5 is intended or shall be construed so as to prevent the City or Airline from exercising, in their reasonable discretion, any rights granted or available elsewhere in this Agreement, or by law, including without limitation the City's right to require Airline to take actions to report, repair, contain, investigate, remove, correct or remediate a Release or seek contribution from Airline or an Airline Entity for any activities undertaken by the City under this Agreement, or Airline's right

to challenge any request by any government or the City to perform any of the actions identified in this Article under applicable Environmental Laws. Additionally, nothing in this Agreement shall relieve Airline or the City of any obligations, or operate as a waiver by Airline or the City of any respective rights, under any other agreement between Airline and the City except that Airline shall have no right to recover from the City any costs incurred by the City and recovered from Airline through Landing Fees under this Article 10 for Releases of Hazardous Substances for which Airline is responsible under this Agreement.

10.6 Environmental Indemnification and Reimbursement.

(a) Notwithstanding any other provision to the contrary, Airline agrees to indemnify, defend, and hold harmless the City and the Indemnified Parties from and against any and all Environmental Damages resulting from:

- (i) the breach by Airline of any representation or warranty made in this Article; or
- (ii) the failure of Airline or an Airline Entity to meet its obligations under this Article; or
- (iii) documented loss by any Indemnified Party from any Environmental Damages, to the extent caused, unlawfully allowed or contributed to by the unauthorized Release of a Hazardous Substances 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 negligence, violation of Environmental Laws or willful misconduct of the Indemnified Party.

(b) The City shall provide Airline with prompt notice of any such Environmental Damages for which Airline may be responsible pursuant to this Agreement 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 such Environmental Damages whether frivolous or not. In the event the City undertakes any action, including, but not limited to, investigations, removals, remediation, or corrective actions with respect to any such Environmental Damages in response to the failure of Airline to defend such Environmental Damages as required under this Agreement, Airline shall reimburse the City, upon written demand by the City, for all reasonable and documented costs that the City 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.

(c) Except to the extent arising out of the negligence, violation of Environmental Laws or willful misconduct of the Indemnified Parties, Airline waives the right of contribution and subrogation against the Indemnified Parties in connection with Environmental Damages set forth in Sections 10.6(a)(i) and 10.6(a)(ii), above.

(d) 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 Indemnified Party bears any liability or responsibility under this Article or the Environmental Laws.

(e) Any claims for environmental matters shall be subject to this Section 10.6 and shall not be subject to the general indemnity provision of Section 6.1 in this Agreement.

10.7 Environmental Disclosures.

Airline hereby acknowledges that excavation of soils from the Airport could result in exportation of a regulated waste requiring appropriate characterization, handling, transport and disposal (together "Regulated Waste Removal"). The City 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 City to recover costs or expenses arising out of or associated with Regulated Waste Removal associated with any project undertaken by Airline and agrees to indemnify, defend and hold harmless the City 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 City 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 Airport, 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 City to recover any damages, losses, costs and expenses related to worker exposure or alleged exposure to any residual Hazardous Substances contamination at the Airport and agrees to indemnify, defend and hold harmless the City from and against any and all such claims, liabilities, losses, damages, costs, and expenses.

ARTICLE 11– DEFAULT AND TERMINATION; SURRENDER

11.1 Airline Default. 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:

(a) Airline shall fail duly and timely to pay any Landing Fees, Terminal Building Charges, or any other fee or charge due under this Agreement when due to the City, and such failure shall continue for five (5) days beyond Airline's receipt of a written notice of such breach or default from the CEO. Notwithstanding the foregoing, if there occur two (2) defaults in the payment of Landing Fees, Terminal Building Charges, or other fee or charge due under this Agreement in any twelve (12) month period, thereafter

Airline shall not be entitled to, and the City shall have no obligation to give, notice of any further payment defaults (*i.e.*, thereafter Airline's failure to pay Landing Fees, Terminal Building Charges, and other fee or charge due under this Agreement in a timely manner shall be deemed an Event of Default).

(b) Airline shall fail duly and timely to remit to the City all PFCs collected by Airline from its passengers in accordance with the PFC Regulations and the then current PFC Letter.

(c) 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.

(d) There shall occur an assignment or transfer subject to Article 8 without the City's prior written consent.

(e) Airline shall abandon the conduct of business at the Airport, and, in this connection, suspension of operations for a period of sixty (60) days shall be considered abandonment in the absence of a labor dispute or other governmental action in which Airline is directly involved.

(f) Any lien or attachment shall be filed as a result of an act or omission of Airline, and shall not be discharged within sixty (60) days after Airline's receipt of notice.

(g) Airline shall fail to obtain and maintain the insurance required by Article 7, or provide copies of the policies or certificates (including without limitation those related to renewals of such coverages) to the City as required.

(h) Airline shall fail to keep, perform and observe each and every agreement set forth in this Agreement, and such failure shall continue for a period of more than five (5) days after the CEO's delivery of 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 five (5) days after Airline's receipt of such notice, or thereafter fails to diligently prosecute such cure, or fails to actually cause such cure within sixty (60) days of the CEO's delivery of such notice.

11.2 City's Remedies. Whenever any default shall occur (other than a default pursuant to Section 11.1(c) upon which termination of this Agreement, at the City's option, shall be effective immediately without further notice), this Agreement and all of Airline's rights hereunder shall terminate if the written notice of default so provides. In the event of any termination of this Agreement by the City, all of Airline's rights, powers and privileges under

this Agreement shall cease, and Airline shall immediately surrender to the City, in accordance with Section 11.3, all portions of the Airport that Airline uses or occupies under this Agreement at its sole cost and expense, and shall remain liable to the City for any damage to the City-Owned Equipment or any areas or facilities on or at the Airport arising out of or related to Airline's removal activities. Airline shall have no claim of any kind whatsoever against the City by reason of such termination, or by reason of any act by the City. The City's action pursuant to this Section 11.2 shall not in any way limit the City in the pursuit of any other additional right or remedy available to the City in law or in equity by reason of Airline's default.

11.3 Surrender. Airline covenants and agrees to surrender and deliver to the City all areas and facilities that Airline uses or occupies on or at the Airport upon expiration or earlier termination of this Agreement in as good condition as on the Effective Date (or in the case of improvements or alterations made or fixtures installed subsequent thereto, then as of the date of such improvements, alterations, or fixtures were made or installed), reasonable wear and tear, and damage from casualty that is not due to Airline excepted. If, upon such expiration or earlier termination, Airline shall fail to remove any personal property on or before the date of termination, the City may, but without the obligation to do so, remove said personal property and hold them for the owners thereof, or may place the same in a public warehouse, all at the expense and risk of the owners thereof. Airline shall reimburse the City for any reasonable expense incurred by the City in connection with such removal and storage. In addition, the City shall have the right, but not the obligation, to dispose of such property as waste, or sell such stored property and the proceeds of such sale shall be applied; first, to the cost of the sale; second, to the payment of charges for storage and removal; third, to the payment of Fees and Charges or any other obligation that may then be due from Airline to the City; and the remaining balance, if any, shall be paid to the City. If the expenses of such removal, storage, disposal and sale shall exceed the proceeds of sale, Airline shall pay such excess to the City upon demand. Airline shall indemnify, defend, release and hold harmless the City from any and all damage, cost and expenses related to said removal, storage, disposal and sale, which obligations shall survive expiration or earlier termination of this Agreement.

ARTICLE 12 – NON-DISCRIMINATION AND AFFIRMATIVE ACTION

12.1 General Civil Rights Provisions. In all its activities within the scope of its Airport program, Airline agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin, creed, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964. If Airline transfers its obligation to another, the transferee is obligated in the same manner as Airline. The above 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. Compliance with Nondiscrimination Requirements. During the performance of this contract, Airline, for itself, its assignees, and successors in interest (hereinafter referred to as "Airline"), agrees as follows: **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.

(b) **Nondiscrimination.** Airline, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin), creed, sex, age, or disability 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 contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21 including amendments thereto.

(c) **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 the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

(d) **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 the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, Airline will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

(e) **Sanctions for Noncompliance.** In the event of Airline's noncompliance with the non-discrimination provisions of this contract, the City will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

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

(f) **Incorporation of Provisions.** Airline will include the provisions of Sections 12.2(a) through 12.2(d) 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 City 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 the City to enter into any litigation to protect the interests of the City. In addition, Airline may request the United States to enter into the litigation to protect the interests of the United States.

12.3 Title VI List of Pertinent Nondiscrimination Acts and Authorities. During the performance of this Agreement, Airline, for itself, its assignees, and successors in interest (hereinafter referred to as “Airline”) agrees to comply with the following nondiscrimination statutes and authorities; including but not limited to: Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 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) including amendments thereto;

(c) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 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 U.S.C. § 794 et seq.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);

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

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

(g) The Civil Rights Restoration Act of 1987 (P.L. 100-259) (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 (42 U.S.C. § 12101, et seq) (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) as implemented by U.S. Department of Transportation regulations at 49 CFR Parts 37 and 38;

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

ARTICLE 13– SECURITY DEPOSIT

13.1 If, at any time during the Term, Airline shall commit an Event of Default that is not fully cured in accordance with the applicable provisions of this Agreement, the City shall

have the right to immediately impose the Security Deposit requirements of this Article 13, and shall provide Airline with written notice thereof. In such event, Airline shall obtain and deliver to the City's Post Office and Payment Address set forth in Section 14.26, a Security Deposit equal to three (3) months of Landing Fees and Terminal Building Charges as estimated by the City to secure Airline's obligations under this Agreement. The amount of the Security Deposit may be adjusted from time to time by the City to reflect changes in Airline's financial obligations to the City under this Agreement. The amount, form, provisions and nature of the Security Deposit, including if appropriate the identity of the surety or other obligor thereunder, shall at all times be subject to the City's approval. The Security Deposit shall be made by letter of credit, surety bond or other instrument acceptable to the City no later than ten (10) calendar days after Airline's receipt of the City's notice imposing the Security Deposit requirement, and shall remain in place at all times throughout the Term. The City shall not pay interest on the Security Deposit, and the City 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 City, deliver to the City 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 City, whichever is later.

13.2 The City may apply all or part of the Security Deposit to any unpaid sums due under this Agreement or to cure the existing or other Events of Default. If the City depletes the Security Deposit in this way, Airline shall restore the Security Deposit within ten (10) days after the Airline's receipt of the City's written request to do so. Notwithstanding the foregoing, if the City depletes the Security Deposit and any unpaid sum remains due under this Agreement, the City shall have the right to recover the total of such unpaid sum through the fees and charges mechanism set forth in Section 4.8; provided, however, that this shall not release nor in any way affect Airline's liability for such unpaid sums.

13.3 If there is no Event of Default and no event which, with the passage of time or the giving of notice, would constitute an Event of Default, for one (1) year after Airline's delivery of the Security Deposit to the City or Airline's complete cure of an immediately preceding Event of Default, whichever date is later, and further provided that there is no material adverse change in Airline's net worth on that date, as verified by the City based upon a certificate from Airline's chief financial officer and audited financials, then the remaining proceeds of the cash Security Deposit or the letter of credit, as applicable, shall be returned to Airline within thirty (30) days after such date; provided, however, that the City shall have the right to impose the Security Deposit requirements of this Article 13 on Airline if Airline subsequently commits an Event of Default that is not fully cured in accordance with the applicable provisions of this Agreement.

13.4 Should Airline comply with all of the terms, covenants and conditions of this Agreement and promptly pay all sums payable by Airline to the City hereunder, the Security Deposit or the remaining proceeds therefrom, as applicable, shall be returned to Airline within thirty (30) days after the expiration of the Term, less any portion thereof that may have been used by the City to cure an Event of Default. The City's rights under this Article 13 shall be in

addition to all other rights and remedies provided to the City under this Agreement or by Applicable Laws.

ARTICLE 14 – GENERAL PROVISIONS

14.1 No Personal Liability. No director, officer, agent, employee, or elected official 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.

14.2 Governing Law. This Agreement shall be deemed to have been made in, and be construed in accordance with the laws of, the State of North Carolina. Airline and the City expressly agree that, if either party brings suit against the other, venue shall be exclusively vested in the state courts of Mecklenburg County, or if federal jurisdiction is appropriate, exclusively in the United States District Court for the Western District of North Carolina. Compliance with Laws. Airline shall comply with all Applicable Laws and Airport Rules and Regulations to the extent that the Airport Rules and Regulations do not conflict with this Agreement or Applicable Laws. Airline shall also obtain and pay for 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 City-Owned Equipment or areas or facilities on or at the Airport, and Airline's exercise of any rights under this Agreement.

14.4 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 Fiscal Year throughout the Term. This record-keeping obligation shall survive the expiration or earlier termination of this Agreement. All such books and records shall be kept in accordance with generally accepted accounting principles, consistently applied, showing in detail all business done or transacted in, on, about, from or pertaining to the Airport, and shall be sufficient to permit the City to calculate and verify the Landing Fees, Terminal Building Charges and other fees and charges due under this Agreement. Upon the City's written request, Airline shall make available to the City or its auditors 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 City or its auditors are required to travel elsewhere to review them, the City may require that Airline reimburse the City for the reasonable costs of such review of Airline's books, records and accounts, provided that the City demonstrates an underpayment of five percent (5%) or more.

14.5 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 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.

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

14.7 PFC Act and Assurances. Notwithstanding anything to the contrary in this Agreement, no provision of this Agreement shall impair the authority of City 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”). Airline acknowledges that City 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. 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. City agrees to provide Airline with advance written notice of any provisions that would adversely modify material terms of this Agreement.

14.8 Air Service Incentive Program. Subject to applicable federal laws and policies, and in order to enhance existing air service or attract new air service to the Airport, the City reserves the right to adopt and implement one or more Air Service Incentive Programs. Each Air Service Incentive Program, if implemented, shall be offered to all eligible Air Carriers on a nondiscriminatory basis.

14.9 SEC Rule 15c2-12. Airline, upon the City’s request, shall provide to the City such information as the City may reasonably request in writing to comply with the City’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 City to an Airline or SEC website where the requested information is then currently available.

14.10 Americans with Disabilities Act.

(a) Airline shall be solely and fully responsible for ensuring that Airline’s operations, wherever they may occur at the Airport (to the extent within Airline’s or Airline Entities’ control), and any improvements made by Airline, shall comply with the Americans with Disabilities Act of 1990, Section 504 of the Rehabilitation Act of 1973, and the Air Carrier Access Act of 1986, as these acts may be amended from time to time (“ADA”) to the extent applicable to Airline. Airline shall develop a workplan to correct or avoid any violations or non-compliance with the ADA. Airline shall deliver to the City, upon the City’s request, a copy of each such report and workplan. The City’s approval of or acceptance of any aspect of Airline’s activities under this Agreement shall not be deemed or construed in any way as a representation that such item, activity or practice complies with the ADA. Airline agrees to indemnify, defend, and hold the City harmless from any and all costs incurred by the City with respect to Airline’s failure to comply with the ADA for Airline’s operations (to the extent within Airline’s control) or any improvements made by Airline at the Airport.

(b) As required by 14 C.F.R. § 382.95(b), Airline “must . . . provide boarding and deplaning assistance through the use of lifts or ramps at [Airport] where boarding and

deplaning by level-entry loading bridges or accessible passenger lounges is not available.” Consistent with the requirements of 14 C.F.R. § 382, Airline shall be responsible for acquiring or making arrangements – whether directly or through its ground handlers, other airlines operating at the Airport or the City (as set forth below or otherwise) – for boarding and deplaning assistance devices for use with its aircraft at the Airport. As required by 14 C.F.R. § 382.91(b), Airline “must also provide or ensure the provision of assistance requested by or on behalf of a passenger with a disability, or offered by carrier or airport operator personnel and accepted by a passenger with a disability, in moving from the terminal entrance (or a vehicle drop-off point adjacent to the entrance) through the airport to the gate for a departing flight, or from the gate to the terminal entrance (or a vehicle pick-up point adjacent to the entrance after an arriving flight).”

(c) Consistent with the requirements of 14 C.F.R. § 382.141, Airline shall ensure that those personnel involved in providing boarding and deplaning assistance through the use of lifts, ramps or other accessibility devices are properly trained in the use and operation of the devices and appropriate boarding and deplaning assistance procedures that safeguard the safety and dignity of passengers.

As explained in 66 Federal Register 22107, the use of a boarding chair to carry a passenger up or down stairs is only permitted in “abnormal circumstances (e.g., if a lift breaks down),” and “is conditioned on the passenger’s consent (except in the case of emergency evacuations).” Furthermore, pursuant to 14 C.F.R. § 382.101, Airline’s personnel “must never use hand-carrying (i.e., directly picking up the passenger’s body in the arms of one or more carrier personnel to effect a level change the passenger needs to enter or leave the aircraft), even if the passenger consents, unless this is the only way of evacuating the individual in the event of an emergency.”

14.11 Airline Representative. At any time that Airline is operating at the Airport, Airline must have a badged representative present on the Airport. This individual shall be responsible for ensuring Airline operations and Airline personnel are in compliance with the terms of this Agreement.

14.12 Force Majeure. If either party shall be delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of strikes, lockouts, labor disputes (all of which shall be subject to Section 14.27), inability to procure labor or materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, fire or other casualty, epidemics, pandemics or quarantines or other reason of a similar nature beyond the reasonable control of the party delayed in performing work or doing acts required under this Agreement, performance of such act shall be excused for the period of the actual delay attributable to such causes, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay (any such delay is herein referred to as an “Unavoidable Delay”). This Section 14.12 shall not be applicable to Airline’s obligations to procure insurance, or to pay Airline’s Fees and Charges, or to pay any other fees, charges, sums, moneys, costs, or expenses required to be paid by Airline under this Agreement or otherwise. If any provision of this Agreement negates or limits the period of any force majeure or Unavoidable Delay extension, such provision shall override this Section 14.12. Airline shall

give the City notice of any Unavoidable Delay within a reasonable time (not to exceed one (1) year) following the occurrence of the delaying event.

14.13 Severability. If 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 that the invalidity of any such covenant, condition, or provision does not materially prejudice either the City or Airline in their respective rights and obligations contained in the valid covenants, conditions and provisions of this Agreement.

14.14 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, or the interpretation or construction, of this Agreement.

14.15 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.

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

14.17 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.

14.18 Taxes. Airline shall also pay all taxes, assessments, and charges which during the Term of this Agreement may become a lien or which may be levied by City, state, or any other tax levying body, upon Airline by reason of its use of the Airport, or otherwise, as well as taxes, assessments, and/or charges on property owned by Airline in or about the Airport. Airline shall reimburse the City for all such taxes paid or payable by the City. With respect to any such taxes payable by the City that are levied on, or measured by, the Fees and Charges or any other fees or charges payable under this Agreement, Airline shall pay to the City with each payment an amount equal to the tax levied on, or measured by, that particular payment. All other tax amounts for which the City is or will be entitled to reimbursement from Airline shall be payable by Airline to the City 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 Airline. Airline may contest, in its own name or the name of the City, the validity or amount of any tax it shall be required to pay to a taxing entity; provided, however, that Airline shall defend, indemnify and hold the City harmless from all liability and expense arising from such contest, which obligations shall survive expiration or earlier termination of this Agreement and shall provide security satisfactory to the City for its performance of such indemnification obligation. Airline shall not permit a lien or encumbrance to attach to the Airport or any property owned by Airline in or about the Airport by reason of any failure to pay taxes.

14.19 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 into this Agreement and deemed a part of this Agreement as fully as if set forth within it.

14.20 Entire Agreement. Except as otherwise specifically provided in this Section 14.20, the City and Airline hereby terminate that agreement entitled _____ (including all amendments thereto, the “Current Agreement”) in its entirety effective as of 11:59 p.m. on the day before the Effective Date, and hereby agree that this Agreement supersedes the Current Agreement as of 12:00 a.m. on the Effective Date; provided, however, that any obligations that the Current Agreement provides shall survive expiration of earlier termination of the Current Agreement shall survive its termination under this Section 14.20. 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. The termination and cancellation of the Current Agreement shall in no way alter the validity and binding effect of other agreements executed by and between the City and Airline, nor shall the termination of the Current Agreement and the release of rights thereunder by the City and Airline be construed as a waiver, relinquishment, or release of any claims, damage, liability, rights of action or causes of action that either the City or Airline may have against the other under the Current Agreement that accrued prior to the date of such termination, including, without limitation the surviving approvals and rights described in this Section 14.20.

14.21 Amendments. Except as specifically provided herein, neither this Agreement, nor any of its terms 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.

14.22 No Third-Party Beneficiaries. There are no third-party beneficiaries to this Agreement other than as specifically provided in Section 5.4, Section 6.1, Section 6.2 and Section 10.6.

14.23 No Joint Venture. It is expressly agreed that the City and Airline are not, in any way or for any purpose, partners and, therefore, do not assume any responsibilities for one another.

14.24 Attorneys’ Fees. If either party shall be required to bring any action to enforce any provision of this Agreement, or shall be required to defend any action brought by the other party with respect to this Agreement, and if 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. If the City 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 Charlotte, North Carolina; provided,

however, that Airline shall only be required to pay to the City the difference between the total attorneys' fees owed by Airline and the amount direct billed to the City by its in-house counsel.

14.25 Liens and Encumbrances. Airline shall keep the Airport free and clear of any liens and encumbrances arising or growing out of Airline's use and occupancy of or activities at the Airport. Airline agrees to fully indemnify, defend and hold the City harmless in connection with any such liens and encumbrances filed against the Airport. At the City's request, Airline shall provide to the City written proof of payment of any item that would or might constitute the basis for such a lien or encumbrance if not paid. The indemnification and other obligations under this Section 14.25 shall survive expiration or earlier termination of this Agreement.

14.26 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 below. If mailed, they shall be sent to the City's Overnight Delivery and Street Address and Airline's Overnight Delivery and Street Address as provided below, respectively, or to such other respective addresses as either party may from time to time designate to the other party in writing. All notices and payments mailed by regular mail (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.

Operational Contact (Local)	
For The Company:	For The City:
	Charlotte Douglas International Airport
	Attn:
	5601 Wilkinson Boulevard
	Charlotte, NC 28208
	Phone:
	Fax:
	E-mail:

14.27 Labor Disputes. Airline agrees to use reasonable efforts to avoid disruption to the City, 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 City, its tenants or members of the public, arising from such strike, picketing, demonstration or other labor difficulty.

14.28 Agreement Not to Grant More Favorable Terms. During the Term, the City agrees not to enter into any lease, contract, or other agreement with any other Air Carrier conducting operations at the Airport that contains fees and charges more favorable to such Air Carrier than the fees and charges payable by Airline under this Agreement, unless the City also makes those more favorable terms available to Airline. The provisions of this Section 14.28 shall in no way limit, impair, or interfere with the City's ability to charge or establish such fees

and charges as the City may deem applicable or necessary when entering into any lease, contract, or other agreement with any party that is not an Air Carrier.

14.29 Authorized Representatives. Whenever in this Agreement, Airline is required or permitted to obtain the approval of, consult with, give notice to, or otherwise deal with the City, Airline shall deal with the City's authorized representative; and unless or until the City shall give Airline written notice to the contrary, the City's authorized representative shall be the CEO. Whenever in this Agreement, the City is required or permitted to obtain the approval of, consult with, give notice to, or otherwise deal with Airline, the City shall deal with Airline's authorized representative; and unless or until Airline shall give the City written notice to the contrary, Airline's authorized representative shall be _____.

14.30 Subordination to Sponsor's Assurance Agreement. This Agreement shall be subordinate and subject to the terms of any "Sponsor's Grant Assurances" or like agreement that has been or may be furnished to the FAA by the City to the United States of America, its boards, commissions, or agencies, including without limitation the FAA, or required by Applicable Laws, as a condition precedent to receiving Federal financial assistance for development of the Airport and other Airport programs and activities.

14.31 Agreements with the United States. This Agreement is subject and subordinate to the provisions of any agreement heretofore or hereafter made between the City and the United States, the execution of which is required by, enables or permits the transfer of rights or property to the City for airport purposes, or the expenditure of federal grant funds for Airport operations, improvement, maintenance or development. Airline shall reasonably abide by the requirements of agreements entered into between the City and the United States, and shall consent to amendments and modifications of this Agreement if required by such agreements, if required as a condition of the City's entry into such agreements or if necessary to ensure compliance with any such agreements.

14.32 Airline as an Affiliate or Signatory Airline. If Airline executes and delivers to the City an airline use and lease agreement in substantially the same form as AUA, and thus becomes a Signatory Airline, or if Airline executes and delivers to the City an affiliate operating agreement in form and substance satisfactory to the City, and thus becomes an Affiliate, this Agreement shall terminate as of the effective date of said airline use and lease agreement or affiliate operating agreement; provided, however, that unless otherwise agreed to in writing by Airline and the City, Airline shall remain responsible to the City for all payment and other obligations that survive termination of this Agreement.

14.33 Counterparts, Electronic Signature. This Agreement may be executed simultaneously in counterparts, each of which shall be deemed to be an original copy of this Agreement and, when taken together, shall be deemed to be one and the same Agreement. The parties hereto consent to the use of both manual and electronic signatures to execute this Agreement, and any subsequent amendments, extensions, change orders, or other agreements, to the same legal effect and extent as if entirely manually signed. Electronic delivery of any counterpart of this Agreement is as effective and legally binding as physical delivery with all counterparts constituting one agreement.

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

CITY OF CHARLOTTE

a municipal corporation

By: _____

Name: _____

Title: _____

<Airline Legal Name>

<Company Type and State>

By: _____

Name: _____

Title: _____

EXHIBIT A

Monthly Activity Report Form

[form, if any, to be provided by City]

DRAFT

EXHIBIT B

Landing Fees and Terminal Building Charges

- Landing Fee \$__.__ per 1,000 pounds
MGLW
- Terminal Building Charges
 - Terminal Rental Rate \$__.__ per square foot
 - Joint Use Fee \$__.__ per square foot
 - Early Bag Storage System Fee \$__.__ per square foot
 - Common Use Gate and PLB Fee \$__.__ per Seat
 - Common Use Ticket Counter Fee \$__.__ per hour
 - FIS Facility Fee \$__.__ per International
Arriving Passenger
 - Inline Baggage Handling System Fee \$__.__ per bag

DRAFT

EXHIBIT C

Parking and Gate Use, Assignment and Scheduling Procedures

[attached]

DRAFT

EXHIBIT D

PFC Letter

Date

Airline contact

Airline address

Re: Collection of PFCs at Charlotte Douglas International Airport

This letter is to advise you that your Airline and its agents are obligated to collect Passenger Facility Charges ("PFCs") on Airline's enplanements from Charlotte Douglas International Airport ("Airport"), in accordance with 14 CFR Part 158 and FAA Order 5500.1 (6-2). Effective **[1st day of the first month that is 60 days after start of service]**, **[Airline]** must collect **[]** dollars (\$ **[]**) per eligible enplanement at this Airport and remit the same, less any FAA-permitted collection compensation, to the City of Charlotte ("City").

On February 3, 2025, the Federal Aviation Administration ("FAA") issued its final agency decision ("FAD") approving the City's PFC Application No. 11 at the Airport.

Enclosed are copies of each notice of approval by the FAA.

As required by FAA Order 5500.1 (6-2), the following information is provided:

1. The level of PFC is four dollars and fifty cents (\$4.50) per enplaned passenger.
2. The total PFC revenue authorized to be collected is \$4,855,067,883.
3. The Charge Effective Date for your company is **[1st day of the 1st month that is 60 days after start of service]**.
4. The Charge Expiration Date for your company is October 1, 2058. (Your company will be notified of any change in this date.)
5. In accordance with 14 CFR Part 158.51, remittances and reports will be due monthly, no later than the last day of the calendar month following the entry of the PFC revenue into your company's accounting system (or the first business day thereafter, if that date falls on a weekend or holiday). This information and payment should be mailed to:

Mike Hill, Chief Financial Officer
Charlotte Douglas International Airport
P.O. Box 19066
Charlotte, NC 28219

As required by Section 6-2 of FAA Order 5500.1, the FAA has approved the Airport's request to exempt the class of air carriers defined as air taxi/commercial operators, filing FAA Form 1800-31. The excluded class will be reevaluated on an annual basis to ensure that enplanements for the class remain below 1.0% of the total annual enplanements for the airport. If enplanements for the excluded class of carriers rise above 1.0%, the Airport will provide further notice to begin collections.

Thank you for your cooperation.

Exhibit K

Terminal Building Space Descriptions as of Effective Date

DRAFT

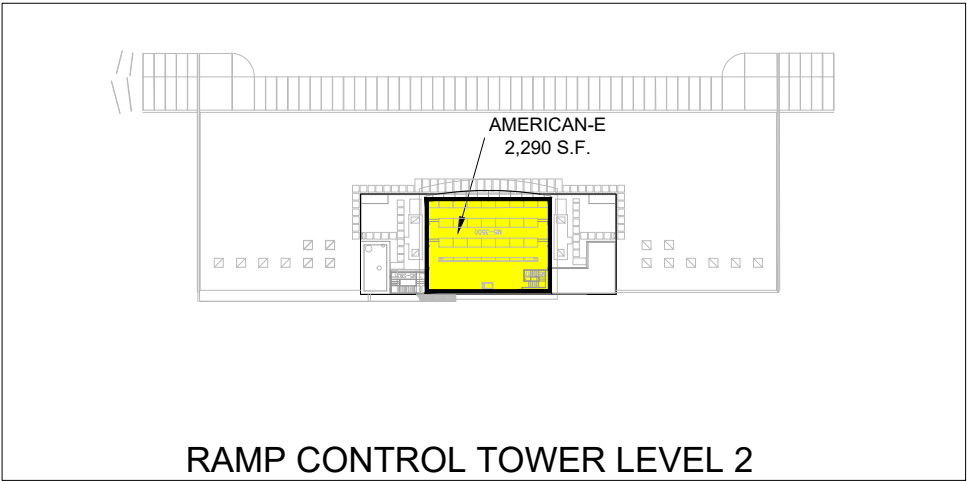
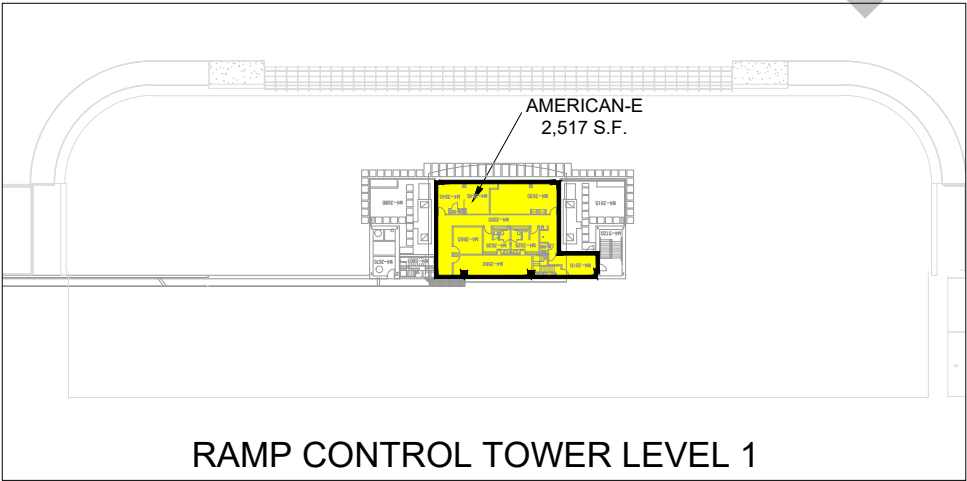
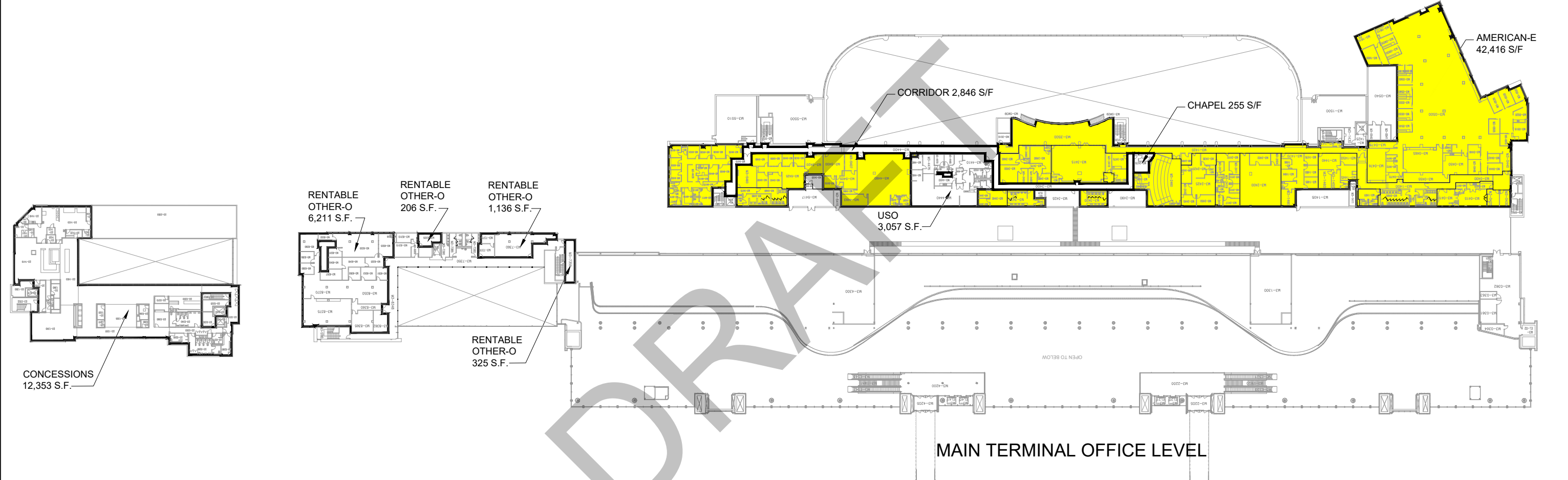
Area:	1. Main Terminal - Office Level	Airline Leased Terminal Space										Other Leased Premises				Total
		American	Delta	Frontier	Southwest	Spirit	United	Rentable Other - Airline	Common Use	Joint Use	FIS Facility	Concessions	Rentable Other - Office	City-Occupied	Unenclosed	
Airline Leased Terminal Space																
Exclusive Use Premises		47,223	-	-	-	-	-									47,223
Preferential Use Premises		-	-	-	-	-	-									-
Rentable Other - Airline								-								-
Common Use Gates (Holdroom)									-							-
Common Use Ticket Counters									-							-
Joint Use Premises										-						-
FIS Facility											-					-
Other Leased Premises																
Concessions												12,353				12,353
Rentable Other - Office													10,935			10,935
City-Occupied														255		255
Unenclosed		-	-	-	-	-	-							-		-
Vacant Premises								-						-		-
Total Rentable Terminal Space		47,223	-	-	-	-	-									70,766



AIRLINE USE AND LEASE AGREEMENT

EXHIBIT "K"
LEASED PREMISES

DATE 01-01-2027SHEET 1 of 20





Area:	3. Main Terminal - Baggage Level	Airline Leased Terminal Space									Other Leased Premises				
		American	Delta	Frontier	Southwest	United	Rentable Other - Airline	Common Use	Joint Use	FIS Facility	Concessions	Rentable Other - Office	City-Occupied	Unenclosed	Total
Airline Leased Terminal Space															
	Exclusive Use Premises	12,631	444	433	312	-	371								14,191
	Preferential Use Premises	-	-	-	-	-	-								-
	Rentable Other - Airline						-								-
	Common Use Gates (Holdroom)							-							-
	Common Use Ticket Counters							-							-
	Joint Use Premises								185,494						185,494
	FIS Facility									-					-
Other Leased Premises															
	Concessions										4,834				4,834
	Rentable Other - Office											2,534			2,534
	City-Occupied												3,734		3,734
	Unenclosed	539	-	-	-	-	-						-		539
	Vacant Premises								547				373		920
Total Rentable Terminal Space		13,170	444	433	312	-	371								212,246

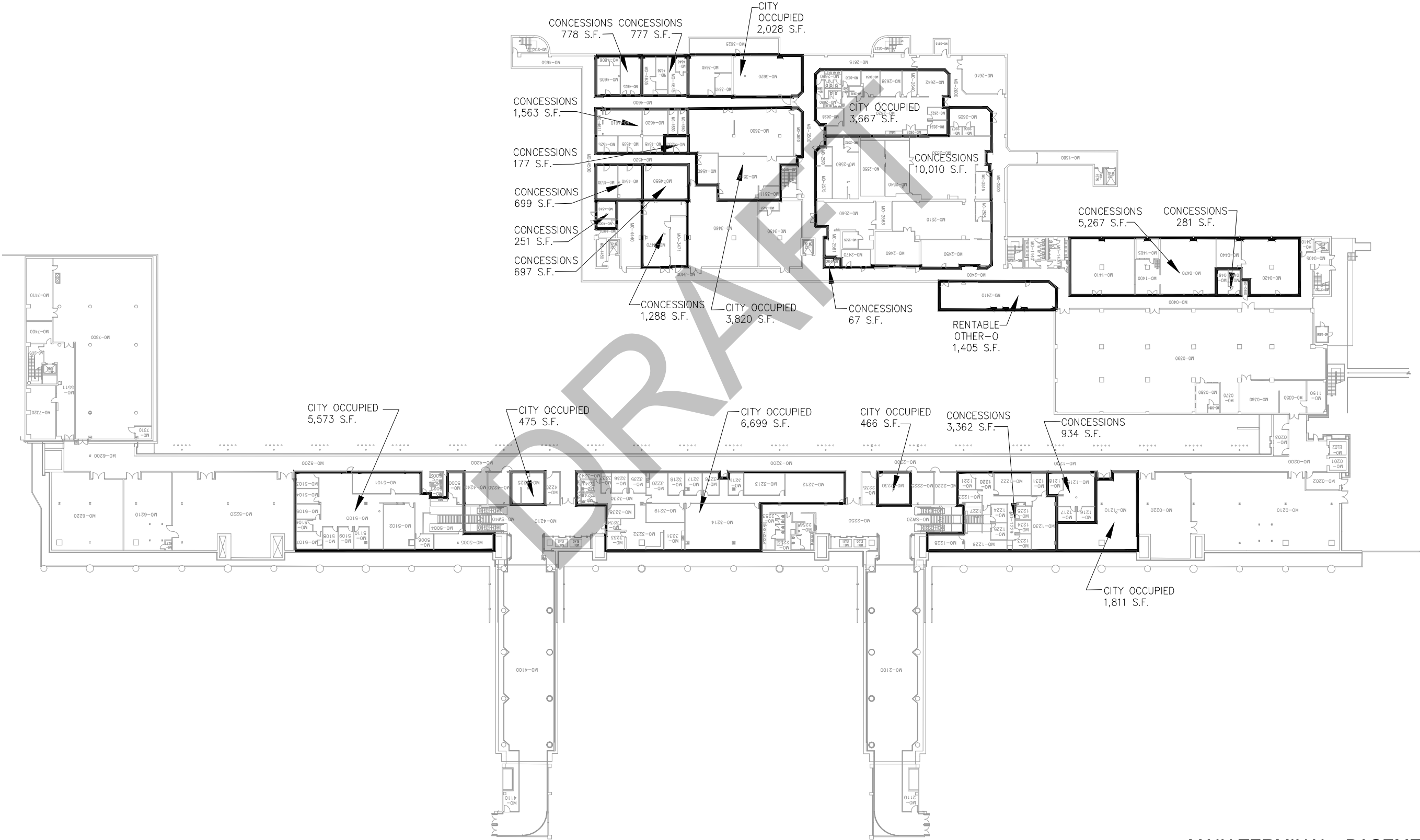
MAIN TERMINAL BAGGAGE CLAIM LEVEL

Area:	4. Main Terminal - Basement Level							Other Leased Premises					Total
	American	Delta	Frontier	Southwest	United	Rentable Other - Airline	Common Use	Joint Use	FIS Facility	Concessions	Rentable Other - Office	City-Occupied	
Airline Leased Terminal Space													
Exclusive Use Premises	-	-	-	-	-	-	-	-	-	-	-	-	-
Preferential Use Premises	-	-	-	-	-	-	-	-	-	-	-	-	-
Rentable Other - Airline	-	-	-	-	-	-	-	-	-	-	-	-	-
Common Use Gates (Holdroom)	-	-	-	-	-	-	-	-	-	-	-	-	-
Common Use Ticket Counters	-	-	-	-	-	-	-	-	-	-	-	-	-
Joint Use Premises	-	-	-	-	-	-	-	-	-	-	-	-	-
FIS Facility	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Leased Premises													
Concessions	-	-	-	-	-	-	-	-	-	26,151	-	-	26,151
Rentable Other - Office	-	-	-	-	-	-	-	-	-	-	1,405	-	1,405
City-Occupied	-	-	-	-	-	-	-	-	-	-	-	24,539	24,539
Unenclosed	-	-	-	-	-	-	-	-	-	-	-	-	-
Vacant Premises	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Rentable Terminal Space	-	-	-	-	-	-	-	-	-	-	-	-	52,095



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MAIN TERMINAL BASEMENT LEVEL

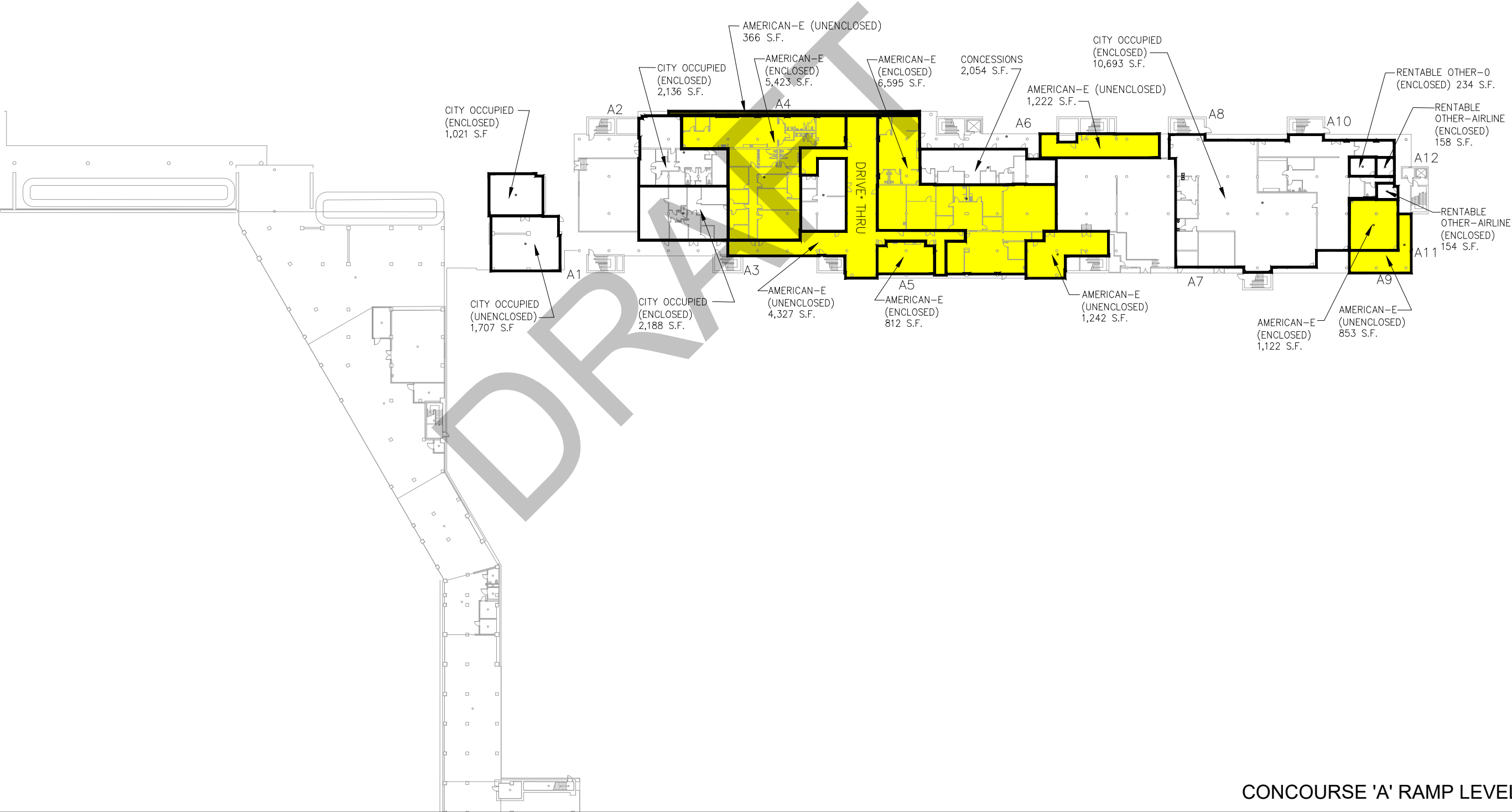
Area:	6. Concourse A - Ramp Level										Airline Leased Terminal Space				Other Leased Premises				Total
	American	Delta	Frontier	Southwest	Spirit	United	Rentable Other - Airline	Common Use	Joint Use	FIS Facility	Concessions	Rentable Other - Office	City-Occupied	Unenclosed					
Airline Leased Terminal Space																			
Exclusive Use Premises	13,952	-	-	-	-	-													13,952
Preferential Use Premises	-	-	-	-	-	-													-
Rentable Other - Airline							312												312
Common Use Gates (Holdroom)								-											-
Common Use Ticket Counters								-											-
Joint Use Premises									-										-
FIS Facility										-									-
Other Leased Premises																			
Concessions											2,054								2,054
Rentable Other - Office												234							234
City-Occupied													16,038						16,038
Unenclosed	8,010	-	-	-	-	-								1,707					9,717
Vacant Premises																			-
Total Rentable Terminal Space	21,962	-	-	-	-	-													42,307



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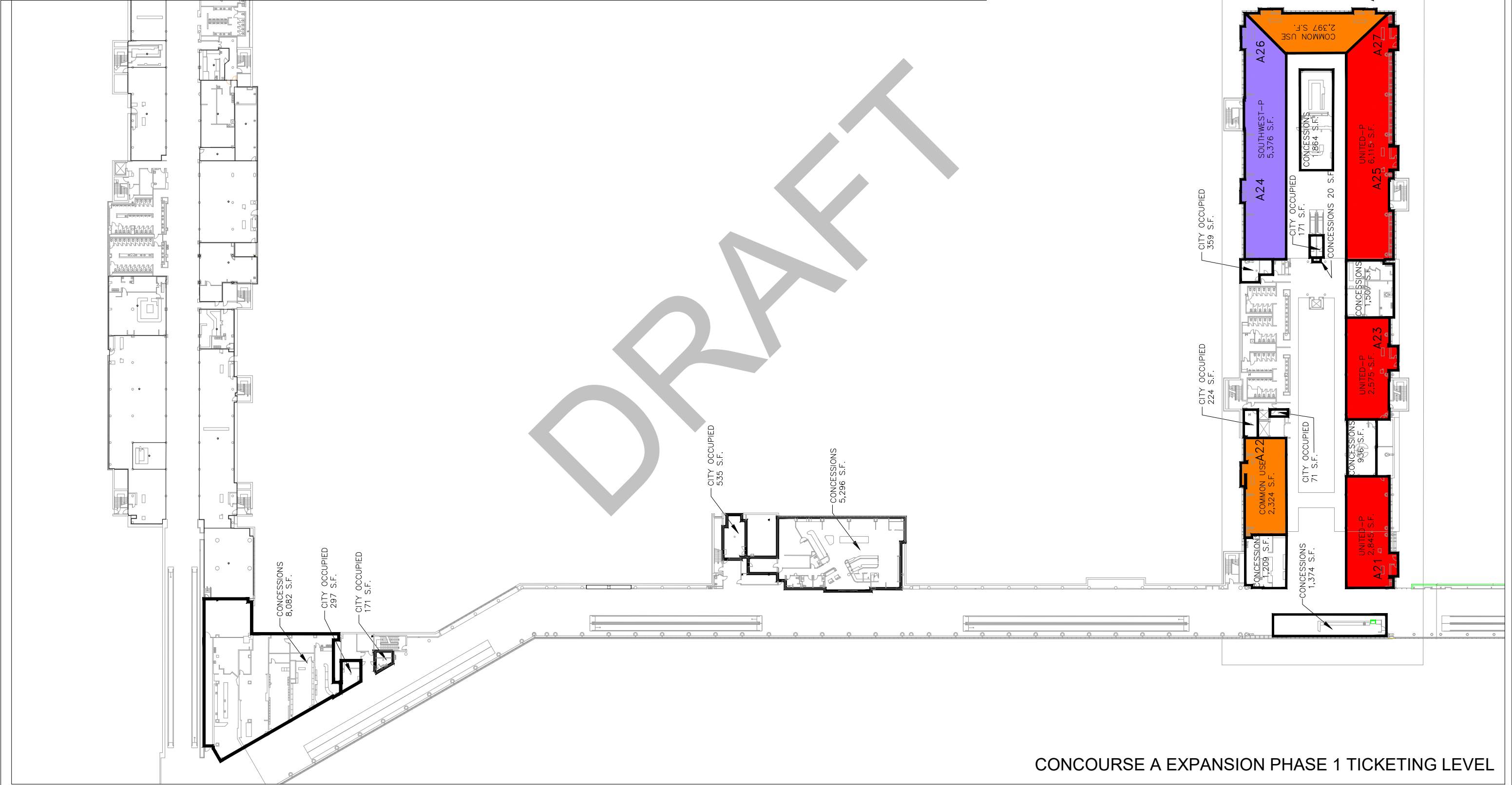
EXHIBIT "K"
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CONCOURSE 'A' RAMP LEVEL

Area:	7. Con A Ex Ph 1 - Ticket Level	Airline Leased Terminal Space									Other Leased Premises				Total
		American	Delta	Frontier	Southwest	United	Rentable Other - Airline	Common Use	Joint Use	FIS Facility	Concessions	Rentable Other - Office	City-Occupied	Unenclosed	
Airline Leased Terminal Space															
Exclusive Use Premises		-	-	-	-	-									
Preferential Use Premises		-	-	-	5,376	-	8,437								
Rentable Other - Airline								-							
Common Use Gates (Holdroom)								7,819							
Common Use Ticket Counters								-							
Joint Use Premises									-						
FIS Facility										-					
Other Leased Premises															
Concessions											18,914				
Rentable Other - Office											-				
City-Occupied												1,828			
Unenclosed		-	-		-	-	-					-			
Vacant Premises								-				-			
Total Rentable Terminal Space		-	-	-	5,376	-	8,437								





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CONCOURSE A EXPANSION PHASE 1 TICKETING LEVEL

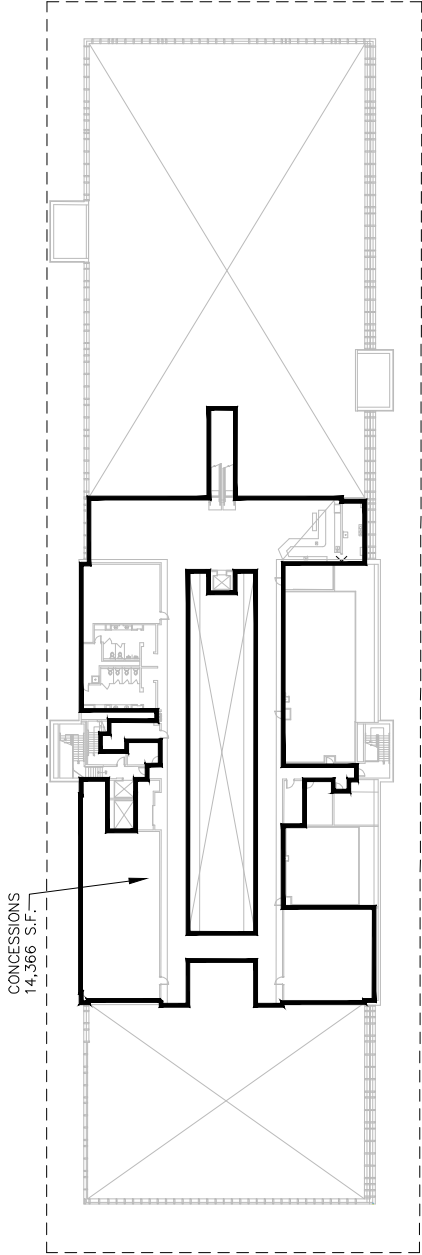
Area:	9. Con A Ex Ph 1 - Mezz Level	Airline Leased Terminal Space										Other Leased Premises				Total
		American	Delta	Frontier	Southwest	Spirit	United	Rentable Other - Airline	Common Use	Joint Use	FIS Facility	Concessions	Rentable Other - Office	City-Occupied	Unenclosed	
Airline Leased Terminal Space																
Exclusive Use Premises		-	-	-	-	-	-									-
Preferential Use Premises		-	-	-		-	-									-
Rentable Other - Airline								-								-
Common Use Gates (Holdroom)								-								-
Common Use Ticket Counters								-								-
Joint Use Premises									-							-
FIS Facility										-						-
Other Leased Premises																
Concessions												14,366				14,366
Rentable Other - Office												-				-
City-Occupied													-			-
Unenclosed		-	-	-	-	-	-							-		-
Vacant Premises								-					-			-
Total Rentable Terminal Space		-	-	-	-	-	-									14,366



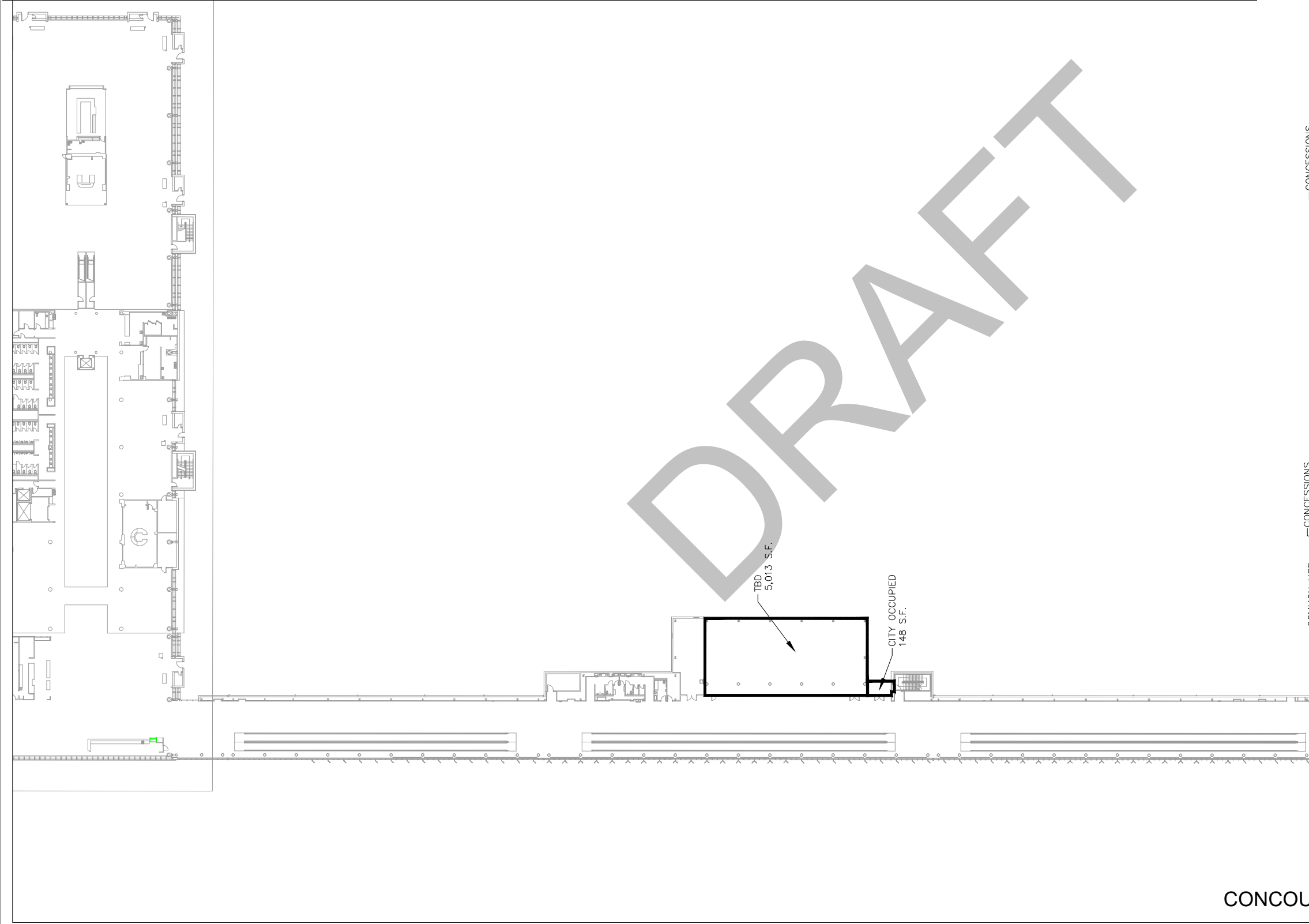
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Area:	10. Con A Ex Ph 2 - Ticket Level										Airline Leased Terminal Space				Other Leased Premises				Total
	American	Delta	Frontier	Southwest	Spirit	United	Rentable Other - Airline	Common Use	Joint Use	FIS Facility	Concessions	Rentable Other - Office	City-Occupied	Unenclosed					
Airline Leased Terminal Space																			
Exclusive Use Premises	-	-	-	-	-	-													-
Preferential Use Premises	-	12,016	5,102	-	-	-													17,118
Rentable Other - Airline																			-
Common Use Gates (Holdroom)								5,873											5,873
Common Use Ticket Counters																			-
Joint Use Premises									-										-
FIS Facility										-									-
Other Leased Premises																			
Concessions											10,997								10,997
Rentable Other - Office												-							-
City-Occupied														148					148
Unenclosed	-	-	-	-	-	-								-					-
Vacant Premises																			
Total Rentable Terminal Space	-	12,016	5,102	-	-	-													34,136



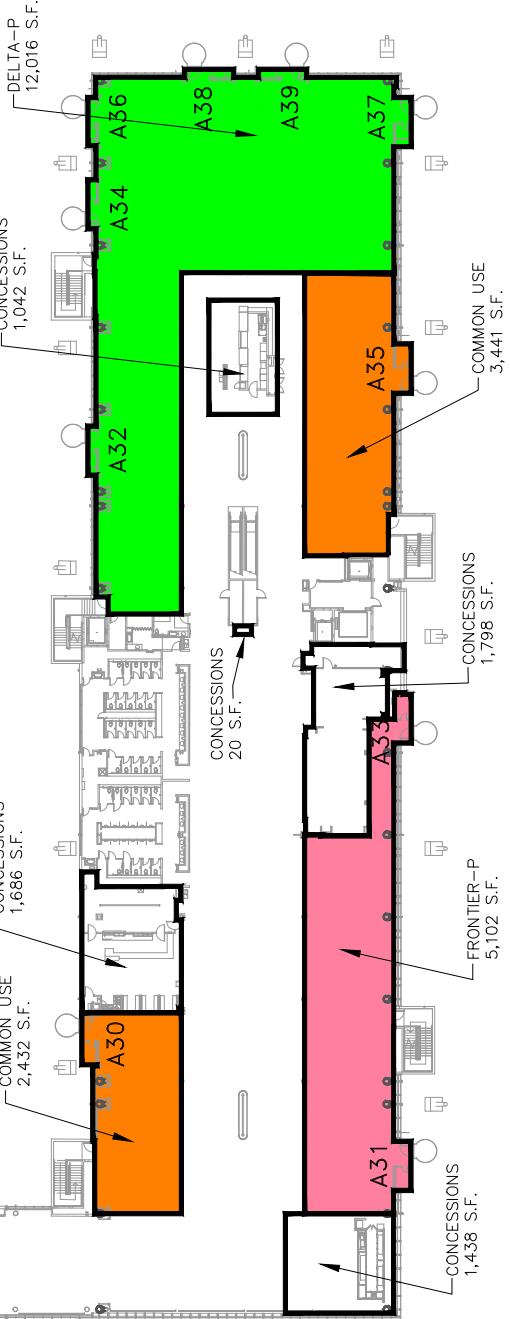


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CONCOURSE A EXPANSION PHASE 2 TICKETING LEVEL

Area:	11. Con A Ex Ph 2 - Ramp Level										Airline Leased Terminal Space				Other Leased Premises				Total
	American	Delta	Frontier	Southwest	Spirit	United	Rentable Other - Airline	Common Use	Joint Use	FIS Facility					Concessions	Rentable Other - Office	City-Occupied	Unenclosed	
Airline Leased Terminal Space																			
Exclusive Use Premises	-	10,973	1,004	-	-	-													11,977
Preferential Use Premises	-	-	-	-	-	-													-
Rentable Other - Airline																			-
Common Use Gates (Holdroom)																			-
Common Use Ticket Counters																			-
Joint Use Premises									39,905										39,905
FIS Facility																			-
Other Leased Premises																			
Concessions															3,148				3,148
Rentable Other - Office																			-
City-Occupied																	770		770
Unenclosed	-	4,094	20	-	-	-													4,114
Vacant Premises							1,053												1,053
Total Rentable Terminal Space	-	15,067	1,024	-	-	-													60,967

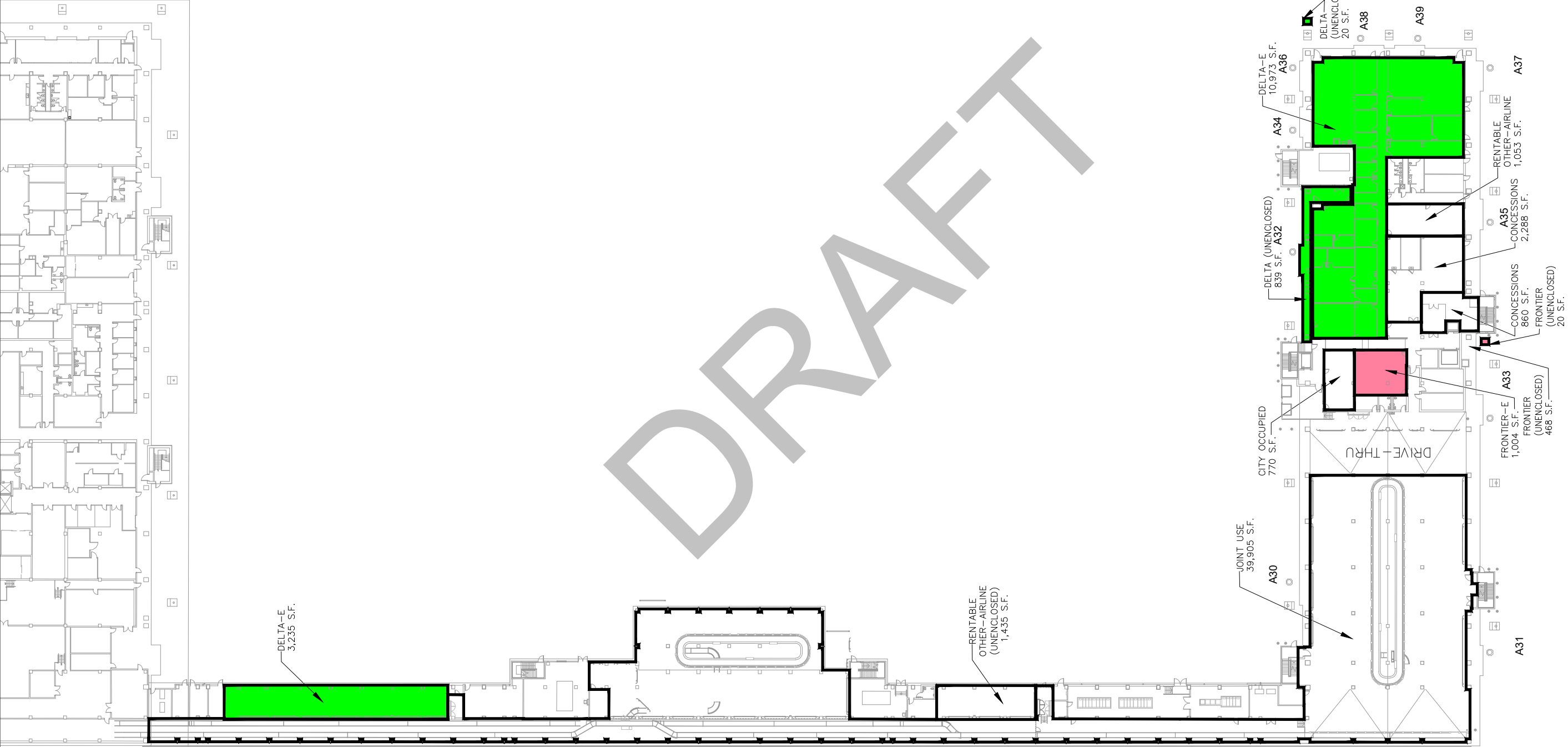


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CONCOURSE A EXPANSION PHASE 2 RAMP LEVEL

Area:	12. Con A Ex Ph 2 - Mezz Level	Airline Leased Terminal Space										Other Leased Premises				Total
		American	Delta	Frontier	Southwest	Spirit	United	Rentable Other - Airline	Common Use	Joint Use	FIS Facility	Concessions	Rentable Other - Office	City-Occupied	Unenclosed	
Airline Leased Terminal Space																
Exclusive Use Premises		-	15,276	-	-	-	-									15,276
Preferential Use Premises		-	-	-		-	-									-
Rentable Other - Airline								-								-
Common Use Gates (Holdroom)								-								-
Common Use Ticket Counters								-								-
Joint Use Premises										-						-
FIS Facility											-					-
Other Leased Premises																
Concessions												-				-
Rentable Other - Office													-			-
City-Occupied														-		-
Unenclosed		-	-	-	-	-	-								-	-
Vacant Premises								-						-		-
Total Rentable Terminal Space		-	15,276	-	-	-	-									15,276

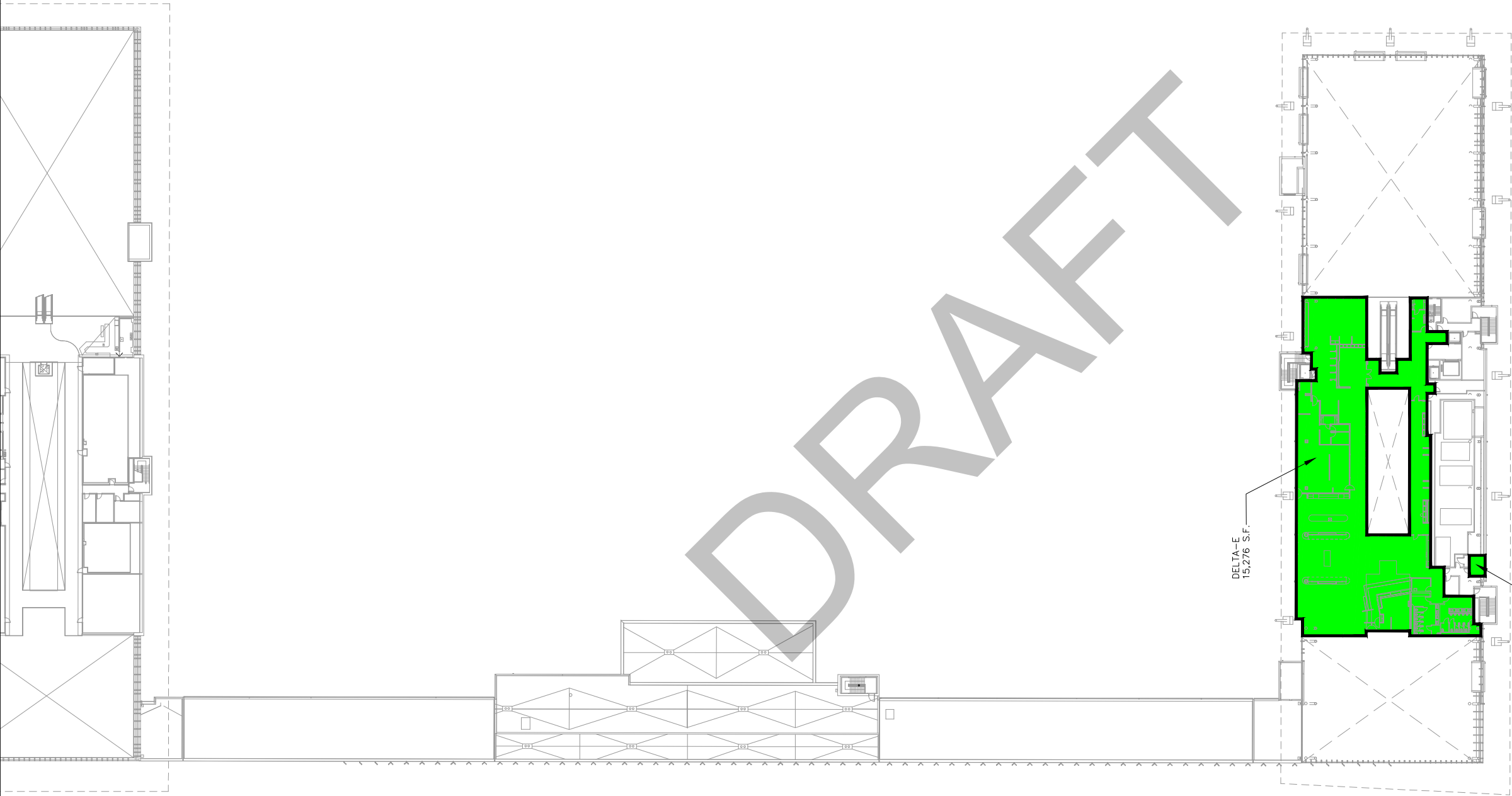


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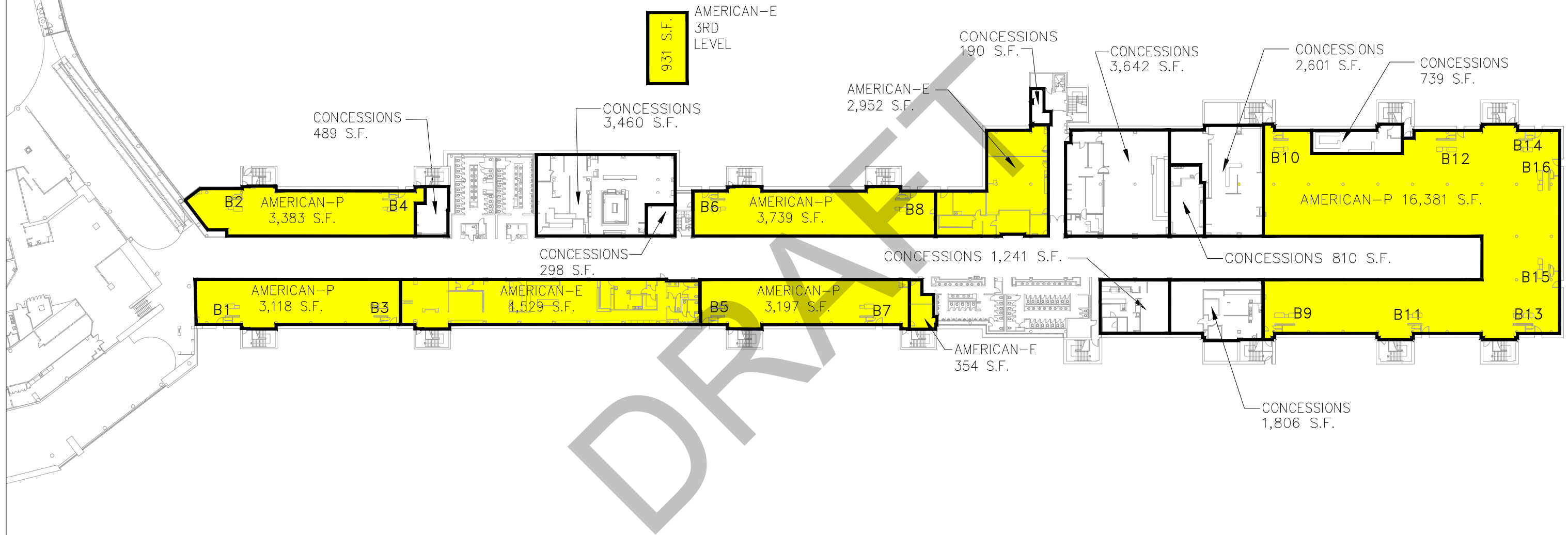
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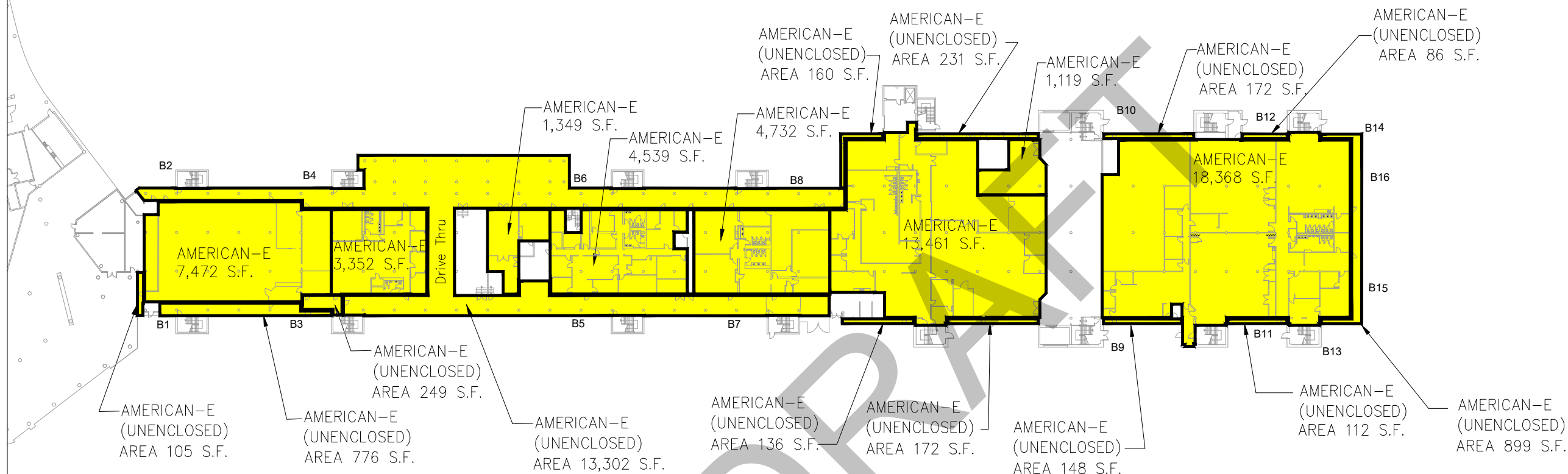


CONCOURSE A EXPANSION PHASE 2 MEZZANINE LEVEL

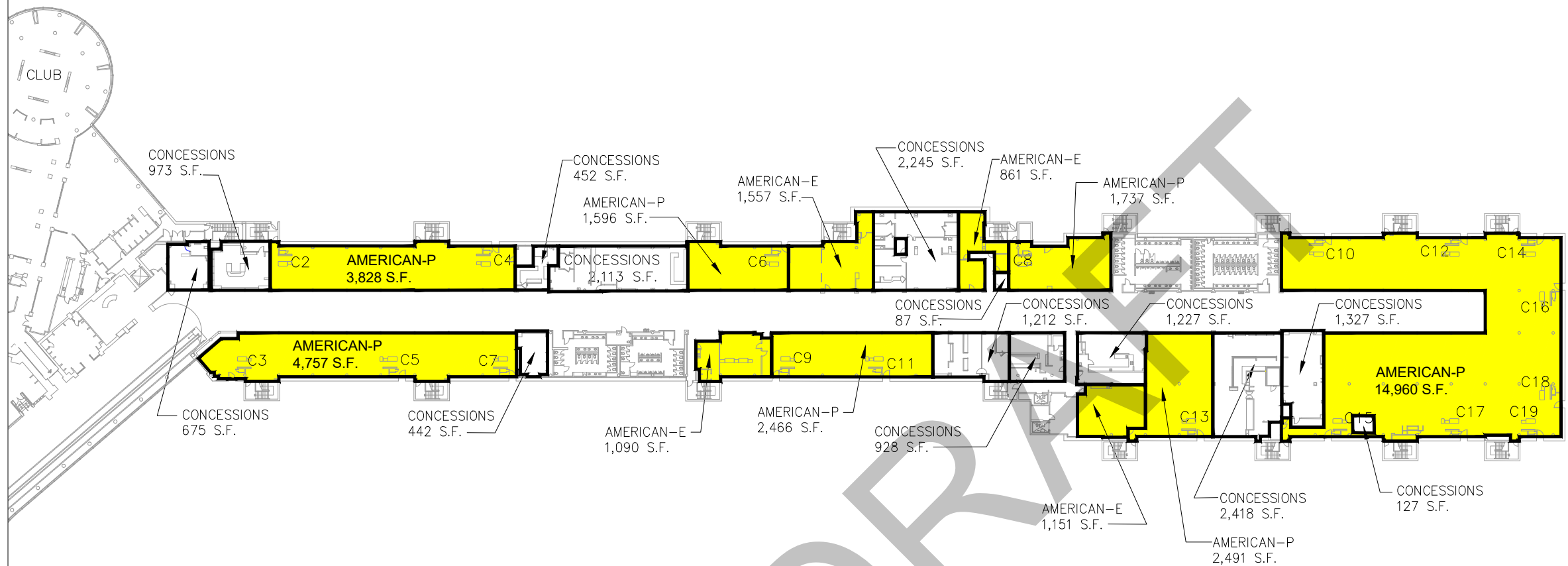


Area:	Airline Leased Terminal Space										Other Leased Premises				Total
	American	Delta	Frontier	Southwest	Spirit	United	Rentable Other - Airline	Common Use	Joint Use	FIS Facility	Concessions	Rentable Other - Office	City-Occupied	Unenclosed	
Airline Leased Terminal Space															
Exclusive Use Premises	8,766	-	-	-	-	-	-	-	-	-	-	-	-	-	8,766
Preferential Use Premises	29,818	-	-	-	-	-	-	-	-	-	-	-	-	-	29,818
Rentable Other - Airline	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common Use Gates (Holdroom)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common Use Ticket Counters	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Joint Use Premises	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FIS Facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Leased Premises															
Concessions	-	-	-	-	-	-	-	-	-	-	15,276	-	-	-	15,276
Rentable Other - Office	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City-Occupied	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unenclosed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vacant Premises	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Rentable Terminal Space	38,584	-	-	-	-	-	-	-	-	-	-	-	-	-	53,860

CONCOURSE 'B' TICKET LEVEL AND THIRD LEVEL

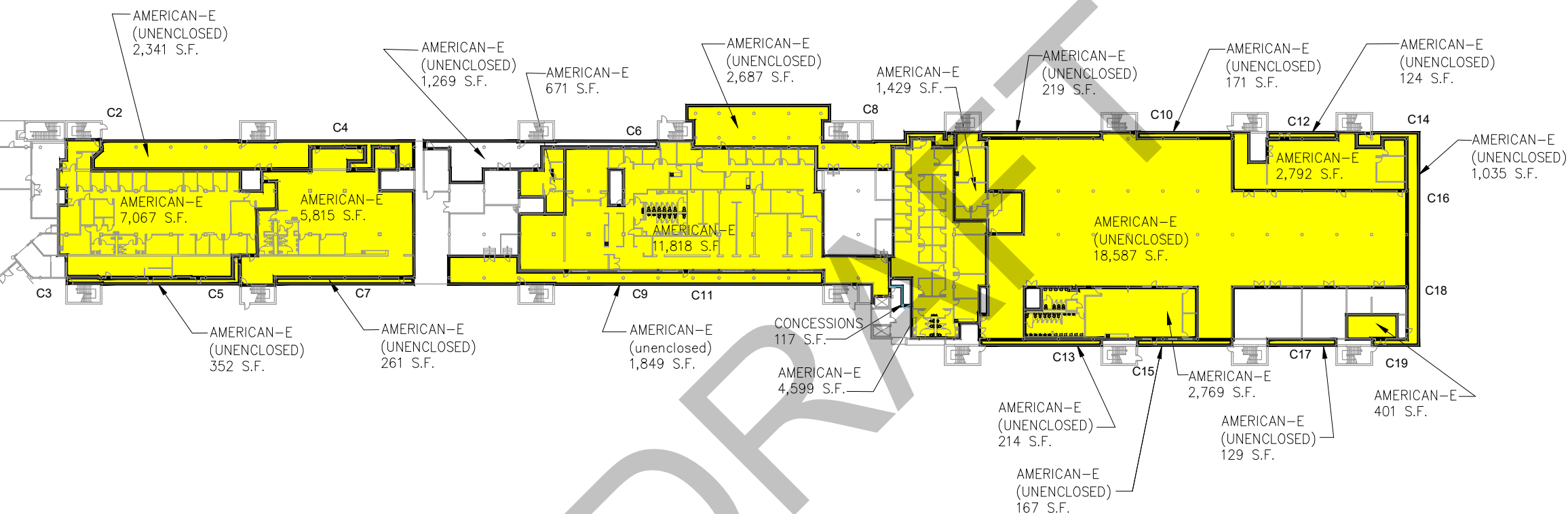


Area:	Airline Leased Terminal Space											Other Leased Premises				Total
	American	Delta	Frontier	Southwest	Spirit	United	Rentable Other - Airline	Common Use	Joint Use	FIS Facility		Concessions	Rentable Other - Office	City-Occupied	Unenclosed	
Airline Leased Terminal Space																
Exclusive Use Premises	54,392	-	-	-	-	-	-	-	-	-	-	-	-	-	-	54,392
Preferential Use Premises	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rentable Other - Airline	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common Use Gates (Holdroom)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common Use Ticket Counters	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Joint Use Premises	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FIS Facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Leased Premises																
Concessions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rentable Other - Office	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City-Occupied	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unenclosed	16,548	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,548
Vacant Premises	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Rentable Terminal Space	70,940	-	-	-	-	-	-	-	-	-	-	-	-	-	-	70,940

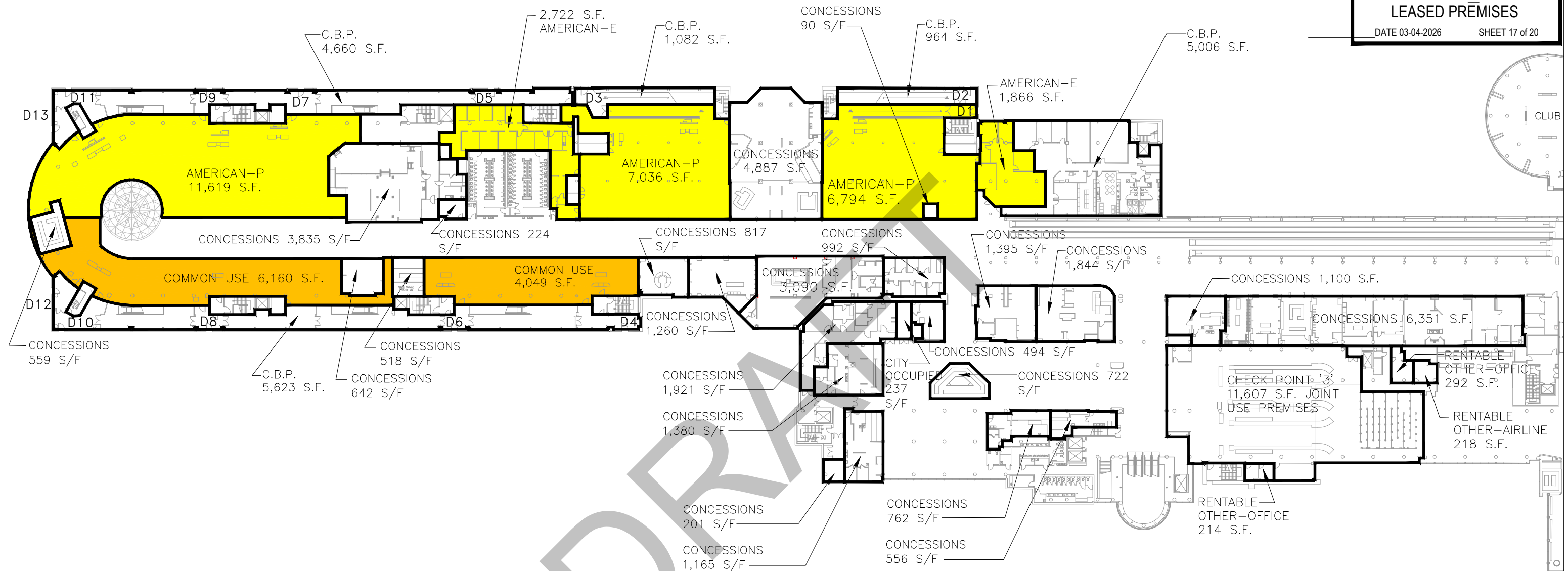


Area: 15. Concourse C - Ticket Level	Airline Leased Terminal Space										Other Leased Premises				Total
	American	Delta	Frontier	Southwest	Spirit	United	Rentable Other - Airline	Common Use	Joint Use	FIS Facility	Concessions	Rentable Other - Office	City-Occupied	Unenclosed	
Airline Leased Terminal Space															
Exclusive Use Premises	4,659	-	-	-	-	-									4,659
Preferential Use Premises	31,835	-	-	-	-	-									31,835
Rentable Other - Airline							-								-
Common Use Gates (Holdroom)								-							-
Common Use Ticket Counters								-							-
Joint Use Premises									-						-
FIS Facility										-					-
Other Leased Premises															
Concessions											14,226				14,226
Rentable Other - Office												-			-
City-Occupied													-		-
Unenclosed															-
Vacant Premises															-
Total Rentable Terminal Space	36,494	-	-	-	-	-									50,720

CONCOURSE 'C' TICKET LEVEL



Area:	Airline Leased Terminal Space										Other Leased Premises				Total
	American	Delta	Frontier	Southwest	Spirit	United	Rentable Other - Airline	Common Use	Joint Use	FIS Facility	Concessions	Rentable Other - Office	City-Occupied	Unenclosed	
Airline Leased Terminal Space															
Exclusive Use Premises	37,361	-	-	-	-	-	-	-	-	-					37,361
Preferential Use Premises	-	-	-	-	-	-	-	-	-	-					-
Rentable Other - Airline															-
Common Use Gates (Holdroom)															-
Common Use Ticket Counters															-
Joint Use Premises															-
FIS Facility															-
Other Leased Premises															
Concessions											117				117
Rentable Other - Office															-
City-Occupied															-
Unenclosed	29,405	-	-	-	-	-	-	-	-	-					29,405
Vacant Premises															-
Total Rentable Terminal Space	66,766	-	-	-	-	-	-	-	-	-					66,883



Area:	Airline Leased Terminal Space										Other Leased Premises				Total
	American	Delta	Frontier	Southwest	Spirit	United	Rentable Other - Airline	Common Use	Joint Use	FIS Facility	Concessions	Rentable Other - Office	City-Occupied	Unenclosed	
Airline Leased Terminal Space															
Exclusive Use Premises	4,588	-	-	-	-	-	-	-	-	-					4,588
Preferential Use Premises	25,449	-	-	-	-	-	-	-	-	-					25,449
Rentable Other - Airline							218								218
Common Use Gates (Holdroom)								10,209							10,209
Common Use Ticket Counters															-
Joint Use Premises									11,607						11,607
FIS Facility										17,335					17,335
Other Leased Premises															
Concessions											34,804				34,804
Rentable Other - Office												506			506
City-Occupied													237		237
Unenclosed															-
Vacant Premises															-
Total Rentable Terminal Space	30,037	-	-	-	-	-	-	-	-	-	-	-	-	-	104,953

CONCOURSE 'D' TICKET LEVEL

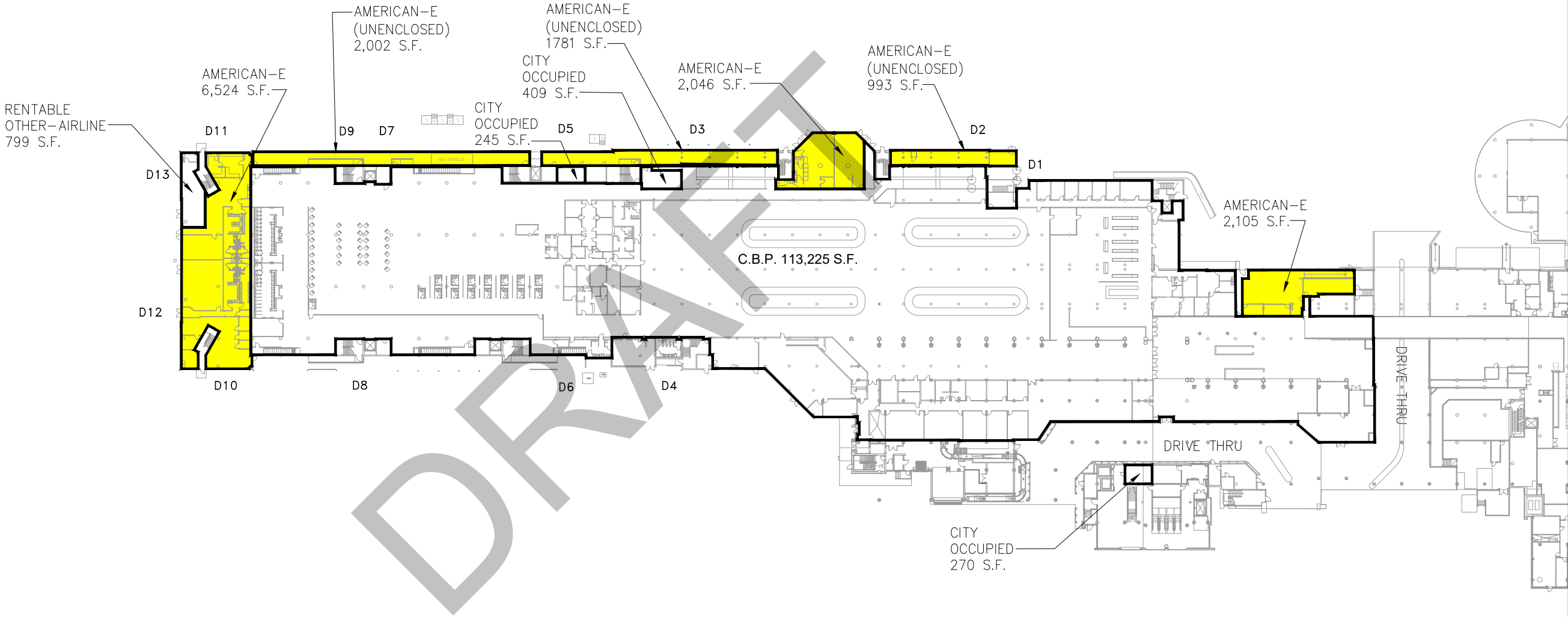
Area:	18. Concourse D - Ramp Level	Airline Leased Terminal Space										Other Leased Premises				Total
		American	Delta	Frontier	Southwest	Spirit	United	Rentable Other - Airline	Common Use	Joint Use	FIS Facility	Concessions	Rentable Other - Office	City-Occupied	Unenclosed	
Airline Leased Terminal Space																
Exclusive Use Premises		10,675	-	-	-	-	-									10,675
Preferential Use Premises		-	-	-	-	-	-									-
Rentable Other - Airline								799								799
Common Use Gates (Holdroom)									-							-
Common Use Ticket Counters									-							-
Joint Use Premises																-
FIS Facility											113,225					113,225
Other Leased Premises																
Concessions												-				-
Rentable Other - Office													-			-
City-Occupied														270		270
Unenclosed		4,776	-	-	-	-	-							654		5,430
Vacant Premises																-
Total Rentable Terminal Space		15,451	-	-	-	-	-									130,399



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CONCOURSE 'D' RAMP LEVEL

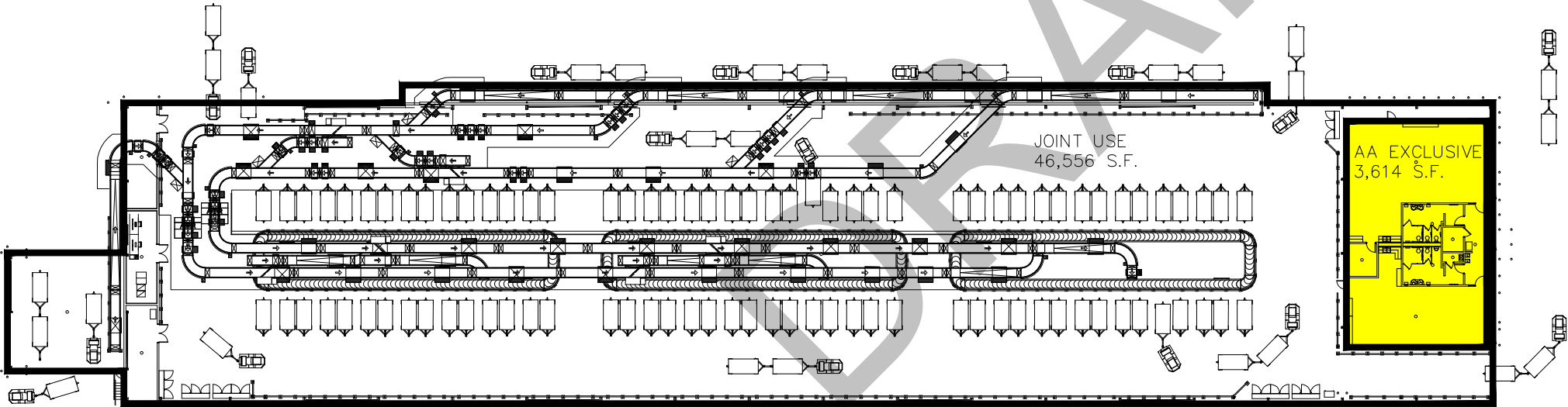
Area: 20. T-Point and ABR	Airline Leased Terminal Space										Other Leased Premises				Total
	American	Delta	Frontier	Southwest	Spirit	United	Rentable Other - Airline	Common Use	Joint Use	FIS Facility	Concessions	Rentable Other - Office	City-Occupied	Unenclosed	
Airline Leased Terminal Space															
Exclusive Use Premises	11,672	-	-	-	-	-									11,672
Preferential Use Premises	-	-	-	-	-	-									-
Rentable Other - Airline															-
Common Use Gates (Holdroom)								-							-
Common Use Ticket Counters								-							-
Joint Use Premises									46,556						46,556
FIS Facility										-					-
Other Leased Premises															
Concessions											-				-
Rentable Other - Office												-			-
City-Occupied													-		-
Unenclosed		-	-	-	-	-							-		-
Vacant Premises															-
Total Rentable Terminal Space	11,672	-	-	-	-	-									58,228



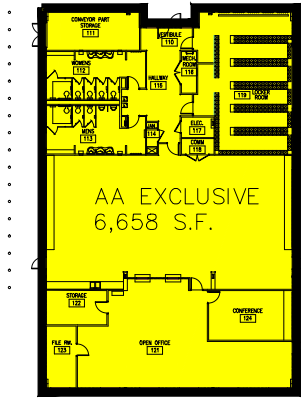
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T-POINT BUILDING



ABR BUILDING

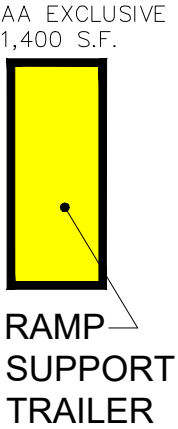


Exhibit L

Illustrations of Gate Utilization Calculations

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Exhibit L - Illustrative Gate Utilization (2026-20XX AUA)

Calculation Methodology
Data (# of Turns and # of Seats Delivered) is obtained by the Airport from Monthly Airline Activity Reports
Monthly data is averaged to generate a "Daily Average" for the month (dependent on the number of days in each month)
The "Daily Average" is compared to the Gate Utilization Target based on Airline's number of Preferentially Leased Gates
The "Daily Average" is expanded to two decimal places; rounding rules apply

Example 1 - Yes (Turns), No (Seats)

GATE UTILIZATION

Period: FISCAL YEAR 20XX

TURNS		Period	# of Turns	Daily Avg.	Minimum
Mkt Name	Fyxx				w/ 2 Pref
ABC Airlines	July		400	12.90	11
	August		400	12.90	
	September		300	10.00	
	October		350	11.29	
	November		350	11.67	
	December		350	11.29	
	January		300	9.68	
	February		325	11.61	
	March		350	11.29	
	April		350	11.67	
	May		350	11.29	
	June		400	13.33	

SEATS		Period	# of Seats	Daily Avg.	Minimum
Mkt Name	Fyxx				w/ 2 Pref
ABC Airlines	July		45,000	1,452	1,350
	August		45,000	1,452	
	September		40,000	1,333	
	October		35,000	1,129	
	November		35,000	1,167	
	December		35,000	1,129	
	January		30,000	968	
	February		30,000	1,071	
	March		35,000	1,129	
	April		35,000	1,167	
	May		35,000	1,129	
	June		40,000	1,333	

ABC Airlines	Pref Gates	Turns - Min	Seats - Min
2026 Utilization	2	11	1,350

*Adjust Cell N4 to analyze scenarios with a different # of preferential gates

2026 AUA Gate Utilization Target: (Starting July 2026)

5.5 turns per gate

or

675 seats delivered per gate

Illustrative Example 1
ABC Airline leases two Preferential Use Gates, requiring a daily minimum average of 11 turns per gate or 1,350 average daily seats delivered
Monthly Activity Data for the preceding 12 months is utilized for the review
Based on the number of turns, ABC Airlines meets the Gate Utilization Target for 10 out of 12 months, as shown in green conditional formatting.
Based on the number of seats, ABC Airlines meets the Gate Utilization Target for 2 out of 12 months, as shown in green conditional formatting.
Conclusion: ABC Airlines is in compliance with their Gate Utilization Targets, based solely on turns

Example 2 - No (Turns), Yes (Seats)

GATE UTILIZATION

Period: FISCAL YEAR 20XX

TURNS		Period	# of Turns	Daily Avg.	Minimum
Mkt Name	Fyxx				w/ 2 Pref
ABC Airlines	July		400	12.90	11
	August		350	11.29	
	September		325	10.83	
	October		325	10.48	
	November		350	11.67	
	December		350	11.29	
	January		250	8.06	
	February		300	10.71	
	March		325	10.48	
	April		350	11.67	
	May		400	12.90	
	June		400	13.33	

SEATS		Period	# of Seats	Daily Avg.	Minimum
Mkt Name	Fyxx				w/ 2 Pref
ABC Airlines	July		55,000	1,774	1,350
	August		55,000	1,774	
	September		50,000	1,667	
	October		50,000	1,613	
	November		45,000	1,500	
	December		45,000	1,452	
	January		35,000	1,129	
	February		40,000	1,429	
	March		45,000	1,452	
	April		45,000	1,500	
	May		50,000	1,613	
	June		50,000	1,667	

ABC Airlines	Pref Gates	Turns - Min	Seats - Min
2026 Utilization	2	11	1,350

*Adjust Cell N4 to analyze scenarios with a different # of preferential gates

2026 AUA Gate Utilization Target: (Starting July 2026)

5.5 turns per gate

or

675 seats delivered per gate

Illustrative Example 2
ABC Airline leases two Preferential Use Gates, requiring a daily minimum average of 11 turns per gate or 1,350 average daily seats delivered
Monthly Activity Data for the preceding 12 months is utilized for the review
Based on the number of turns, ABC Airlines meets the Gate Utilization Target for 7 out of 12 months, as shown in green conditional formatting.
Based on the number of seats, ABC Airlines meets the Gate Utilization Target for 11 out of 12 months, as shown in green conditional formatting.
Conclusion: ABC Airlines is in compliance with their Gate Utilization Targets, based solely on seats