

**Report to the
Strategic Development Committee
Recommendation to Approve a
New Airport Use Agreement
& Premises Lease for
Reagan National and Dulles International Airports
November 2014**

PURPOSE

The Strategic Development Committee is requested to approve the negotiated terms for a new Airport Use Agreement and Premises Lease (Agreement) and recommend that the Board of Directors approve the Agreement and authorize the President and CEO to execute the Agreement with all Air Carriers requesting Signatory status for operating at both Airports. The Agreement would be effective at both Airports January 1, 2015.

BACKGROUND

- The Airports Authority's business relationship with the airlines operating at both Airports has been governed by a formal negotiated Agreement in effect since 1990 and provides similar business terms for both Airports.
- The Agreement addresses the following core business issues:
 1. Financial responsibilities of the Airlines, including airline rates and charges methodology.
 2. Operational protocols, including airline space, use of Airport equipment, and maintenance obligations.
 3. Airports' Capital Development Plans
 4. General Business Provisions (e.g., insurance, business rights)
- The Agreement expired on September 30, 2014 and has been extended by the parties through December 31, 2014 to allow sufficient time to complete negotiations of a new Agreement with the Airlines.
- Periodic updates of the negotiation progress have been provided to the Committee in previous executive sessions.

AIRPORTS AUTHORITY OBJECTIVES

- Airport System: a financial model that maintained the integrity of the two Airport system with flexibility to use net revenues from one Airport (Reagan National) to offset the financial needs of the other (Dulles International) and maintain reasonable airline rates and charges for both Airports.
- Reagan National Airport Facilities: ability to implement a new capital program and fiscally prudent financial plan to address current facility challenges resulting from the current and forecasted increased passenger levels and the overall facility demands generated by recent changes in airline slot allocations and more beyond perimeter flying activity.

AIRPORTS AUTHORITY OBJECTIVES

- Flexibility to Mitigate Impacts of Future Potential Regulatory Changes to Perimeter Rule: improve the Airports Authority's ability to respond to harmful consequences to the two Airport system that may arise from legislation increasing additional beyond perimeter flights at Reagan National.
- Maintain Strong Financial Performance: ensure the Airports Authority's ability to achieve appropriate coverage on system-wide outstanding debt to retain high bond credit ratings.

NEW USE AND LEASE AGREEMENT PROVISIONS

The 1990 Agreement is the foundation of the new Agreement with the following significant modifications to address core objectives:

- New capital construction program at both Airports.
- Airports Authority commitment to pursue a new Passenger Facility Charge (PFC) application at the \$4.50 level for Reagan National Airport capital program.
- New financial provisions for increased airline debt service coverage at both Airports and new revenue sharing arrangements with the airlines at Reagan National.
- Right to use Airports Authority's Reagan National net revenues for Dulles International debt costs.
- Airports Authority flexibility to respond to negative impacts created from potential future changes to Reagan National perimeter rule occur.
- Revised term of Agreement at each Airport.

NEW CAPITAL CONSTRUCTION PROGRAM

- New \$1 Billion Capital Construction Program (CCP) for Reagan National to modify the existing facilities to better accommodate current airline operations and passengers levels. Projects include:
 - Relocating and reconfiguring the passenger security screening function to an expanded ticketing level.
 - Incorporating National Hall into secure airside space to relieve passenger crowding issues in the existing gate hold room facilities.
 - Connecting the North Commuter Airline operations area to Terminal C to eliminate busing and enclosing the aircraft gate area into a new North Concourse with full service passenger amenities.
 - An additional parking garage to increase the Airport's parking inventory and address critical customer service needs.

NEW CAPITAL CONSTRUCTION PROGRAM (*cont'd*)

- Relocating the Airports Authority Corporate Office Building to vacant space at Reagan National.
 - Conceptual plan for replacing and upgrading Terminal A airline operational areas.
 - Other miscellaneous airfield maintenance projects, utility, and roadway improvements.
-
- New \$142 Million Capital Construction Program (CCP) for Dulles International. A smaller scaled program for major maintenance of existing infrastructure is sufficient in light of the major capital investments made at Dulles International over the past decade.

NEW ENHANCED FLEXIBILITY FOR THE AIRPORTS AUTHORITY

- The Airlines will pay increased debt service coverage levels at both Airports (up to .35) through the airline rental rates, increasing the Airports Authority's total debt service coverage profile above the current level.
- The Airports Authority will retain an increased level of net remaining revenues from Reagan National and have the ability to use these revenues to pay outstanding Dulles International debt service costs (maximum \$40 Million/year).

NEW ENHANCED FLEXIBILITY FOR THE AIRPORTS AUTHORITY *(cont'd)*

- If future regulatory changes permit additional “beyond perimeter” flight activity at Reagan National, the Airports Authority can retain additional increased Reagan National revenues that may be used at Dulles International to provide some relief for negative impacts on the Airport (\$1.5 Million per each new beyond perimeter flight).
- If the Reagan National “beyond perimeter” flight restrictions are eliminated, the Airports Authority can reopen the new Agreement for renegotiation and can terminate the Agreement if renegotiation is unsuccessful.

REVISED AGREEMENT TERM

The new term for the Agreement establishes separate provisions for each Airport in recognition of the capital investments' levels required at each Airport and each Airport's unique position in the system. The Agreement would be effective at Reagan National for a 10-year term (subject to early termination rights discussed herein) and a 3-year term at Dulles International.

RECOMMENDATION

The Committee is requested to approve the terms of a new Airport Use Agreement and Premises Lease and recommend that the Board of Directors authorize the President and CEO to execute the Agreement with all Airlines requesting Signatory status for operations at both Reagan National and Dulles International, with an effective date of January 1, 2015.

Ronald Reagan Washington National Airport



Dulles Metrorail



Dulles Toll Road



Washington Dulles International Airport



METROPOLITAN WASHINGTON
AIRPORTS AUTHORITY

REPORT TO THE STRATEGIC DEVELOPMENT COMMITTEE

RECOMMENDATION TO APPROVE A NEW AIRPORT USE AGREEMENT AND PREMISES LEASE FOR REAGAN NATIONAL AIRPORT AND DULLES INTERNATIONAL AIRPORTS

NOVEMBER 2014

ACTION REQUESTED

Management is requesting that the Strategic Development Committee approve the negotiated terms for a new Airport Use Agreement and Premises Lease (Agreement) and recommend that the Board of Directors approve the Agreement and authorize the President and CEO to execute the Agreement with all Air Carriers requesting Signatory status for operating at both Airports. The Agreement would be effective January 1, 2015. A copy of the new Agreement is enclosed as Attachment A.

BACKGROUND

The Airports Authority's business relationship with the airlines operating at both Airports has been governed by a formal negotiated Agreement in effect since 1990 and terminating on December 31, 2014. For many months, management has been engaged in negotiations with the airlines to develop a new agreement to replace the expiring agreement. Periodic updates have been provided to the Committee in previous executive sessions.

The terms of the expiring 1990 Agreement have proven beneficial to the Airports Authority throughout changing industry conditions overtime, therefore, much of the 1990 Agreement was used as a foundation for the new Agreement. In addition, a few provisions were restructured and changed to achieve specific negotiation goals reviewed and agreed upon by the Board including:

- Flexibility to financially manage the two Airports as a system.
- The ability to maintain appropriate debt service coverage levels on all Airports Authority debt and high credit ratings.
- Flexibility to allocate Reagan National net remaining revenues to Dulles International to maintain reasonable airline Cost Per Enplanement (CPE) levels.
- Airline support for a new Airports Authority Capital Construction Program (CCP) at both Airports but particularly at Reagan National to address needed facility modifications to respond to passenger growth levels.

- Inclusion of industry best practices and current operating procedures used at both Airports.

DISCUSSION

The Airports Authority and the Airlines have agreed upon terms for a new Agreement that will enable the Airports Authority to achieve all of its negotiation goals which, importantly, include the ability to prudently address the necessary facility modifications greatly needed at Reagan National and to provide the Airports Authority greater financial flexibility in managing the unique needs of the two-airport system. The recommended new Agreement is included as Attachment A. The formal exhibits to the Agreement are voluminous and not included in Attachment A. However, a full set of exhibits have been filed in the Board Office where they are available for review.

The significant new business provisions include:

- A \$1 billion CCP at Reagan National to modify existing facilities to better accommodate current airline operations and increased passenger activity levels. These major projects include 1) relocating the passenger screening areas to an expanded ticket counter level and reprogramming the National Hall to secure airside space for improved passenger circulation; 2) connecting Terminal B/C to the current north area commuter airline operation to eliminate the need for a bussing operation and enclosing this aircraft operating area with a Concourse facility providing full passenger amenities similar to the other Airport gate areas; 3) relocation of the Corporate Office Building functions into existing vacant space on the Airport and 4) a new parking garage facility.
- A \$142 million CCP at Dulles International encompassing necessary major maintenance to existing Airport infrastructure. This investment level is reasonable in light of the major capital investments made to the facilities over the past decade and the capacity of this infrastructure to handle the forecasted airport growth.
- New enhanced financial flexibility for the Airports Authority including 1) increased airline debt service coverage payments (up to .35 annually); 2) additional retained net remaining revenues from Reagan National with the flexibility to use these revenues (up to \$40 million) at Dulles Airport to maintain reasonable airline rates and charges.
- Greater flexibility for the Airports Authority to mitigate harmful impacts of any future regulatory changes that may permit additional “beyond perimeter” flights from Reagan National (\$1.5 million for each new authorized round trip flight).
- The ability to reopen the Agreement for renegotiation if the perimeter rule limitation is eliminated and proceed to terminate the Agreement if such renegotiation is unsuccessful.

- The new Agreement would include a term of 10 years for Reagan National Airport in recognition of the large scale capital program plan and three years for Dulles International where less capital investment is required.

RECOMMENDATION

Management is requesting that the Committee approve the terms of a new Airport Use Agreement and Premises Lease and recommend that the Board of Directors authorize the President and CEO to execute the Agreement with all Airlines requesting Signatory status for operations at both Reagan National and Dulles International, with an effective date of January 1, 2015.

Prepared by:

Office of the President
November 2014

Attachment A
to Report to Strategic
Development Committee
on
Use & Lease Agreement

METROPOLITAN WASHINGTON AIRPORTS
AUTHORITY

AIRPORT USE AGREEMENT
AND
PREMISES LEASE

**AIRPORT USE AGREEMENT
AND
PREMISES LEASE**

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- N-B-1: National Lease Drawings
- N-B-2: National Airline Premises Information Sheets
- N-C: National Operations and Maintenance Responsibilities Matrix
- N-D: National Listing of Equipment
- N-E: National Cost Centers
- N-F: National Calculation of Rates for Rentals, Fees and Charges

Calculation Schedules for National

- N-F-1: Calculation of Rates for Landing Fees
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- N-F-5: Calculation of Required Transfers
- N-F-6: Space Summary for Current Rate Period
- N-G: National Affiliate Operating Agreement
- N-H: National Capital Construction Program - Summary
- N-I: National Capital Construction Program - Project Information
- N-J: National Airline Activity Reporting Forms

Dulles Airport

- D-A: Dulles Airport Graphic
- D-B-1: Dulles Lease Drawings
- D-B-2: Dulles Airline Premises Information Sheets

D-C: Dulles Operations and Maintenance Responsibilities Matrix

D-D: Dulles Listing of Equipment

D-E: Dulles Cost Centers

D-F: Dulles Calculation of Rates for Rentals, Fees and Charges

Calculation Schedules for Dulles

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D-G: Dulles Affiliate Operating Agreement

D-H: Dulles Capital Construction Program - Summary

D-I: Dulles Capital Construction Program - Project Information

D-J: Dulles Airline Activity Reporting Forms

ARTICLE 1. SCOPE OF AGREEMENT; OBLIGATION TO LEASE PREMISES
DIRECTLY FROM THE AUTHORITY

1.01 General Rights and Obligations. This Agreement grants to the Airline certain rights to use facilities to conduct its Air Transportation Business at either Ronald Reagan Washington National Airport ("National") or Washington Dulles International Airport ("Dulles"), or both. This Agreement also provides for the lease to the Airline of certain Equipment and Premises at the Airport(s) for the same purpose. In consideration of these benefits, the Airline agrees to abide by all of the terms and conditions herein including the obligation to lease a substantial portion, if not all, of its Premises directly from the Authority, if such Premises are available, and to pay to the Authority the rentals, fees, and charges as established in this Agreement.

1.02 Signatory Airlines.

1.02.1 By executing this Agreement, the Airline becomes a Signatory Airline at both airports if, and so long as, (i) the Airline is conducting its Air Transportation Business at both Airports and (ii) except as provided in Sections 1.03, 1.04 and 1.05, the Airline leases and continues to lease directly from the Authority for the Period of this Agreement applicable to National those Premises shown on Exhibit N-B-2 and, for the Period applicable to Dulles, those Premises shown on Exhibit D-B-2, as such exhibits may be amended, for the conduct of its Air Transportation Business at each Airport.

1.02.2 By executing this Agreement, the Airline becomes a Signatory Airline at only one Airport if, and so long as, (i) the Airline is conducting its Air Transportation Business at that Airport and (ii) except as provided in Section 1.03, 1.04 and 1.05, the Airline leases and continues, for the Period of the Agreement applicable to National, to lease directly from the Authority those Premises shown on Exhibit N-B-2 as such exhibit may be amended or, for the Period of the Agreement applicable to Dulles, those Premises shown on Exhibit D-B-2, as such exhibit may be amended, for the conduct of its Air Transportation Business at the Airport.

1.02.3 Nothing in this Section 1.02 shall imply or be construed to confer upon the Airline a right to discontinue its lease of Premises.

1.03 Signatory Status at a Second Airport. If the Airline is conducting its Air Transportation Business as a Signatory

Airline at one Airport (the original Airport), it may commence to conduct its Air Transportation Business as a Signatory Airline at the other Airport, provided that, no later than ninety (90) days after commencing the conduct of its Business at the other Airport, the Airline agrees to lease for the then remaining Period of this Agreement applicable to the other Airport a substantial portion, if not all, of its Premises at the other Airport directly from the Authority, to the extent such Premises are available. After said ninety (90) days, if the Airline has not agreed to lease such Premises directly from the Authority, the Airline shall be considered a non-Signatory Airline at the other Airport. Notwithstanding that the Airline is a non-Signatory Airline at the other Airport, it shall remain a Signatory Airline at the original Airport.

1.04 Obligation to Lease Premises Directly from the Authority. If at any time the Airline is operating at the Airport in one or more types of space that is not Premises, and space of that type or types that is adequate for the Airline becomes available for lease as Premises directly from the Authority at the Airport where the Airline is conducting its Air Transportation Business, and such Premises are offered for lease to the Airline, the Airline agrees that no later than thirty (30) days after notice from the Authority of the availability of such Premises, it shall lease for the then remaining Period of this Agreement on the terms and conditions then applicable to leases of such Premises to a Signatory Airline, a substantial portion, if not all, of its space of that type or types at that Airport directly from the Authority.

1.05 Low Volume Airlines. Notwithstanding Sections 1.01 through 1.04 if the Airline is a Low Volume Airline at an Airport, it may become a Signatory Airline without leasing Premises directly from the Authority.

1.06 Application of the Agreement to Each Airport. For so long as this Agreement is in effect at an Airport, the terms of this Agreement apply to the use of facilities and lease of Equipment and Premises at that Airport, except to the extent that a particular provision of the Agreement is identified as applicable only to the other Airport. Upon the expiration of this Agreement at Dulles, the terms of this Agreement shall apply only to the use of facilities and lease of Equipment and Premises at National. If the Airline operates at only one of the Airports, it is subject to the provisions of this Agreement as they apply to the Airport at which it conducts its Air Transportation Business.

ARTICLE 2. PERIOD OF AGREEMENT

2.01 Effective Date. The Effective Date of this Agreement shall be January 1, 2015, or if executed by the Airline after February 1, 2015, the date on which the Agreement is executed by both the Authority and the Airline; provided, however, that this Agreement shall not become effective at an Airport unless prior to December 15, 2014 Scheduled Air Carriers operating at that Airport as of December 15, 2014 which collectively accounted for at least fifty-one percent (51%) of the Landing Fees and Terminal Rentals paid by all Signatory Airlines at that Airport during Fiscal Year 2013 have become Signatory Airlines under this Agreement at that Airport.

2.02 Expiration Dates.

2.02.1 With respect to National, this Agreement shall expire on December 31, 2024, unless sooner terminated as provided in Article 10, Article 13, or Article 14 of this Agreement.

2.02.2 With respect to Dulles, this Agreement shall expire on December 31, 2017, unless (a) sooner terminated as provided in Article 10, Article 13, or Article 14 of this Agreement or (b) extended by the mutual written agreement of the Authority and Scheduled Air Carriers then operating at Dulles that collectively accounted for at least fifty-one percent (51%) of the Landing Fees and Terminal Rentals paid by all Signatory Airlines at Dulles during Fiscal Year 2016 (with such an extension to be provided for by an amendment to this Agreement).

2.03 Prior Agreements and Leases. At midnight, December 31, 2014, all Prior Agreements and Leases not then terminated or expired shall be deemed terminated as of that date.

ARTICLE 3. DEFINITIONS AND INTERPRETATION

3.01 Definitions. Except as otherwise clearly indicated by the context, the following words, terms, and phrases wherever used in this Agreement shall for the purposes of this Agreement have the following meanings:

1990 Agreement shall mean the Airport Use Agreement and Premises Lease between the Authority and various Signatory Airlines effective as of January 1, 1990 and, as amended, expiring on December 31, 2014.

Additional Projects shall mean capital expenditures for construction, acquisitions, and improvements related to the Airports, other than small capital items includable as O&M Expenses in accordance with Authority policy and other than those Projects included in the Capital Construction Program.

Administrative Cost Center shall mean the Cost Center described in Exhibits N-E and D-E.

Aerotrain shall mean the underground automated people mover system at Dulles.

Affiliate shall mean an Air Transportation Company providing air service at an Airport at which the Airline is a Signatory Airline, which company (i)(a) 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, (b) shares an International Air Transport Association (IATA) flight designator code with the Airline at that Airport, or (c) otherwise operates under essentially the same trade name as the Airline at that Airport and uses essentially the same livery as the Airline at that Airport, and (ii) is properly designated as an Affiliate by the Airline in accordance with the provisions of Article 5; provided, however, that no Air Transportation Company with annual operating revenues of \$1 billion or more shall be classified as an Affiliate of the Airline unless either clause (i)(a) or clause (i)(c) above defines the relationship between such Air Transportation Company and the Airline at the Airport.

Agreement shall mean this Airport Use Agreement and Premises Lease between the Authority and the Airline, as the same may be amended or supplemented from time to time.

Air Transportation Business shall mean the business of a Scheduled Air Carrier for the commercial transportation by air

of persons, property, mail, parcels or cargo operated by the Airline at either or both of the Airports.

Air Transportation Company shall mean (i) a Scheduled Air Carrier or (ii) a company engaged in non-scheduled common carriage by air of persons, property, and/or mail.

Aircraft Parking Positions shall mean those portions of the Ramp Area at each of the Airports that are used for the parking of aircraft and support vehicles and the loading and unloading of passengers and cargo.

Aircraft Parking Position Charges shall mean those charges payable by the Airline, if applicable, for the use of Aircraft Parking Positions as set forth in Section 8.04.

Airfield Cost Center shall mean the Cost Center described in Exhibits N-E and D-E.

Airfield Net Requirement shall mean at each Airport the Total Requirement attributable to the Airfield Cost Center, less (i) Ramp Area Charges, if any; (ii) direct utility or other reimbursements attributable or allocable to the Airfield Cost Center; and (iii) Transfers, if any, allocable to the Airfield Cost Center.

Airline shall mean the Scheduled Air Carrier executing this Agreement.

Airline Funded Airfield Coverage shall mean for each Fiscal Year at each Airport, Debt Service Coverage allocable to the Airfield Cost Center for such Fiscal Year multiplied by a fraction, the numerator of which is the landed weight for all Signatory Airlines at that Airport for such Fiscal Year and the denominator of which is the total landed weight for all Air Transportation Companies and General Aviation at that Airport for such Fiscal Year. Airline Funded Airfield Coverage shall be calculated separately for Debt Service on Subordinated Bonds and Debt Service on Senior Bonds.

Airline Funded Coverage shall mean for each Fiscal Year at each Airport, the sum of Airline Funded Airfield Coverage for such Fiscal Year for that Airport and Airline Funded Terminal Coverage for such Fiscal Year for that Airport. Airline funded coverage shall not include Equipment Coverage.

Airline Funded Terminal Coverage shall mean for each Fiscal Year for each Airport for each Cost Center and Terminal

Sub-Center within the Terminal Cost Center, Debt Service Coverage for such Fiscal Year allocated to such Terminal Sub-Center multiplied by a fraction the numerator of which is the amount of Premises leased to and the amount of space used as Common Use Premises and Dulles Permit Space, if any, by the Signatory Airlines in such Sub-Center and the denominator of which is the total amount of Rentable Space in such Cost Center and Terminal Sub-Center. The Airline Funded Terminal Coverage shall be calculated separately for Debt Service on Subordinated Bonds and Debt Service on Senior Bonds.

Airline Operating Facilities shall mean furniture, furnishings, special light fixtures, carpeting, draperies, wall coverings, decorations, decorating or other special finishing work, signs, appliances, trade fixtures and equipment that is owned, furnished, installed, and used by the Airline in its operations on the Airport.

Airline Representative shall mean that person designated by a numerical majority of the Signatory Airlines at each Airport to represent said Signatory Airlines in matters relating to the Capital Construction Program and Additional Projects at that Airport.

Airline Supported Areas shall mean for each Airport the Airfield, Terminal and Equipment Cost Centers at that Airport and at Dulles shall also include the IAB FIS, Midfield C FIS and the Passenger Conveyance System Cost Centers.

Airline Transfer Account shall mean the account in the Revenue Fund created pursuant to Section 9.06.3.

Airport or Airports shall mean the real property including improvements constituting either or both Ronald Reagan Washington National Airport ("National" or "National Airport"), located in Arlington County, Virginia, and Washington Dulles International Airport ("Dulles" or "Dulles Airport"), located partially in Fairfax County and partially in Loudoun County, Virginia, as depicted in Exhibits N-A and D-A and as each may be subsequently improved, enlarged, or otherwise modified. Washington Dulles International Airport shall include the Washington Dulles International Airport Access Highway, and shall not include the Dulles Toll Road.

Amortization Requirements shall mean the repayment of capital costs as principal and interest, in substantially equal annual installments over a fixed term for a capital expenditure which is not debt financed, and for which Amortization

Requirements are to be included in rentals, fees, and charges pursuant to Section 10.05. The Amortization Requirement for each such capital expenditure shall be computed using an amortization period as reasonably determined by the Authority, and an interest component equal to the Thirty-Year Revenue Bond Index, published by the "Bond Buyer," on the date nearest the date on which said capital expenditure is placed in service; provided, however, if the asset in question could not legally be financed with the proceeds of tax-exempt Bonds, the interest component shall be fifty (50) basis points above the then current yield for a United States Government obligation with a maturity comparable to the period of amortization.

Authority shall mean the Metropolitan Washington Airports Authority.

Authority Capital Fund shall mean that fund created pursuant to Section 9.06.1.

Authority's Architects and Engineers shall mean the architects and engineers employed by the Authority, or who are under contract to the Authority.

Aviation Cost Center shall mean the Cost Center described in Exhibits N-E and D-E.

Board shall mean the Board of Directors of the Authority.

Bonds shall mean Senior Bonds, Subordinated Bonds, and Other Indebtedness.

Capital Charges shall mean (i) Debt Service and (ii) Amortization Requirements.

Capital Construction Program shall mean the planning, design, construction, acquisitions and improvements to the Airports, as more particularly described in Exhibits N-H, N-I, D-H and D-I.

Cargo Cost Center shall mean the Cost Center described in Exhibit D-E.

Chargeable Landings shall mean those aircraft landings for which landing fees shall be due and payable by the Airline, as set forth in Section 8.02. Such landings shall include all landings of aircraft that come to a complete stop on the Airport, with the exception of emergency landings.

Chief Executive Officer (or "CEO") shall mean the President and Chief Executive Officer of the Authority and shall include such person or persons as may from time to time be authorized to act for the CEO with respect to any or all matters pertaining to this Agreement.

Common Use Charges shall mean those charges, in any Rate Period, payable by the Airline to the Authority for the use of Common Use Premises at each Airport, determined in accordance with Paragraph 8.03.4.

Common Use Premises shall mean those areas at the Airport which two or more Scheduled Air Carriers are authorized to use, as shown on Exhibits N-B-1 and D-B-1. For purposes of calculating rentals, fees, and charges hereunder, such Common Use Premises shall be deemed Rentable Space; provided, however, no leasehold interests shall accrue to or be acquired by any authorized user thereof.

Commuter Concourse shall mean the new concourse to be constructed at National as described in Exhibit N-I.

Concourse A shall mean a Terminal Sub-Center at Dulles as described in Exhibit D-E.

Concourse B shall mean a Terminal Sub-Center at Dulles as described in Exhibit D-E.

Concourse C shall mean a Terminal Sub-Center at Dulles as described in Exhibit D-E.

Concourse D shall mean a Terminal Sub-Center at Dulles as described in Exhibit D-E.

Construction Documents shall mean those plans and specifications prepared for inclusion in construction bid documents for the Capital Construction Program.

Contract Security shall mean a security for payment as set forth in Section 8.11.

Cost Centers shall mean those areas or functional activities established by the Authority at each Airport, as set forth in Exhibits N-E and D-E, and as may be amended by the Authority.

Current Cost Estimate shall mean, as of any date of calculation, the projected total costs in then current dollars

of one or more or all of the Projects in the Capital Construction Program (as the context shall determine) as estimated by the Authority's Office of Engineering. Any Current Cost Estimate shall incorporate actual costs for completed Projects; substitute bid amounts for estimates when available; include the financial impacts of change-orders accepted by the Authority; and reflect any other changes that the Authority reasonably believes will change said projected total costs from the amounts shown in Exhibits N-I and D-I.

Debt Service shall mean, as of any date of calculation for any Rate Period, the amounts required pursuant to the terms of any Indenture to be collected during said period for the payment of Bonds, plus fees and amounts payable to providers of any form of credit enhancement used in connection with Bonds.

Debt Service Coverage shall mean at both Airports, for Fiscal Years 2015 through 2017, an amount equal to thirty-five percent (35%) of the portion of Debt Service attributable to Senior Bonds and Subordinated Bonds which is not funded with PFC revenue or federal grant assistance; at National, for Fiscal Years 2018 through 2023, an amount equal to thirty percent (30%) of the portion of Debt Service attributable to Senior Bonds and Subordinated Bonds which is not funded with PFC revenue or federal grant assistance; and, at National, for Fiscal Year 2024, an amount equal to twenty-five percent (25%) of the portion of Debt Service attributable to Senior Bonds and Subordinated Bonds which is not funded with PFC revenue or federal grant assistance; plus, in each of the Fiscal Years 2015 through 2024, such other amounts as may be established by any financing agreement or arrangement with respect to Other Indebtedness.

Debt Service Reserve Fund shall mean any fund of that name created and established pursuant to any Indenture.

Deplaning Passenger shall mean any revenue passenger disembarking at the Airports, including any such passenger that shall subsequently board another aircraft of the same or a different Air Transportation Company.

Direct Cost Centers shall mean those areas or functional activities established by the Authority at each Airport as set forth in Exhibits N-E and D-E, and as may be amended by the Authority.

Dulles Cargo Apron shall mean those areas provided by the Authority at Dulles for the loading and unloading of all-cargo flights, as shown in Exhibit D-A.

Dulles Jet Apron shall mean that portion of the Dulles Ramp Area identified as such and shown in Exhibit D-A.

Dulles Jet Apron Fees shall mean those amounts payable by the Airline, if applicable, for the use of the Dulles Jet Apron to park aircraft, as set forth in Paragraph 8.04.3.

Dulles Main Terminal shall mean a Terminal Sub-Center at Dulles as more particularly described in Exhibit D-E.

Dulles Midfield Concourses shall mean Concourses A, B, C and D, as depicted in Exhibit D-A.

Dulles Permit shall mean a permit for the use of Authority-operated gates, ticket counters and other premises at Dulles issued under the Authority's Policy and Procedures for the Use of Authority-Operated Gates and Premises as it may be amended from time to time.

Dulles Permit Space shall mean those areas at Dulles which one or more Signatory Airlines are authorized to use pursuant to a Dulles Permit.

Dulles Toll Road shall mean the toll roadway between Virginia Route 28 on the west and Virginia Route 123 on the east that was constructed by the State of Virginia under the 1983 Deed of Easement and additional easements and is located immediately adjacent to the Dulles Airport Access Highway on land leased to the Authority by the United States Department of Transportation.

Effective Date shall mean the date set forth in Article 2 for the commencement of this Agreement.

Emergency R&R Fund shall mean that fund created by the Senior Indenture for emergency repair and rehabilitation of the Airports.

Enabling Projects shall mean the projects identified as "Enabling Projects" at National, as shown in Exhibit N-I.

Enplaning Passenger shall mean any revenue passenger boarding at the Airports, including any such passenger that

previously disembarked from another aircraft of the same or a different Air Transportation Company.

ENR Construction Index - MidAtlantic Region shall mean the then most recently issued year-to-year ENR Construction Index - MidAtlantic Region , published by ENR, or, if such index shall be discontinued, a successor index generally accepted in the construction industry.

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

Equipment shall mean the equipment and devices owned by the Authority and leased to the Airline, which may include but shall not be limited to, Common Use Terminal Equipment ("CUTE"), baggage make-up and baggage claim conveyors and devices, loading bridges, 400 Hz, and preconditioned air units.

Equipment Charges shall mean those amounts payable by the Airline, if applicable, for the use of Equipment in accordance with Section 8.05.

Equipment Coverage shall mean for each Fiscal Year for each Airport, Debt Service Coverage for such Fiscal Year included in Equipment Charges.

Equipment Sub-Centers shall mean those individual facilities at each Airport that are included in the Equipment Cost Center at that Airport, as described in Exhibits N-E and D-E.

Excluded Environmental Claims shall mean any claims, causes of action, demands, liabilities, fines, penalties, costs, expenses or any other liabilities that the Airline can demonstrate were caused by or arise from (a) the migration of Hazardous Substances first Released prior to the Airline's first occupancy or use of the Airline's Premises, provided, however, that the Airline or Airline's agents are not otherwise responsible for the Release; (b) the migration of Hazardous Substances first Released outside the Airline's Premises or onto or under an Airline's Premises due to leaching or the flow of groundwater, provided, however, that the Airline or Airline's agents are not otherwise responsible for the first Release outside the Airline's Premises; (c) any Hazardous Substances that existed on the Airline's Premises prior to the Airline's

first occupancy or use of the Airline's Premises; and (d) any Hazardous Substances Released by the Authority or the Authority's employees, agents or representatives, or by any third party not under the control or direction of the Airline, on the Airline's Premises. For the purpose of this definition and Article 19 only, the "Airline's Premises" shall mean the Premises, Common Use Premises, Dulles Permit Space, and other areas within an Airport otherwise leased or assigned to the Airline, and "Airline's agents" shall mean the Airline's officers, agents, employees, contractors, permittees or invitees.

Exclusive Use Premises shall mean those Premises leased exclusively to the Airline, as shown on Exhibits N-B-2 and D-B-2. Except as may otherwise be agreed to, Exclusive Use Premises shall include ticket counters, associated offices, and may include baggage make-up area and Equipment reasonably necessary for the use thereof.

Extraordinary Coverage Protection Payments shall mean those payments, if any, required pursuant to Paragraph 8.01.3.

FAA shall mean the Federal Aviation Administration, or its authorized successor(s) other than the Authority.

Federal Lease shall mean the Agreement and Deed of Lease, dated March 2, 1987, between the United States of America, acting through the Secretary of Transportation, and the Authority, as the same may be amended or supplemented.

Federal Inspection Services (or "FIS") Facilities shall mean the IAB FIS and the Midfield C FIS.

Federal Inspection Services (or "FIS") Charges shall mean those charges payable by the Airline for the use, if any, of FIS Facilities in accordance with Section 8.06.

Fiscal Year shall mean the annual accounting period of the Authority for its general accounting purposes which, at the time of entering into this Agreement, is the period of twelve consecutive months beginning with the first day of January of any year.

Five CCP Projects shall mean the Commuter Concourse and its Enabling Projects, the Secure National Hall and its Enabling Projects, and the Terminal A Preliminary Planning and Design Projects, all at National and as summarized in Exhibit N-H and described in Exhibit N-I.

Fixed Base Operators (or "FBOs") shall mean those commercial businesses at the Airports authorized by the Authority to sell aviation fuels and provide other aviation-related services, but shall not mean the Fueling Agent.

Fueling Agent shall mean, for each Airport, that agent selected to operate and maintain the Fueling System for that Airport and deliver fuel through the Fueling System.

Fueling System shall mean (i) at Dulles, the Authority-owned hydrant fueling system, if any, and the Authority-owned fuel farm; and (ii) at National, the Authority-owned hydrant fueling system, if any, and the Authority-owned fuel farm.

General Aviation shall mean an operator of (i) private or corporate aircraft not used in the common carriage of passengers, cargo, or freight; or (ii) aircraft as a non-scheduled air taxi.

General Purpose Fund shall mean that fund created by the Senior Indenture.

Ground Transportation Cost Center shall mean the Cost Center described in Exhibits N-E and D-E.

Hazardous Substances shall mean any substance or material defined or designated as a hazardous waste, toxic substance, or other pollutant or contaminant by any Environmental Law.

Indenture shall mean the Senior Indenture, Subordinated Indenture, or Other Indenture, including amendments, supplements, and successors thereto.

Indirect Cost Centers shall mean those functions and related facilities, not within a Direct Cost Center, established by the Authority at each Airport as set forth in Exhibits N-E and D-E, and as may be amended by the Authority.

International Arrivals Building Federal Inspectional Services Facility (or "IAB FIS") shall mean the building adjacent to the Dulles Main Terminal containing facilities provided by the Authority for the processing by U.S. Customs and Border Patrol of arriving international passengers requiring such processing.

Joint Use Premises shall mean those Premises leased on a joint use basis to the Airline and one or more other Signatory Airlines, as shown on Exhibits N-B-2 and D-B-2.

Landing Area shall mean those portions of each Airport provided for the landing, taking off and taxiing of aircraft, including without limitation approach and turning zones, avigation or other easements, runways, taxiways, runway and taxiway lights, and other appurtenances in connection therewith.

Landing Fees shall mean those fees, calculated in accordance with Section 8.02, payable by the Airline for the use of the Airfield.

Low Volume Airline shall mean a Scheduled Air Carrier eligible to pay Low Volume Common Use Fees for the use of Common Use Premises, as described in Paragraph 8.03.5.

Low Volume Common Use Fees shall mean those fees payable by a Low Volume Airline, if applicable, for the use of Common Use Premises, as set forth in Paragraph 8.03.5.

Maintenance Cost Center shall mean the Indirect Cost Centers described in Exhibits N-E and D-E.

Majority-in-Interest shall mean, at each Airport, (i) for the Airfield Cost Center, fifty percent (50%) in number of all Signatory Airlines and Signatory Cargo Carriers at such Airport which together landed more than sixty percent (60%) of Signatory Airlines' and Signatory Cargo Carriers' landed weight at that Airport during the most recent six (6) full month period for which the statistics are available, and (ii) for the Airline Supported Areas (excluding the Airfield Cost Center), fifty percent (50%) in number of Signatory Airlines at such Airport which together were obligated to pay more than sixty percent (60%) of the sum of Terminal Rents, Common Use Charges, FIS Charges, Passenger Conveyance Charges, and Equipment Charges at such Airport during the most recent six (6) full month period for which statistics are available.

Maximum Certificated Gross Landed Weight shall mean the maximum gross certificated landing weight in one thousand pound units, as stated in the Airline's flight operations manual, at which each aircraft operated at the Airports by the Airline is certificated by the FAA.

Midfield C Federal Inspection Services Facility (or "Midfield C FIS") shall mean those facilities provided by the

Authority at Concourse C at Dulles for the processing by U.S. Customs and Border Patrol of arriving international passengers requiring such processing.

Net Remaining Revenue shall mean that amount set forth in Paragraph 9.05.2.

Non-Aviation Cost Center shall mean the Cost Center described in Exhibits N-E and D-E.

Operations and Maintenance Expenses (or "O&M Expenses") shall mean for any period all expenses of the Authority paid or accrued for the operation, maintenance, administration, and ordinary current repairs of the Airports. Operation and Maintenance Expenses shall not include (i) the principal of, premium, if any, or interest payable on any Bonds; (ii) any allowance for amortization or depreciation of the Airports; (iii) any other expense for which (or to the extent to which) the Authority is or will be paid or reimbursed from or through any source that is not included or includable as Revenues; (iv) any extraordinary items arising from the early extinguishment of debt; (v) rentals payable under the Federal Lease; and (vi) any expense paid with amounts from the Emergency R&R Fund.

O&M Reserve shall mean that reserve for O&M Expenses required by the Senior Indenture.

Original Cost Estimate shall mean for one or more or all of the Projects in the Capital Construction Program (as the context shall determine) the amount specified for such Project in Exhibits N-I and D-I.

Other Indebtedness shall mean any financing instrument or obligation of the Authority, except the Federal Lease, payable from Revenues on a basis subordinate to the Authority's obligation to pay Subordinated Bonds.

Other Indenture shall mean any indenture, loan agreement, credit arrangement, or other agreement which specifies the terms of the Authority's obligation to pay Other Indebtedness.

Outstanding shall mean, with respect to any series of Bonds, the definition of "Outstanding" in the Indenture under which said series of Bonds were issued.

Passenger Conveyances shall mean the Dulles mobile lounges, buses, Aerotrain or other airside ground transportation devices provided by the Authority at Dulles for the movement of passengers and other persons.

Passenger Conveyance Charges shall mean those charges payable by the Airline pursuant to Section 8.07.

Passenger Conveyance System Cost Center shall mean the Cost Center described in Exhibit D-E.

Passenger Facility Charges (or "PFCs") shall mean 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.

Pavement Structural Maintenance shall mean the maintenance, rehabilitation, and keeping in good repair of asphalt, concrete, or other improved surfaces.

Perimeter Rule shall mean the rule established by 49 U.S.C. § 49109 that prohibits air carriers from operating non-stop scheduled passenger service between National and another airport located more than 1,250 miles from National.

Period shall mean the period of time during which the Airline's activities at the Airport shall be governed by this Agreement, as set forth in Article 2 herein.

Plateau Amount for Dulles shall mean the amount of fifteen million six hundred twelve thousand three hundred twenty dollars (\$15,612,320) in Fiscal Year 2014. This amount shall be subject to annual escalation in accordance with changes in the U. S. Implicit Price Deflator Index. The base date for such adjustment shall be the index for January 1, 2014.

Preferential Use Premises shall mean those Premises leased on a preferential use basis to the Airline, as shown on Exhibits N-B-2 and D-B-2. Except as may otherwise be agreed upon by the parties hereto, Preferential Use Premises shall include the holdrooms leased by the Airline hereunder, if any, and all Equipment reasonably necessary for the use thereof.

Premises shall mean areas at the Airports leased by the Airline pursuant to Article 6 of this Agreement. Premises shall include Exclusive, Preferential, and Joint Use Premises.

Prior Agreements and Leases shall mean an agreement or contract, if any, between the Authority and an airline or its predecessor-in-interest for the use and/or lease of facilities at the Airports which was entered into prior to October 1, 2014, including without limitation the 1990 Agreement and Dulles Permits. This shall not be construed to include prior agreements between the Authority and the Airline or other airlines, or the agent thereof, for the use, operation, and maintenance of the Fueling Systems, for the provisions of crew transportation and skycap services, or for the operation of in-flight kitchens.

Program Manager shall mean the firm or individual employed by the Authority to provide overall construction and project management services for the Capital Construction Program.

Project shall mean any discrete, functionally complete portion of the Capital Construction Program identified as a separate project in Exhibits N-I and D-I, as revised from time to time.

Public Safety Cost Center shall mean the Cost Center described in Exhibits N-E and D-E.

Rail System shall mean any rail system designed to transport persons to and from Dulles. A Rail System shall not include a Passenger Conveyance. For purposes of this definition, Dulles shall not include the Washington Dulles International Airport Access Highway.

Ramp Area shall mean the aircraft parking and maneuvering areas adjacent to the Terminals and any other areas at an Airport designated by the Authority for aircraft parking and maneuvering, and shall include within its boundaries all Aircraft Parking Positions. At Dulles, the Ramp Area shall also include the Dulles Jet Apron, but it shall not include the Dulles Cargo Apron.

Ramp Area Charges shall mean Aircraft Parking Position Charges and Dulles Jet Apron Fees, as set forth in Section 8.04.

Rate Period shall mean that period for which rates for rentals, fees and charges are applicable, as set forth in Articles 8 and 9.

Release shall mean any spilling, leaking, pumping, pouring, emitting, discharging, leaching, dumping or disposing into or on any property or the environment.

Rentable Space shall mean, for each Terminal Sub-Center at each Airport, the total of all areas in that Terminal Sub-Center which constitute Premises, Common Use Premises, Dulles Permit Space, or areas otherwise available for lease to airlines or non-airline tenants.

Reportable Quantity shall mean (a) reportable quantity as defined in 40 CFR Part 302; (b) for oils, the amount triggering notice requirements as set forth in 40 CFR Part 110; or (c) any relevant reportable concentration under any other applicable federal or state law or law of the District of Columbia.

Requesting Airline shall mean a Scheduled Air Carrier requesting the lease or use of Premises, as set forth in Article 17.

Revenue Fund shall mean that fund created by the Senior Indenture.

Revenues shall mean all revenues of the Authority received or accrued, except (i) interest income on, and any profit realized from, the investment of moneys in any fund or account to the extent that such income or profit is not transferred to, or retained in, the Revenue Fund or the Bond Fund created by the Senior Indenture or the Bond Funds created by the Subordinated Indenture; (ii) interest income on, and any profit realized from, the investment of moneys in any fund or account funded from the proceeds of Special Facility bonds; (iii) amounts received by the Authority from, or in connection with, Special Facilities, unless such funds are treated as Revenues by the Authority; (iv) amounts received by the Authority from, or in connection with, the Dulles Toll Road, unless such funds are treated as Revenues by the Authority; (v) the proceeds of any passenger facility charge or similar charge levied by, or on behalf of, the Authority, unless such funds are treated as Revenues by the Authority; (vi) grants-in-aid, donations, and or bequests; (vii) insurance proceeds which are not deemed to be revenues in accordance with generally accepted accounting principles; (viii) the proceeds of any condemnation awards; and (ix) any other amounts which are not deemed to be revenues in accordance with generally accepted accounting principles or which are restricted as to their use.

Scheduled Air Carrier shall mean any company performing, pursuant to published schedules, commercial air transportation of persons, property, and/or mail over specified routes to and from the Airport and holding the necessary authority from the appropriate Federal or state agencies to provide such air transportation services.

Secure National Hall shall mean the new space allowing for consolidated passenger screening in Terminals B, C and D at National, as summarized in Exhibit N-H and described in Exhibit N-I.

Senior Bonds shall mean any bonds or other financing instrument or obligation issued pursuant to the Senior Indenture.

Senior Indenture shall mean the Amended or Restated Master Indenture of Trust dated as of September 1, 2001, securing the Authority' Airport System Revenue Bonds, as such may be amended or supplemented.

Signatory Airline shall mean a Scheduled Air Carrier which has an agreement with the Authority substantially similar to this Agreement.

Signatory Cargo Carriers shall mean those scheduled all-cargo Air Transportation Companies, if any, signatory to this Agreement or an agreement with the Authority providing for the calculation of Landing Fees on substantially the same basis as this Agreement.

Special Facility shall mean any facility, improvement, structure, equipment, or assets acquired or constructed on any land or in or on any structure or building at the Airports, the cost of construction and acquisition of which are paid for (i) by the obligor under the special facility agreement, or (ii) from the proceeds of Special Facility Bonds, or (iii) both.

Special Facility Bonds shall mean revenue bonds, notes, or other obligations of the Authority, issued to finance any Special Facility, the payment of principal of, premium, if any, and interest on which are payable from and secured by the proceeds thereof and rentals, payments, and other charges payable by the obligor under the Special Facility Agreement.

Sub-Center shall mean either a Terminal or Equipment Sub-Center.

Subordinated Bonds shall mean any bonds or other financing instrument or obligation issued pursuant to the Subordinated Indenture.

Subordinated Indenture shall mean the Master Indenture of Trust dated March 1, 1988, securing the Authority's General Airport Subordinated Revenue Bonds, as such may be supplemented or amended.

Substantial Completion Date (and "Substantially Complete") shall mean the date that any Premises are ready to be moved into and occupied by the Airline, or any Project is substantially complete, as certified by the Authority's Architects and Engineers.

Systems and Services Cost Center shall mean the Cost Center described in Exhibits N-E and D-E.

Terminal A shall mean a Terminal Sub-Center at National as described in Exhibit N-E.

Terminal A Preliminary Planning and Design Project shall mean a project consisting of preliminary planning and design work on a facility to expand or replace the existing Terminal A as described in Exhibit N-I.

Terminal B/C shall mean a Terminal Sub-Center at National as described in Exhibit N-E, which shall be replaced by the Terminal B/C/D Sub-Center upon its establishment.

Terminal B/C/D shall mean a Terminal Sub-Center at National to be established during the Period of this Agreement applicable to National as described in Exhibit N-E.

Terminal Cost Center shall mean a Cost Center as described in Exhibits N-E and D-E.

Terminal Rentals shall mean those amounts payable by the Airline, calculated in accordance with Section 8.03, for the lease of its Exclusive, Preferential, and Joint Use Premises.

Terminal Sub-Centers shall mean those individual facilities at each Airport that are included in the Terminal Cost Center at that Airport, as described in Exhibits N-E and D-E. At National, Terminal Sub-Centers shall mean Terminal A and Terminal B/C and, after it is established, Terminal B/C/D. At Dulles, Terminal Sub-Centers shall mean Dulles Main Terminal, Concourse A, Concourse B, Concourse C, Concourse D and Z Gates.

Terminal Sub-Center Net Requirement shall mean, for each Terminal Sub-Center at each Airport, the Total Requirement attributable or allocable to each such Terminal Sub-Center, less direct utility or other reimbursements attributable or allocable to said Terminal Sub-Center.

Total Passengers shall mean the total of Enplaning Passengers and Deplaning Passengers.

Total Requirement shall mean, with respect to any Direct Cost Center or Terminal or Equipment Sub-Center, that portion of the sum of (i) O&M Expenses; (ii) required deposits under the Senior Indenture to maintain the O&M Reserve; (iii) Capital Charges; (iv) Debt Service Coverage; (v) required deposits to any Debt Service Reserve Fund; (vi) Federal Lease payments; (vii) required deposits to the Emergency R&R Fund; and (viii) Extraordinary Coverage Protection Payments, if any, properly attributable or allocable to each said Direct Cost Center or Sub-Center.

Transfers shall mean the amounts to be transferred by the Authority to reduce Signatory Airline rentals, fees, and charges as set forth in Section 9.05.

U.S. Implicit Price Deflator Index shall mean the then most recently issued year-to-year U.S. GNP Implicit Price Deflator Index, issued by the United States Department of Commerce, or, if such index shall be discontinued, a successor index as designated by the United States Government.

Z Gates shall mean a Terminal Sub-Center at Dulles as described in Exhibit D-E.

Additional words and phrases used in this Agreement but not defined herein shall have the meanings set forth in the Indenture, if defined therein.

3.02 Interpretation. In this Agreement, unless the context otherwise requires:

3.02.1 Divisions of Articles with one decimal point are Sections, e.g., 1.01. Divisions of Sections with two decimal points are Paragraphs, e.g., 1.01.1.

3.02.2 All Article, Section, and Paragraph references, unless otherwise expressly indicated, are to Articles, Sections, and Paragraphs of this Agreement.

3.02.3 The terms "hereby," "herein," "hereof," "hereto," and "hereunder" and any similar terms used in this Agreement refer to this Agreement.

3.02.4 Words importing persons shall include firms, associations, partnerships, trusts, corporations, and other legal entities, including public bodies, as well as natural persons.

3.02.5 Any headings preceding the text of the articles and sections of this Agreement, and any table of contents, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

3.02.6 Words importing the male gender shall include the female gender and vice versa.

3.02.7 Words importing the singular shall include the plural and vice versa, unless the context clearly indicates otherwise.

3.02.8 References in this Agreement to Exhibits are to documents that are attached to this Agreement, as they may be amended from time to time in accordance with this Agreement.

ARTICLE 4. USE OF THE AIRPORTS

4.01 Airline Rights and Privileges at Both Airports. The Airline, together with others so authorized, shall have the following rights to use the Premises and equipment leased to the Airline pursuant to Article 6, and certain other areas and facilities at the Airports, including, but not limited to, Common Use Premises, all as shown on Exhibits N-B-1, N-B-2, D-B-1, and D-B-2, but not including Premises leased Exclusively, Preferentially, or Jointly to others, for the operation of the Airline's Air Transportation Business. These rights are subject to the terms of this Agreement, including the exclusions, reservations, and conditions set forth in Sections 4.02, 4.03, and 4.04 and the payment obligation set forth in Article 8. These rights are as follows:

4.01.1 To land upon, take off from, and fly over the Airports, and to taxi, park, load, unload, tow, and store the Airline's aircraft and support equipment on the Airport in areas designated for such purposes by the Authority, and, in all events, on the terms and conditions imposed by the Authority.

4.01.2 To enplane and deplane persons, mail, and/or property, along with food, beverages, and other supplies; to provide passenger handling services for the Airline's passengers, including the sale of air transportation tickets and services, and to process the Airline's passengers and their baggage for air travel; to sell, handle and provide mail, freight and package express services for the Airline's customers; to maintain, service and repair aircraft and ground support equipment operated by the Airline in areas designated for these purposes by the Authority; to provide porter/skycap services; to provide interline and lost baggage services for the Airline's passengers; to provide ground transportation on the Airport for employees, baggage, and, with the approval of the Authority, the Airline's passengers; and to provide ground transportation to and from the Airport for employees, lost baggage, and for passengers and baggage from diverted or cancelled flights of the Airline. In addition, the Airline may, in accordance with the provisions of Article 16 with regard to handling agreements, provide these services for other Air Transportation Companies either by itself or in conjunction with other Signatory Airlines, if the Airline is performing these services for itself at the Airport. The Authority reserves the right to offer porter and wheelchair services to the Airline's passengers if (i) the Airline violates its obligations under the Americans with Disabilities Act, 42 U.S.C. §§ 12101 et seq., or the Air Carrier Access Act, 49 U.S.C. § 41705, and its

implementing regulations, 14 C.F.R. Pt. 382, or (ii) the Authority receives persistent complaints from the Airline's passengers about the level of porter or wheelchair services the Airline offers to its passengers at National or Dulles; provided, however, that before providing such services to the Airline's passengers, the Authority shall first give the Airline written notice of the Authority's intent to do so and provide the Airline with twenty-one (21) days to cure the violation or provide a response to the complaints. If, after receiving such notice, the Airline fails to cure the violation or to provide a satisfactory response to the complaints, the Authority may offer such porter and wheelchair services to the Airline's passengers at the Airline's expense.

4.01.3 To train personnel in the employ of or to be employed by the Airline at the Airports in the operation of the Airline's Air Transportation Business.

4.01.4 To sell, dispose of, or exchange the Airline's aircraft, engines, accessories, gasoline, oil, grease, lubricants, or other similar equipment or supplies, except aviation fuels, in areas of the Airports designated for this purpose by the Authority; provided, however, that this Paragraph shall not be construed to prohibit the Airline from selling or otherwise conveying aviation fuels or propellants to an Air Transportation Company which is a successor company to or an Affiliate of the Airline or to another Signatory Airline from time to time.

4.01.5 To select, together with the other Signatory Airlines, a single Fueling Agent for each Airport, and to receive, store and transmit fuel through the Fueling Systems at the Airports in accordance with the provisions of the separate fuel system agreement(s) between the Authority and the Fueling Agent selected by the Signatory Airlines and approved by the Authority, or between the Authority and the Fueling Agent selected in accordance with Paragraph 4.02.6.

4.01.6 To install and maintain in the Airline's Premises, at the Airline's sole cost and expense, identifying signs, posters, displays, and other materials which advertise the services offered by the Airline to the traveling public, consistent with the Authority's regulations and orders; provided, however, identifying signs, posters, displays, and other similar materials shall not be permitted on the Ramp Area, and provided, further, that in holdroom areas, only the corporate identifiers or "logos" of the Air Transportation Companies using the holdroom shall be permitted. All such

signs, posters, displays, and other similar materials must be approved in writing by the Authority prior to use at the Airport. The Authority reserves the right to place advertising displays in all areas of the Airport that are visible to the public, including in the Airline's Premises; provided, however, that any such advertising displays shall not interfere with the use by the Airline or its passengers of the Airline's Premises or Common Use Premises and provided, further, that the Authority shall not allow the placement in the Airline's Premises of advertising of competing transportation services or of consumer products or services that are sold in competition with providers with which Airline has an affinity marketing program.

4.01.7 To install, maintain and operate at no cost to the Authority, alone or in conjunction with any other Signatory Airline, radio communication, computer, meteorological and aerial navigation equipment and facilities, as well as wireless transmission devices ("WiFi") for use by Airline personnel, on the Airline's Premises; provided, however, that such installations shall be subject to the prior written approval of the Authority and shall comply with all applicable Authority standards.

4.01.8 To install, maintain and operate customer relations, security and holdroom facilities and equipment, administrative offices, operations offices, and related facilities, and to install personal property, including furniture, furnishings, supplies, machinery and equipment, in the Airline's Premises.

4.01.9 To construct modifications, finishes and improvements in the Airline's Premises subject to the provisions of Section 10.09.

4.01.10 To have ingress to and egress from the Airports and the Airline's Premises for the Airline's officers, employees, agents, contractors, and invitees, including furnishers of services and supplies.

4.01.11 To use, for the benefit of the Airline's employees who perform substantially all of their work at the Airports, vehicular parking areas designated by the Authority.

4.01.12 To install soft drink vending machines and snack vending machines in the Airline's non-public Exclusive or Preferential Premises for the sole use of the Airline's officers, employees and agents. Vending machines shall not be

within the view of the general public and all machine locations are subject to the prior written approval of the Authority.

4.01.13 To furnish and operate a preferred customer or "VIP" club for the Airline's passengers in Premises designated for this purpose by the Authority. Further, such preferred customer or "VIP" club may be shared with one or more other Air Transportation Companies; provided, however, that the club is leased to the Airline only, and provided that the rights of all the Air Transportation Companies using the club terminate when such lease terminates.

4.01.14 To install and operate WiFi, telephones, telefax, and other telecommunications devices and conduit in Airline Premises that are not accessible to or used by the public; provided, however, that such installations shall be subject to the prior written approval of the Authority and shall comply with all applicable Authority standards. The Authority retains the right to install all public WiFi, telephones, telefax and other telecommunications devices and conduit in all areas of the Airports accessible to the public, including the Premises leased to the Airline, and to collect the proceeds therefrom; provided, however, the Airlines may install WiFi, telephones and telefax devices and conduits in the Airline's "VIP" club. If the Airline installs revenue-generating WiFi, public telephone or telefax devices in its "VIP" club, it shall pay to the Authority a monthly payment of fifty percent (50%) of the gross revenues received by the Airline from any source from the installation and operation of such devices. This payment obligation is limited to the Airline's "VIP" club, if any, and shall not extend to revenue-generating WiFi devices or services provided by Airline on the Airline's aircraft.

4.01.15 To install, operate and maintain, using the Airline's own employees or those of a wholly-owned subsidiary of the Airline or the Airline's parent company or an entity satisfying the requirements of Paragraph 4.02.5, an establishment for the cooking and preparation of food and beverages for consumption only by passengers and crews on the Airline's aircraft, in the Airline's "VIP" club, if any, or, solely in the event of flight delays or cancellations, in holdrooms within the Airline's Premises; provided, as the Authority determines, in its discretion, that space is available on the Airports for this purpose and, if such space is not included and designated in the Airline's Premises, the Airline enters into a separate agreement for such cooking and food preparation space with the Authority. Such food and beverages shall not be intended for consumption by any persons except the

Airline's passengers and crews while on the Airline's aircraft, patrons of the Airline's "VIP" club, and such employees directly engaged in the cooking and preparation of such food and beverages; provided, however, upon entering a separate agreement with the Authority, and subject to fees and conditions as set forth therein, the Airline may provide these services to one or more other Air Transportation Companies operating from the Airport, including another Signatory Airline. The Airline is prohibited from selling food and beverages to patrons of the Airline's "VIP" club without the advance written approval of the Authority. Upon such approval, the Airline shall pay the Authority a percentage of the revenue thereby derived that is no greater than the prevailing concessionaire percentage at the Airport.

4.01.16 To purchase prepared food and beverages for consumption by passengers and crews on the Airline's aircraft and in the Airline's "VIP" club, if any; provided, if the Airline purchases catering from an off-Airport caterer including, but not limited to, an Air Transportation Company, for delivery of prepared food and/or beverages to the Airline on the Airport, said caterer will be required to have a contract with the Authority and to pay a fee to the Authority at a rate equal to the rate paid by the Authority's inflight food catering concessionaires located on that Airport. The Airline shall not purchase any prepared food or beverage from a caterer for delivery on the Airports unless and until the caterer is authorized by the Authority to do business on the Airports. The Airline may purchase from concessionaires operating at the Airports food and beverages for consumption only by passengers and crews on the Airline's aircraft, in the Airline's "VIP" club, if any, and, solely in the event of flight delays or cancellations, in holdrooms within the Airline Premises.

4.01.17 To acquire, by purchase or otherwise, any Air Transportation Business-related services and/or supplies from any agent, contractor, or other Signatory Airline subject to the conditions of Paragraph 4.02.5.

4.02 Exclusions, Reservations, and Conditions. The rights granted to the Airline under this Agreement shall be strictly construed, and may be exercised by the Airline only to the extent such rights are necessary or incidental to the conduct by the Airline of its Air Transportation Business. Except with the prior written approval of the Authority, the Airline is prohibited from conducting any business on the Airport separate and apart from the conduct of its Air Transportation Business.

4.02.1 If the Airline receives notice from the Authority, or if the Airline reasonably should know: (i) that it is materially interfering with the use, operation or maintenance of the Airport, including but not limited to, the safe and efficient use of the Airfield and the effectiveness or accessibility of the drainage, sewerage, water, communications, WiFi, radio, fire protection, utility, electrical, or other systems installed or located from time to time at the Airport; (ii) that it is causing or contributing to a dangerous or hazardous condition; or (iii) that it is in violation of law or applicable rules or regulations; the Airline shall immediately cease such interference, contribution or violation or, where such immediate elimination is not possible, the Airline shall immediately take corrective action and cause others under its control to take corrective action to eliminate the interference, contribution or violation.

4.02.2 As soon as possible, after obtaining any necessary approval from appropriate governmental agencies, the Airline shall remove any of its disabled aircraft from the Landing Area and Ramp Area upon the request of the Authority. The Airline shall place any such disabled aircraft only in such storage areas as may be designated by the Authority, and shall store such disabled aircraft only upon such terms and conditions as at that time may be established by the Authority, consistent with any directives of the FAA and the National Transportation Safety Board.

4.02.2.1 In the event the Airline shall fail to remove any of its disabled aircraft as expeditiously as possible, the Authority may, but shall not be obligated to, cause the removal of such disabled aircraft by any reasonable means; provided however, the Authority shall give the Airline prior notice of its intent to do so.

4.02.2.2 If the Authority removes, or causes another to remove the Airline's disabled aircraft, the Airline shall pay to the Authority, upon receipt of any invoice, the costs incurred for such removal, including the cost of labor. The Airline shall also pay any damages incurred by, or imposed upon the Authority as a result of the disabled aircraft.

4.02.3 Except as may otherwise be authorized by Paragraphs 4.01.15 and 4.01.16 or in separate agreements between the Airline and the Authority, the Airline shall not provide to its passengers, other Air Transportation Companies, or other persons on the Airport food, beverages, products or services of a kind normally provided by Airport concessionaires; nor shall

the Airline maintain or operate on the Airport a cafeteria, restaurant, bar, or cocktail lounge, stand, or any other facility for the purpose of providing food and beverages to the public or to the Airline's employees and passengers or to any other Air Transportation Company. This prohibition shall not apply to the Airline's "VIP" club to the extent the Airline provides, in such club, such food, beverages, products or services on a complimentary basis and such club is located and constructed in such a manner as to be separate and distinct from the space that is accessible by the public who are not members of the club and is physically separated by a wall or walls from the Airline's passenger holdroom or boarding area, where persons hold tickets to board the Airline's aircraft are congregating. Further, it shall not be construed to apply to the provision of food, beverages, products, or services aboard an aircraft.

4.02.4 The Airline shall not use, store, transport, or dispose of any fuels, oil, grease, lubricants, or other hazardous materials to, from, within, or upon the Airports in a manner which violates federal, state, local, or Authority laws and regulations.

4.02.5 If the Airline uses any person or entity other than its own employees, the employees of a parent or subsidiary company, or those of another Signatory Airline to perform the Air Transportation Business services and related activities authorized in this Article, the person or entity providing the services may be required to meet the Authority's reasonable qualifications for doing business on the Airports, and obtain an Authority permit, license, or contract if required to do so by the Authority. The Authority may also require the person or entity providing the services to pay reasonable fees or rents, except as otherwise provided in Section 8.08. Prior to any person or entity performing a service on the Airport for the Airline, the Airline shall obtain from the Authority written confirmation that the person or entity has been authorized by the Authority to conduct that service, and provide the Authority with a copy of any contract or agreement between the Airline and such person or entity upon the Authority's request.

4.02.6 The Authority reserves the right to impose reasonable conditions on the use of the Fueling System at either Airport whenever a separate agreement on the use of the system is not in effect. If at any time the Signatory Airlines have failed to select a Fueling Agent at either Airport, the Authority shall have the right to select its own agent to be responsible for the overall operation and maintenance of the Fueling System at that Airport and to award a contract for a

period not exceed five (5) years to such agent; provided, however, that the Authority shall not select a Fueling Agent without first providing notice to the Signatory Airlines at the Airport (i) of the Authority's intent to select an agent, and (ii) of the anticipated date that the agent will assume responsibility for the Fueling System, which date shall be at least ninety (90) days after the date of the said notice; and, provided, further, that if the Signatory Airlines thereafter select a different Fueling Agent, in accordance with Paragraph 4.01.5, the Authority shall, upon receipt of a written request from the Signatory Airlines, terminate its contract with the Fueling Agent selected by it at the earliest date upon which such contract may be terminated without penalty and shall thereupon enter into an agreement with such different Fueling Agent in accordance with Paragraph 4.01.5.

4.02.7 The Authority reserves the right to either temporarily or permanently restrict the use of any roadway, taxiway, or runway or other area at the Airport at any time; provided, in the event of such restrictions, the Authority shall ensure the availability of reasonable ingress and egress, and shall not unreasonably restrict Airfield operations.

4.03 Operating Rights, Exclusions, and Conditions Applicable Only at National. In addition to the Airline's rights, privileges, and exclusions enumerated in Sections 4.01 and 4.02, the following rights, privileges, and exclusions are applicable to the Airline's operations at National:

4.03.1 The Airline may (i) use only those Aircraft Parking Positions at National shown on Exhibit N-B-1 for enplaning and deplaning passengers, baggage, cargo and/or mail, and the servicing of aircraft; (ii) park any aircraft that is ready for immediate use as an extra section of a scheduled flight only at an area designated for such use on Exhibit N-B-1; and (iii) park an aircraft overnight at a location other than the Aircraft Parking Positions shown on Exhibit N-B-1 only with the express permission of the Authority and on reasonable terms and conditions, including payment of fees as set forth in Paragraph 8.08.1.2.

4.03.2 Unless otherwise authorized by the Authority, the Airline must use the Fueling Agent or an into-plane fueling company authorized by the Authority to service its aircraft.

4.03.3 The Airline may not load or unload cargo from all-cargo aircraft on the Ramp Area adjacent to the Terminal facilities.

4.04 Operating Rights, Exclusions, and Conditions
Applicable Only at Dulles. In addition to the rights,
privileges, and exclusions enumerated in Sections 4.01 and 4.02,
the following rights, privileges and exclusions are applicable
to the Airline's operations at Dulles:

4.04.1 The Airline may use only those Aircraft
Parking Positions assigned by the Authority for enplaning and
deplaning passengers, baggage, cargo and mail, and for the
servicing of aircraft.

4.04.2 The Airline shall use only the Fueling Agent
or an into-plane fueling company authorized by the Authority to
fuel its aircraft, except that the Airline may use the Fixed
Base Operators at Dulles to fuel the Airline's aircraft if the
aircraft are on the FBO's own premises, on the hard stand, or on
the Cargo Ramp, except as may be agreed to in a separate
agreement between the Authority and the Fueling Agent.

4.04.3 The Airline may not load or unload cargo from
all-cargo aircraft on the passenger Ramp Area adjacent to the
Terminal facilities.

4.05 Holdroom Concessions. The Authority and the Airline
acknowledge that small-scale concessions in holdrooms leased by
the Airline may be mutually beneficial to both parties to
promote enhanced customer service options. In the event that
the Authority and the Airline agree to place a concession in a
holdroom leased by the Airline, the Authority and the Airline
will make reasonable efforts to negotiate a reasonable reduction
in or credit to the Airline's terminal rents and make
appropriate space adjustments to accommodate such concession.

ARTICLE 5. AIRLINE AFFILIATES

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

5.01.1 The Airline may not use an Affiliate at an Airport without first (i) designating the Affiliate on the form which is Exhibit 1 to the form Affiliate Operating Agreement, attached as Exhibits N-G and D-G; (ii) ensuring that the Affiliate has entered into an Affiliate Operating Agreement with the Authority in the form attached as Exhibits N-G and D-G; and (iii) confirming for the Authority in writing, using the form it uses to designate the Affiliate pursuant to clause (i), whether the Airline will pay to the Authority or guarantee the Affiliate's payment of all Landing Fees, Terminal Rents and other charges due to the Authority on account of the Affiliate's use of any Airport facilities or services as an Affiliate of the Airline, as provided in Paragraph 5.01.2.

5.01.2 Each Affiliate of the Airline shall report and pay to the Authority all PFCs that it collects on account of enplaning passengers at the Airport at which it is operating as an Affiliate of the Airline. The Airline shall either pay to the Authority or guarantee payment to the Authority of all Landing Fees, Terminal Rents and other charges, and submit all activity reports, that are due to the Authority on account of the Affiliate's use of any Airport facilities or services as an Affiliate of the Airline; provided, however, that both the Airline and the Affiliate shall remain fully responsible and liable to the Authority for the payment of all Landing Fees, Terminal Rents and other charges (including PFCs), and the preparation of all activity reports, that are due to the Authority on account of the use of any Airport facilities or services by the Affiliate.

5.02 Rights of Affiliates. For so long as the Airline and its Affiliates have complied with the payment and reporting obligations of Paragraph 5.01.2, then:

5.02.1 Each Affiliate shall have the same rights as the Airline to use Airline Premises at the Airport at which it is operating as the Airline's Affiliate.

5.02.2 The Landing Fees, Terminal Rents and other charges due on account of each Affiliate's use of Airport facilities or services shall be calculated as if the Affiliate were a Signatory Airline; provided, however, that the Affiliate's activity as an Affiliate of the Airline at an Airport shall be treated as activity of the Airline at that Airport in calculating the Airline's Total Passengers for Common Use Charges under Paragraph 8.03.4.2, Low Volume Common Use Fees under Paragraph 8.03.4.4 and Passenger Conveyance Charges under Section 8.07; and provided, further, that in calculating Common Use Fees under Paragraph 8.03.4.1, the Affiliate shall be treated as if it were the Airline and shall not be counted as a separate Signatory Airline for purposes of proration.

5.02.3 Each Affiliate's landed weight at an Airport and all of the Airline's payments of Terminal Rents, Common Use Charges, FIS Charges, Passenger Conveyance Charges and Equipment Charges on account of the Affiliate's use of that Airport's facilities or services as an Affiliate of the Airline shall be treated at that Airport as landed weight of and payments by the Airline for purposes of determining a Majority-in-Interest.

5.02.4 Each Affiliate's activity at an Airport as an Affiliate of the Airline shall be treated as activity of the Airline at that Airport for purposes of utilization studies conducted by the Authority in connection with reallocations of Airline Premises under Section 17.02.

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

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

5.05 Signatory Airline As Affiliate. If an Air Transportation Company operating at an Airport as an Affiliate of the Airline becomes a Signatory Airline at that Airport, such Air Transportation Company must immediately terminate its status as an Affiliate of the Airline.

ARTICLE 6. LEASE

6.01 Lease of Premises and Equipment. The Authority, as lessor, hereby leases to the Airline, and the Airline, as lessee, hereby leases from the Authority, subject to all of the terms and conditions herein, the following Premises and Equipment:

 (i) The Exclusive Use Premises described and identified in Exhibits N-B-2 and D-B-2;

 (ii) The Joint Use Premises described and identified in Exhibits N-B-2 and D-B-2;

 (iii) The Preferential Use Premises described and identified in Exhibits N-B-2 and D-B-2; and

 (iv) The Equipment described and identified in Exhibits N-D and D-D.

6.02 Changes. All of the Premises and Equipment described in Section 6.01 are subject to modification in accordance with this Article 6, Article 16, and Article 17 of this Agreement.

6.03 Modification of Premises. In the event that the Authority and the Airline, by mutual agreement, add additional space or spaces to, or delete space or spaces from, the various Premises of the Airline, Exhibits N-B-2 or D-B-2, as applicable, shall be revised accordingly to reflect such addition or deletion and the revised exhibits shall be incorporated into the Agreement. Space added to the Airline's Premises shall be subject to all of the terms, conditions, requirements, and limitations of this Agreement and the Airline shall pay to the Authority all rentals, fees, and charges applicable to such additional space in accordance with the provisions of this Agreement effective upon the date the Airline occupies or begins using the space.

6.04 Addition of Equipment.

 6.04.1 Subject to Paragraph 6.04.3, the Authority reserves the right to acquire and install Equipment in, upon, and adjacent to, the Airline's Premises but only in one or more of the following events:

 (i) The acquisition and installation of the Equipment is identified as part of the Capital Construction Program;

(ii) The acquisition and installation of Equipment is identified as part of any Additional Project;

(iii) In any Premises, whenever there is a change in tenants; or

(iv) Such acquisition and installation are agreed to between the Airline and the Authority; provided, the Airline may not unreasonably withhold its agreement.

6.04.2 The Airline agrees to facilitate the installation of the Equipment including, upon reasonable notice from the Authority, the decommissioning and removal, at the Airline's expense, of the Airline's equipment, if any, that is to be replaced by Equipment pursuant to Paragraph 6.04.1.

6.04.3 Prior to the acquisition and installation of Equipment pursuant to Paragraph 6.04.1, the Authority shall consult with the Airline with respect to the technical standards and requirements applicable to such Equipment. So long as such Equipment meets such standards and requirements, the Airline may participate in the Authority selection of the vendor or supplier of the Equipment for the Airline's Premises. At the request of the Airline, and provided that it would not adversely affect the tax-exempt status of the Bonds and would be consistent with the full and open competition requirements of the Authority's procurement procedures, the Authority may allow the Airline to initially purchase the Equipment and be subsequently reimbursed by the Authority.

6.05 Adjustment of Dimensions. After the Substantial Completion Date of a project altering the Airline's Premises, the actual square footage of the Airline's altered Premises shall be determined by the Authority from actual measurements, and incorporated into revised Exhibits N-B-1 and N-B-2, and D-B-1 and D-B-2. If measurements are to be taken, the Airline shall be notified in advance and shall be entitled to have a representative present when such measurements are taken. Premises consisting of enclosed space shall be measured for interior space from the center line of interior walls to the inside face of exterior walls.

6.06 Dulles Permits. The Authority may, in addition to this lease, grant to the Airline a Dulles Permit prescribing the terms and conditions for the Airline's use of Dulles Permit Space.

ARTICLE 7. OPERATION AND MAINTENANCE

7.01 Authority Responsibilities.

7.01.1 The Authority shall, with reasonable diligence and prudence, operate and maintain the Airports with adequate, efficient, qualified personnel, and keep the Airports in good condition and repair.

7.01.2 The Authority shall, with reasonable diligence and prudence, act to maintain the Landing Area for the safe and proper use thereof by the Airline, including the clearing and removal of snow from the runways and taxiways as quickly as reasonably practicable.

7.01.3 The Authority will operate and maintain the Airports in a manner at least equal to the standards established by the FAA to maintain the Airport Operating Certificates and any other governmental agency having jurisdiction thereof, except for conditions beyond the control of the Authority.

7.01.4 The Authority shall not be liable to the Airline for temporary failure to furnish all or any services to be provided by the Authority hereunder, whether due to mechanical breakdown or for any other causes beyond the reasonable control of the Authority.

7.01.5 The Authority's operation and maintenance responsibilities are set forth in Exhibits D-C and N-C, except that the Airline and the Authority may agree to a different allocation of maintenance responsibilities in Exhibits N-B-2 and D-B-2 in which event any conflict between Exhibits N-B-2 and N-C or between Exhibits D-B-2 and D-C shall be resolved in accordance with Exhibits N-B-2 and D-B-2. Further, and except as may be provided in Exhibits N-B-2 and D-B-2, the Authority shall not be obligated to perform the operation and maintenance responsibilities designated by Section 7.02 and Exhibits N-C and D-C as being the responsibility of the Airline, or for which the Airline, another Signatory Airline, or any other person has assumed such responsibility by separate written agreement with the Authority.

7.01.6 The Authority shall provide, operate, and maintain the Passenger Conveyances at Dulles, including the Aerotrains and mobile lounges. The Authority shall provide adequate mobile lounges for the transportation of passengers to and from Concourse D, or the Airline's aircraft at an Aircraft Parking Position that is not serviced by a passenger holdroom

and a loading bridge, and for the transportation of arriving international passengers to the FIS facilities. The Airline shall determine who boards mobile lounges traveling directly to its aircraft or the FIS facilities. Except in an emergency, the Authority shall not be obligated to provide transportation directly between the Dulles Main Terminal and the Airline's aircraft which is, or in the reasonable judgment of the Authority can be, parked at the Dulles Midfield Concourses and served by a passenger holdroom and a loading bridge. If the Passenger Conveyance has departed directly for the Airline's aircraft before all of the Airline's passengers have boarded it, the Airline may transport its passengers to its aircraft by another means subject to the Authority approval. The provision of any other Passenger Conveyance by the Airline requires the advance written approval of the Authority.

7.02 Airline Responsibilities - General. The Airline shall perform custodial grounds and interior maintenance, including janitorial services, to the non-public areas of its Premises as specified in Exhibits hereto, and such other operations and maintenance responsibilities as specified herein or by separate written agreement with the Authority. In addition, the Airline shall be responsible for operation and maintenance of all installed Airline Operating Facilities located within its Premises.

7.02.1 The Airline shall supervise, or cause to be supervised, all persons lawfully present on its Premises, including, but not limited to, its Enplaning and Deplaning Passengers on the loading bridges, persons traveling on Passenger Conveyances directly to or from the Airline's aircraft, persons traveling on buses or similar vehicles operated by the Airline, and on all paths, walkways, and Ramp Areas used by the passengers to move between the Terminal and/or Passenger Conveyances, and the Airline's aircraft.

7.02.2 Except as otherwise provided in Exhibits N-B-2, N-C, D-B-2 or D-C, the Airline shall operate, maintain, and repair, at its own expense: (i) any loading bridges and ground power/preconditioned air units located at its preferentially leased Aircraft Parking Positions, and (ii) any outbound baggage makeup conveyor system located on its Premises, whether or not title to such bridges, ground power/preconditioned air units, or baggage conveyors rests with the Airline or the Authority; provided, however, the Authority retains the right to assume responsibility for operation, maintenance, and repair of Authority-owned Equipment upon thirty (30) days prior written notice to the Airlines, and provided, further, nothing herein

shall relieve the Airline of the obligation to pay Equipment Charges for any Equipment, as set forth in Section 8.05 and Exhibits N-D and D-D.

7.02.3 Except as authorized in writing by the Authority, or except in an emergency, the Landing Area of the Airport shall not be used by any of the Airline's aircraft which exceed the design strength of the Landing Area as described in the then current FAA-approved Airport Layout Plan. In addition, the Authority may prohibit or restrict the use of the Ramp Area by any aircraft the wheel loading of which exceeds the design strength of the pavement as determined by the Authority.

7.02.4 The Airline shall, together with all other Signatory Airlines, operate, maintain, and repair the triturator at each Airport through a common agent of and selected by the Signatory Airlines; provided, however, there shall be no more than one such agent at each Airport, and that such agent shall be subject to the approval of the Authority.

7.03 Additional Airline Responsibilities at National.

7.03.1 At National, the Airline shall be responsible for custodial grounds maintenance, including removal of snow, ice, vegetation, stones, fuel, oil, grease, debris, and all other foreign matter from the Ramp Areas and equipment storage areas, including passenger walkways and Aircraft Parking Positions, and cargo handling areas at its Premises, from the exterior face of the Terminal to the nearest edge of the Airfield's vehicle lane, as depicted in Exhibit N-B-1.

7.03.2 The Airline shall assume Pavement Structural Maintenance responsibilities for its Aircraft Parking Positions if the Airline (i) improperly parks aircraft on an Aircraft Parking Position pad, or (ii) fails to perform the custodial grounds maintenance responsibilities required by Paragraph 7.03.1 and, in the Authority's determination, any of these events is sufficient to cause damage to the Aircraft Parking Position. The Authority shall provide the Airline with written notice when it determines that any of these events is sufficient to cause damage to the Aircraft Parking Position. In the event, the cost of performing any Pavement Structural Maintenance for those Aircraft Parking Position(s) shall become payable by the Airline, without reimbursement.

7.03.3 If the Airline desires to park heavier or larger aircraft on an Aircraft Parking Position than the Aircraft Parking Position was designed to accommodate, it shall,

prior to such use and subject to the approval of the Authority, at its own cost and expense, improve the Aircraft Parking Position so that it meets the Authority's standards for such aircraft. In that event, the Airline shall be entitled to reimbursement from the Authority for these improvements at such time as, and to the extent that, the Authority has funds available for such purpose.

7.04 Additional Airline Responsibilities at Dulles.

7.04.1 The Airline shall be responsible for custodial grounds maintenance, including removal of snow, ice, vegetation, stones, fuel, oil, grease, debris, and all other foreign matter from the following Ramp Areas and equipment storage areas at its Premises, from the exterior face of the Dulles Midfield Concourses to the nearest edge of the Airfield vehicle lane, as shown in Exhibit D-B-1. If the Airline has preferentially leased Aircraft Parking Positions at locations other than the Dulles Midfield Concourses, the Airline shall perform custodial grounds maintenance, including snow removal, for these positions.

7.04.2 If the Airline desires to park heavier or larger aircraft on an Aircraft Parking Position than the Aircraft Parking Position was designed to accommodate, it shall, prior to such use and subject to the approval of the Authority, at its own cost and expense, improve the Aircraft Parking Position so that it meets the Authority's standards for such aircraft. In that event, the Airline shall be entitled to reimbursement from the Authority for these improvements at such time as, and to the extent that, the Authority has funds available for such purpose.

7.05 Failure to Perform. If the Airline fails to perform its maintenance obligations hereunder, including as specified in Exhibits N-C and D-C, or if the negligence or willful misconduct of the Airline causes additional maintenance obligations for the Authority, the Authority shall have the right, but shall not be required, to perform such maintenance, and to charge the Airline therefor; provided, however, the Authority shall give to the Airline reasonable advance written notice of non-compliance and the Authority's intent to enter upon the Premises prior to the exercise of this right.

ARTICLE 8. RENTALS, FEES, AND CHARGES

8.01 General.

8.01.1 The Airline shall pay to the Authority rentals for use of Premises at the Airports, and fees and charges for the other rights, licenses, and privileges granted hereunder during the Period of this Agreement. Such rentals, fees, and charges shall be calculated based on allocations of Total Requirements, reduced by Transfers, to the Cost Centers and Sub-Centers within the Airline Supported Areas and as specifically provided for herein and in Exhibits N-F and D-F and the accompanying Schedules.

8.01.2 In each Fiscal Year at each Airport, the total of rentals, fees, and charges payable by the Signatory Airlines hereunder (and, with respect to the Airfield Cost Center, by the Signatory Cargo Carriers) allocable to the Airline Supported Areas at such Airport, plus Transfers, for such Fiscal Year shall in any event be at least equal to the sum of (i) O&M Expenses, (ii) amounts required to maintain the O&M Reserve, (iii) Debt Service, (iv) other Capital Charges, (v) Federal Lease payment, (vi) required deposits, if any, to the Debt Service Reserve Fund, and (vii) required deposits, if any, to the Emergency R&R Fund allocable to the Airline Supported Areas at such Airport for such Fiscal Year.

8.01.3 The Authority shall include Extraordinary Coverage Protection Payments in the rates for rentals, fees, and charges for the Airline Supported Areas at an Airport in any Fiscal Year in which the amount of Revenues plus Transfers less Operating and Maintenance Expenses at that Airport is projected to be less than one hundred twenty-five percent (125%) of the sum of Debt Service on Senior Bonds and Debt Service on Subordinated Bonds at the Airport. Any amounts which must be collected for such Extraordinary Coverage Protection Payments will be allocated to Cost Centers and Sub-Centers within that Airport's Airline Supported Areas on the basis of the Total Requirements of such Cost Centers and Sub-Centers.

8.01.4 For purposes of calculating rates for rentals, fees, and charges payable hereunder, the following Direct Cost Centers and Indirect Cost Centers, each as described in Exhibits N-E and D-E, are hereby created:

- (i) Direct Cost Centers - National

- (a) Airfield
- (b) Terminal
- (c) Aviation
- (d) Ground Transportation
- (e) Non-Aviation
- (f) Equipment

(ii) Direct Cost Centers - Dulles

- (a) Airfield
- (b) Terminal
- (c) IAB FIS
- (d) Midfield C FIS
- (e) Cargo
- (f) Aviation
- (g) Ground Transportation
- (h) Non-Aviation
- (i) Equipment
- (j) Passenger Conveyance System

(iii) Indirect Cost Centers - National/Dulles

- (a) Maintenance
- (b) Public Safety
- (c) Systems and Services
- (d) Administrative

8.01.5 For purposes of calculating rates for rentals, fees, and charges payable hereunder, the following Terminal Sub-Centers and Equipment Sub-Centers, each as described in Exhibits N-E and D-E, are hereby created:

(i) Terminal and Equipment Sub-Centers -
National

- (a) Terminal A
- (b) Terminal B/C

(ii) Terminal and Equipment Sub-Centers -
Dulles

- (a) Dulles Main Terminal
- (b) Concourse A
- (c) Concourse B
- (d) Concourse C
- (e) Concourse D
- (f) Z Gates

(iii) Additional Equipment Sub-Centers - Dulles

(a) International Arrivals Building (IAB)

A new Terminal and Equipment Sub-Center at National, Terminal B/C/D, will be established during the Period of this Agreement applicable to National.

8.02 Landing Fees.

8.02.1 Calculation of Rates. The Landing Fee rates for each Airport in any Rate Period shall be calculated by dividing each Airport's Airfield Net Requirement by the combined estimated landed weight for all Air Transportation Companies and General Aviation operating at that Airport during the Rate Period.

8.02.2 Rate Schedule. Schedules NF-1 (National) and DF-1 (Dulles) show the calculation of Landing Fee rates for each Rate Period.

8.02.3 Airline's Landing Fee Charges. Each month the Airline shall pay to the Authority Landing Fees for Chargeable Landings for the preceding month. The Airline's Landing Fees shall be determined as the product of the appropriate Airport's Landing Fee rate for the Rate Period, and the Airline's total landed weight for the month. The Airline's total landed weight at each Airport for the month shall be determined as the sum of the products obtained by multiplying the Maximum Certificated Gross Landed Weight of each type of aircraft operated by the Airline at each Airport by the number of Chargeable Landings of each said aircraft operating at that respective Airport during such month.

8.03 Terminal Rentals, Fees, and Charges.

8.03.1 Calculation of Rates. The Terminal Rental rates at each Airport in each Rate Period shall be calculated separately for each Terminal Sub-Center. The rates for each type of space shall be determined in the following manner:

8.03.1.1 For each Terminal Sub-Center at each Airport, the Terminal Sub-Center average rental rates shall be calculated as follows:

(a) Each Terminal Sub-Center Net Requirement shall first be divided by total rentable area in

that Sub-Center to determine that Terminal Sub-Center's average rental rate for the Rate Period.

(b) The unadjusted Signatory Airline requirement shall next be determined by multiplying the total amount of Signatory Airline Premises, Dulles Permit Space and Common Use Premises in each Terminal Sub-Center times the appropriate Terminal Sub-Center average rental rate.

(c) The adjusted Signatory Airline requirement is determined by subtracting Transfers, if any, applicable to each Terminal Sub-Center to determine the adjusted amount due from the Signatory Airlines.

(d) The adjusted amount calculated in (c) shall then be divided by the total amount of Signatory Airline Terminal Sub-Center Premises, Dulles Permit Space and Common Use Premises to determine the Terminal Sub-Center average Signatory Airline rental rate.

8.03.1.2 To determine the differential Terminal Sub-Center rental rates, each Terminal Sub-Center Premises and Common Use Premises shall first be classified according to the types of space set forth below:

<u>Type of Space</u>	<u>Location/Function</u>	<u>Weighted Value</u>
1	Ticket Counter	1.00
2	Ticket Offices; Administrative and Upper Level Offices; V.I.P. Rooms; Holdrooms	.90
3	Bag Claim; Baggage Services Offices	.85
4	Bag Make-Up; Operations Areas	.55
5	Tug Drives; Exterior Baggage Space	.25

<u>Type of Space</u>	<u>Location/Function</u>	<u>Weighted Value</u>
6	Unenclosed Covered Areas	(a) (b)
7	Unenclosed Improved Uncovered Areas	(a) (b)

- (a) Rentals for Type 6 and Type 7 space shall be based on initial fixed rates of \$5.20 and \$1.30 respectively, per square foot, with said rates to be adjusted each Fiscal Year, commencing January 1, 2016, in accordance with changes in the U.S. Implicit Price Deflator Index. The base date for such adjustment shall be the index available on January 1, 2015.
- (b) If the Airline encloses, or otherwise modifies any such areas, as approved by Authority, or if the Authority encloses or otherwise modifies any such area(s), the area(s) shall be reclassified into the appropriate space type. The rate for the reclassified space shall be the then current rate for the reclassified space. If Airline modifies any such area and the rental rate for the reclassified space is higher than it was prior to reclassification, then, at the time the Airline requests approval to modify the space, the Airline and the Authority shall negotiate an appropriate rental credit(s) to reimburse the Airline for any costs incurred by the Airline in modifying such area(s); provided, however, such agreed upon rental credits shall in no event result in a rate less than the then current rate for the space prior to its modification.

8.03.1.3 Next, using the appropriate space totals shown in Schedules N-F-6 and D-F-11, the Terminal Sub-Center average Signatory Airline rental rate for each Terminal Sub-Center for the Rate Period shall then be converted to differential Terminal Sub-Center rental rates as follows:

(a) For each Terminal Sub-Center, the amount of Type 1 through Type 5 space shall be multiplied by the relative weighted values set forth in Paragraph 8.03.1.2 above, to obtain a weighted equivalent amount of space.

(b) The adjusted Signatory Airline requirement calculated in Paragraph 8.03.1.1(c), above, shall be reduced by the amount of Type 6 and Type 7 space rentals due for that Rate Period, to determine the differential Signatory Airline requirement.

(c) For each Terminal Sub-Center, said differential Signatory Airline requirement shall then be divided by the weighted equivalent amount of Premises and Common Use Premises for said Terminal Sub-Center to determine the rate for Type 1 (premium) space. Rates for Types 2 through Type 5 space

shall then be determined by multiplying the Type 1 (premium) rate by the relative weighted values for each type of rentable space.

8.03.2 Rate Schedules. Schedules N-F-2 and N-F-3 (National) and Schedules D-F-2, D-F-3, D-F-4, D-F-5 and D-F-6 (Dulles) provide illustrative calculations of average and differential rental rates for each Terminal Sub-Center.

8.03.3 Airline's Terminal Rentals. The Airline's Terminal Rentals for Exclusive, Preferential, and Joint Use Premises in each Rate Period shall be determined as the sum of the products obtained by multiplying the appropriate differential Terminal Sub-Center rental rate for the Rate Period, calculated in accordance with Paragraph 8.03.1, by the amount of the corresponding type of space leased by the Airline in each Terminal Sub-Center at each Airport as Exclusive, Preferential, and Joint Use Premises. Said Terminal Rentals for each Rate Period shall be payable in equal monthly installments.

8.03.4 Common Use Charges. The Common Use Charges due from Signatory Airlines for Common Use Premises in each Terminal Sub-Center at each Airport in each Rate Period shall be calculated as the product of the appropriate differential Terminal rental rate for the Rate Period and the amount of each category and area of Common Use Premises in each Terminal Sub-Center. Said total Common Use requirement for each Terminal Sub-Center at each Airport shall then be reduced by any amounts for that Rate Period estimated by the Authority (based upon the prior Rate Period's Low Volume Common Use Fees) to be payable as Low Volume Common Use Fees attributable to said Terminal Sub-Center, as set forth in Paragraph 8.03.5, to derive the "net aggregate Common Use requirement." Each Signatory Airline's monthly Common Use Charge, if applicable, for each Airport shall then be determined as follows:

8.03.4.1 Ten percent (10%) of the net aggregate Common Use requirement due in each Terminal Sub-Center (or category or area thereof, if applicable) at each Airport shall be prorated equally among the Signatory Airlines, other than those paying Low Volume Common Use Fees.

8.03.4.2 The remaining ninety percent (90%) of the net aggregate Common Use requirement due in each Terminal Sub-Center (or category or area thereof, if applicable) at each Airport shall be prorated among the Signatory Airlines, other than those paying Low Volume Common Use Fees, based upon each such Signatory Airline's proportionate share of Total Passengers

for all Signatory Airlines, except that the component of the Common Use Charge at the Dulles Main Terminal attributable to baggage claim shall be calculated on the basis of Total Passengers less the Airlines' Deplaning Passengers using the FIS Facilities.

8.03.4.3 The allocation of Common Use Charges pursuant to Paragraphs 8.03.4.1 and 8.03.4.2 above, shall be made by the Authority twice each Fiscal Year, with the first such allocation applicable to the six month period commencing on the first day of each Fiscal Year and ending on the last day of the sixth month of said Fiscal Year, and the second allocation applicable to the remaining six months of said Fiscal Year; provided, however, the Authority shall further have the right to adjust such allocations for the remaining portion of the then current six month period at any other time rates for Common Use Charges are adjusted during a Fiscal Year pursuant to Sections 9.03 or 9.04. At any time such allocations are adjusted, the Authority shall notify the Airline and other Signatory Airlines of the revised allocations, the amounts due from each Signatory Airline, and the period for which such allocations and amounts are applicable, and the Airline shall then pay its allocated share of Common Use Charges in equal monthly installments during said period. Each such allocation shall be based upon activity data for the most recent six months for which such data is then available.

8.03.4.4 For purposes of the Common Use Charges allocation calculations, the Airline shall include in its monthly activity report required by Section 8.10, and individually identify, the number of Enplaning Passengers and Deplaning Passengers handled or otherwise accommodated by the Airline for other Air Transportation Companies not having an agreement with the Authority that provides for the direct payment to the Authority of appropriate Common Use Charge.

8.03.5 Low Volume Common Use Fees. Notwithstanding the above Paragraph 8.03.4, a Signatory Airline that is a Low Volume Airline under Paragraph 8.03.5.2 shall pay a monthly Low Volume Common Use Fee in lieu of the payment of Common Use Charges, in each Rate Period, for each Airport, calculated as follows:

8.03.5.1 The Common Use requirement for such Rate Period, at such Airport, calculated in accordance with Paragraph 8.03.4 shall be divided by the actual Total Passengers at each Airport for the most recent twelve (12) months for which

such activity reports are available. This amount shall be the Low Volume Common Use Fee per Passenger for each Airport.

8.03.5.2 For each Common Use Charges allocation period as set forth in Paragraph 8.03.4.3, a Low Volume Airline is a Signatory Airline (a) which operated at that Airport, and (b) which either reported an average monthly Enplaning Passenger activity level at that Airport less than or equal to one thousand (1,000) Enplaning Passengers per month during the preceding Common Use Charge allocation period, or, if a new Signatory Airline, is projected to generate a monthly average of less than one thousand (1,000) Enplaning Passengers at that Airport for the ensuing Common Use Charge allocation period.

8.03.5.2.1 In the event that the monthly average Enplaning Passenger activity level of any Signatory Airline paying the Low Volume Common Use Fee becomes greater than one thousand (1,000) Enplaning Passengers at that Airport during the then-current Common Use Charges allocation period, such Signatory Airline shall pay Common Use Charges as set forth in Paragraph 8.03.4 in the next ensuing Common Use allocation period.

8.03.5.2.2 In the event that the monthly average Enplaning Passenger activity level of any Signatory Airline paying Common Use Charges pursuant to Paragraph 8.03.4 becomes less than one thousand (1,000) Enplaning Passengers at that Airport during the then-current Common Use Charge allocation period, such Signatory Airline shall pay the Low Volume Common Use Fees in the next ensuing Common Use Charge allocation period.

8.03.6 Rate Schedules. Schedules N-F-2(A) and N-F-3(A) (National) and D-F-2(A) (Dulles) show the calculation of Common Use Charges and Low Volume Common Use Fees for each Rate Period.

8.04 Ramp Area Charges.

8.04.1 Aircraft Parking Position Charges at National. The Authority reserves the right to charge the Airline Aircraft Parking Position Charges at National during the Period of this Agreement; provided, however:

8.04.1.1 The Authority shall provide written notice no less than ninety (90) days prior to the effective date of such Aircraft Parking Position Charges;

8.04.1.2 The Aircraft Parking Position Charges at National shall be calculated in a manner substantially similar to the Aircraft Parking Position Charges at Dulles, as set forth in Paragraph 8.04.2;

8.04.1.3 The total amount of such charges shall not exceed ten percent (10%) of the Airfield Total Requirement; and

8.04.1.4 Revenues derived from any such charges shall be applied to reduce the Airfield Total Requirement in any Rate Period in which such charges are imposed and collected by the Authority.

8.04.2 Aircraft Parking Position Charges at Dulles. Aircraft Parking Position Charges at Dulles in each Rate Period shall be calculated as follows:

8.04.2.1 The Authority shall determine the Aircraft Parking Position requirement in each Rate Period by estimating the requirement attributable to the Ramp Area as a percentage of the Dulles Airfield Total Requirement. Such Authority-estimated Ramp Area requirement for Dulles shall not exceed ten percent (10%) of the Airfield Total Requirement in any Rate Period.

8.04.2.2 The Aircraft Parking Position requirement for Dulles determined as set forth in Paragraph 8.04.2.1 above shall be divided by the actual linear footage of all preferentially leased and Dulles Permit assigned Aircraft Parking Positions in each Rate Period, to determine the Aircraft Parking Position Charge rate. In the event such actual measurement cannot be accomplished, each Aircraft Parking Position shall be deemed to be one hundred twenty-five (125) linear feet for a narrow-body aircraft, one hundred seventy-five (175) linear feet for a wide-body aircraft and two hundred fifty (250) linear feet for Group VI aircraft.

8.04.2.3 The Airline's Aircraft Parking Position Charges shall be determined by multiplying the total linear footage of the Airline's preferentially leased and Dulles Permit assigned Aircraft Parking Positions by the Aircraft Parking Position Charge rate for the Rate Period. Such charges shall be paid in equal monthly installments in accordance with Section 8.09.

8.04.3 Dulles Jet Apron Fees.

8.04.3.1 The Authority shall charge a daily Dulles Jet Apron Fee for parking aircraft on portions of the Dulles Jet Apron not preferentially leased to the Airline or assigned to the Airline in a Dulles Permit.

8.04.3.2 The Dulles Jet Apron Fee shall be derived by dividing by 365 the annual Aircraft Parking Position Charge for wide-body aircraft calculated in accordance with Paragraph 8.4.2.2 for wide-body aircraft.

8.04.3.3 The Authority shall charge the Airline a separate Dulles Jet Apron Fee for each day or portion of a day that the Airline parks an aircraft on the Dulles Jet Apron. Such charges shall be paid monthly in accordance with Section 8.09.

8.05 Equipment Charges.

8.05.1 Equipment Charges. For each Rate Period the Airline shall pay charges for each type and item of Equipment leased by the Airline from the Authority, if any, as set forth in Exhibits N-D and D-D. Except as set forth in Paragraph 8.05.2, said charges shall be calculated as the sum of the following:

8.05.1.1 The annual capital requirement for each type and item of Equipment shall be equal to the sum of the Capital Charges plus Debt Service Coverage reduced by Transfers allocable to such Equipment; and

8.05.1.2 The O&M requirement in each Rate Period for each type and item of Equipment shall be equal to the O&M Expenses incurred by the Authority and allocable to such Equipment.

8.05.2 The Airline's charges for certain types of Equipment, including baggage claim conveyors and devices, and flight information and baggage information display systems, shall be included in the Airline's Terminal Rentals and Common Use Charges for the Premises and the Common Use Premises in the Terminal Sub-Center in which such Equipment is located.

8.05.3 Equipment Charges Rate Schedules. Schedules N-F-4 (National) and Schedules D-F-7(A) and D-F-7(B) (Dulles) show the calculation of Equipment Charges rates for each Rate Period.

8.06 FIS Charges at Dulles.

8.06.1 FIS Rates. Separate rates shall be calculated for the IAB FIS and the Midfield C FIS. The FIS rate for each FIS facility for each Rate Period shall be calculated by reducing the Total Requirement for that particular FIS facility by utility and other reimbursements and Transfers, and dividing such amount by the estimated total international Deplaning Passengers using that FIS facility in each Rate Period, to determine the FIS rate per international Deplaning Passenger.

8.06.2 FIS Rate Schedules. Schedules D-F-8(A) and D-F-8(B) show the calculations of the FIS rates for the IAB FIS and Midfield C FIS, respectively, for the current Rate Period.

8.06.3 Airline's FIS Charges. The Airline's monthly FIS Charges, if any, shall be determined as the product of each applicable FIS rate for the Rate Period and the Airline's international Deplaning Passengers using the applicable FIS Facility during the month.

8.07 Passenger Conveyance Charges.

8.07.1 The Net Passenger Conveyance requirement in each Rate Period shall be equal to the Total Requirement for Passenger Conveyances, reduced by Transfers allocable to Passenger Conveyances and by mobile lounge fees, if any, received by the Authority from non-Signatory Airlines. Schedule DF-10 (Dulles) shows the calculation of the Net Passenger Conveyance requirement for the current Rate Period.

8.07.2 The Net Passenger Conveyance requirement shall then be divided by the Authority into two components based upon the respective Total Requirement of each component:

(a) Aerotrain component, and

(b) Mobile Lounge/Planemate/Bus component.

8.07.3 The Mobile Lounge/Planemate/Bus component shall be reasonably allocated by the Authority among the Signatory Airlines based on their number of passengers using this transportation component. The allocation of the Mobile Lounge/Planemate/Bus component shall be made by the Authority twice each Fiscal Year, with the first such allocation applicable to the six month period commencing on the first day of each Fiscal Year and ending on the last day of the sixth month of said Fiscal Year, and the second allocation applicable

to the remaining six months of said Fiscal Year; provided, however, the Authority shall further have the right to adjust said allocation for the remaining portion of the then current six month period at any other time the Passenger Conveyance Charges requirement is adjusted during a Fiscal Year pursuant to Section 9.03 and 9.04. Each such allocation shall be based upon activity data for the most recent six months for which such activity data is then available.

8.07.4 The Aerotrain component shall be allocated to the Total Requirement for each Terminal Sub-Center served by the Aerotrain, based upon the respective Rentable Space in each such Terminal Sub-Center.

8.08 Other Fees and Charges.

8.08.1 The Authority expressly reserves the right to assess and collect from the Airline the following:

8.08.1.1 Charges for the use of Dulles Permit Space pursuant to any Dulles Permits issued by the Authority to the Airline.

8.08.1.2 Reasonable and non-discriminatory charges at the Airports for usage of Aircraft Parking Positions, including but not limited to remaining overnight ("RON") parking, not otherwise charged an Aircraft Parking Position Charge or Dulles Jet Apron Fee under Section 8.04. Revenues derived from any such charges shall be applied to reduce the Airfield Total Requirement at the Airport at which the charges are collected in any Rate Period in which such charges are imposed and collected by the Authority.

8.08.1.3 Reasonable and non-discriminatory concession, permit or license fees for services or supplies provided by the Airline to others, and by others to the Airline. Notwithstanding the foregoing, except with respect to the provisions of inflight catering services or the provision of other food, beverage, products, or services for the Airline's passengers, the Authority shall not charge the following:

8.08.1.3.1 Any such fees to a Signatory Airline providing supplies or services, including aircraft and Equipment maintenance, to another Signatory Airline, so long as the Signatory Airline providing such services or supplies is concurrently providing such supplies or services for itself and such provision of supplies or services is incidental to its Air

Transportation Business and is not conducted as a separate business; or

8.08.1.3.2 Any such fees in excess of the Authority's actual costs of any services or facilities provided by the Authority to such servicer/supplier for services or supplies that the Airline could otherwise perform or provide for itself pursuant to Section 4.01.

8.08.1.4 Pro rata shares of any charges for the provision of any services or facilities which the Authority is required to provide by any governmental entity having jurisdiction over the Airport or the operations of the Airline.

8.08.2 The Authority reserves the right to charge the Airline or its employees a reasonable fee for the employee parking areas provided at the Airports. Such fee shall be based upon the Authority's costs to construct, operate and maintain such facility(s).

8.08.3 The Airline shall pay charges for other services or facilities that are provided by the Authority to the Airline at the Airline's request or which are the responsibility of the Airline hereunder. Such services or facilities may include, but are not limited to, maintenance of Airline Premises, when such maintenance is requested by the Airline or is the responsibility of the Airline pursuant to this Agreement, directly metered utility costs and other O&M Expenses, if any, related to Equipment.

8.08.4 The Airline shall pay the required fees for all permits and licenses necessary for the conduct of its Air Transportation Business at the Airport. The Airline shall also pay all taxes and assessments which during the Period of this Agreement may become a lien or which may be levied by any governmental authority upon any taxable interest acquired by the Airline in this Agreement, or any taxable possessory right which the Airline may have in or to the Premises or facilities leased hereunder, or the improvements thereon, by reason of its occupancy thereof, or otherwise, as well as taxes on taxable property, real or personal, owned by the Airline in or about said Premises. Upon any termination of tenancy by expiration, cancellation or otherwise, all taxes then levied or a lien on any of said property, or taxable interest therein, shall be paid in full by the Airline as soon as a statement thereof has been issued by the taxing jurisdiction. However, the Airline shall not be deemed to be in default under this Agreement for failure to pay taxes pending the outcome of any proceedings instituted

by the Airline to contest the validity or the amount of such taxes.

8.08.5 Nothing herein shall be construed to prohibit the Authority from imposing and collecting any fines or penalties imposed for violations of any regulation now or hereafter lawfully adopted, as such regulation may be amended, including a regulation for noise abatement purposes.

8.08.6 The Authority reserves the right to charge ground rentals and fees for the lease or use of land at the Airports other than for facilities that are the subject of this Agreement.

8.09 Payments.

8.09.1 Rentals for the Airline's Exclusive, Preferential, and Joint Use Premises, Common Use Charges, Passenger Conveyance Charges, Equipment Charges, and Aircraft Parking Position Charges, as applicable, shall be due and payable in advance, without demand or invoice, except as provided in Article 9 with respect to adjustments in rates, on the first calendar day of each month. Said rentals and charges shall be deemed delinquent if payment is not received by the tenth calendar day of the month.

8.09.2 Landing Fees and Low Volume Common Use Fees, Dulles Jet Apron Fees, and FIS Charges, if any, for each month shall be due and payable on the tenth business day of the next month without demand or invoice and shall be deemed delinquent if not received by the twentieth business day of that month.

8.09.3 Payment for all other fees and charges payable hereunder, including but not limited to metered utility charges, and other miscellaneous charges, shall be due within twenty (20) days of the date of the Authority's invoice. Said payment for fees and charges shall be deemed delinquent if payment is not received within thirty (30) days of the date of such invoice.

8.09.4 If the Airline fails to make any payment of rentals, fees, or charges due under this Agreement on or before the due date such payment shall bear monthly interest from the date payment was due, at the rate per annum which is four percent (4%) higher than the "prime rate" as published in The Wall Street Journal on the date such payment was due; provided, however, that nothing contained herein shall be construed as permitting the Authority to charge or receive interest in excess of the maximum legal rate allowed by law. Further, this

provision shall not be construed as precluding the Authority from pursuing any other remedies it may have for the Airline's default in the payment of its rentals, fees, or charges, from executing against or requiring the Airline to furnish Contract Security pursuant to Section 8.11, or from exercising any other rights contained herein or provided by law.

8.09.5 In the event the Airline fails to submit its monthly activity reports as required in Section 8.10, the Authority may, in its discretion, estimate the fees and charges due and payable by Airline as set forth in Paragraph 8.09.2, based upon one hundred twenty-five percent (125%) of the monthly activity reported by the Airline for the next preceding month and issue an invoice to the Airline for said estimated amount, less amounts, if any, already received from the Airline for rentals, fees, and charges due for such month for which complete activity data has not been received by the Authority. The Airline agrees to pay said estimated amount and to be liable for any deficiencies in payments based on this estimate, plus interest, as set forth in Paragraph 8.09.4 above. If such estimate results in an overpayment by the Airline, and (i) if the Airline submits the delinquent activity report to the Authority within 30 days of the original date due, then the Authority shall credit the Airline's subsequent month's amount due for such overpayment less adjustment for applicable interest charges, if any, as set forth in Paragraph 8.09.4; or (ii) if the Airline does not submit the delinquent activity report to the Authority within thirty (30) days of the original date due, the Authority shall have the right to retain any such overpayment. If such estimate results in an underpayment by the Airline, the Airline shall include with its delinquent activity report any additional amounts due to the Authority, plus applicable interest charges.

8.09.6 In the event the Airline's rights, licenses, or privileges granted hereunder shall commence or terminate on any date other than the first or last day, respectively, of the month, the Airline's rentals, fees, and charges shall be prorated on the basis of the number of days such Premises, facilities, rights, licenses, services, or privileges were enjoyed during that month and on the Authority's estimate of the Airline's activity for such number of days.

8.09.7 The Airline will assure that all payments due hereunder are made separately for each Airport. All payments shall be accompanied by written certificates substantially in the form of Exhibits N-J and D-J setting forth the Airport, Premises, the activity and the period for which payment is being

made, including written certificates setting forth such activity of Affiliates for which the Airline is making payments as provided in Paragraph 5.01.2. All payments due and payable hereunder shall be paid in lawful money of the United States of America, without set off except as expressly permitted by this Agreement, by wire transfer to a bank and account to be specified by the Authority or by check made payable to the Metropolitan Washington Airports Authority and, unless another address is specified by the Authority, delivered to:

Metropolitan Washington Airports Authority
P.O. Box 402816
Atlanta, GA 30384-2816

Unless otherwise specified in writing by the Authority, the written certificates required by this Paragraph 8.09.7 shall be sent by email to certifiedstmts@mwaa.com.

8.10 Information to be Supplied by the Airline.

8.10.1 Not later than ten (10) business days after the end of each month, the Airline shall file with the Authority written reports on forms provided by the Authority for activity conducted during said month by the Airline, as well as for activity by Affiliates for which the Airline is making payments as provided in Paragraph 5.01.2, and for activity handled or otherwise accommodated by the Airline during said month for Air Transportation Companies not having an agreement with the Authority providing for its own submission of activity data to the Authority. Unless otherwise specified in writing by the Authority, the reports shall be sent by email to certifiedstmts@mwaa.com.

8.10.2 The Authority shall have the right to rely on said activity reports in determining rentals, fees, and charges due hereunder; provided, however, the Airline shall have full responsibility for the accuracy of said reports. Payment deficiencies due to incomplete or inaccurate activity reports shall be subject to interest charges as set forth in Paragraph 8.09.4. Notwithstanding the foregoing, upon receipt of complete accurate reports, overpayments, if any, shall be credited by the Authority against the Airline's subsequent month's amount due.

8.10.3 The Airline agrees, at all times, to maintain and keep books, ledgers, accounts or other records, accurately reflecting all of the entries for the activity statistics to be reported pursuant to Paragraph 8.10.1. Such records shall be retained by the Airline for a period of three (3) years

subsequent to the activities reported therein. The Airline agrees to produce such books and records for the Authority at the Authority's place of business within fifteen (15) calendar days of the Authority's notice to do so, or at a location of the Airline's choosing, in which case the Airline shall pay all reasonable expenses, including, but not limited to, transportation, food, and lodging, necessary for an auditor selected by the Authority to audit said books and records.

8.10.4 The cost of the audit, with the exception of the aforementioned expenses, shall be borne by the Authority; provided, however, the total cost of said audit shall be borne by the Airline if either or both of the following conditions exist:

(i) The audit reveals an underpayment of the lesser of one hundred thousand dollars (\$100,000) or five percent (5%) of rentals, fees, and charges due hereunder, as determined by said audit; and/or

(ii) the Airline has failed to maintain accurate and complete books, accounts, and other records in accordance with Paragraph 8.10.3.

8.11 Security for Payment.

8.11.1 If at any time during the twelve (12) consecutive months immediately preceding the Effective Date of this Agreement, the Airline committed an act or omission that constituted a default in payments due to the Authority pursuant to the terms and provisions of the Prior Agreements and Leases, then the Authority has the right to require the Airline to provide to the Authority, on the Effective Date, payment of outstanding default amounts, if any, and a surety bond, irrevocable letter of credit or other security acceptable to the Authority ("Contract Security") in an amount equal to an estimate of four (4) months' rentals, fees, and charges payable by the Airline pursuant to this Article 8. Such Contract Security shall be for the purpose of guaranteeing the payment of all rentals, fees, and charges due hereunder. If Contract Security is required by the Authority, the Airline shall maintain such Contract Security in effect until the expiration of twelve (12) consecutive months during which period the Airline commits no act or omission that would constitute a payment default pursuant to Paragraph 13.01.9 of this Agreement. Such Contract Security shall be in such form and with such company approved to do business in the Commonwealth of Virginia as shall be reasonably acceptable to the Authority.

8.11.2 Upon the failure of the Airline to make a payment on or before the date due, as prescribed in Section 8.09, and the continued failure by the Airline to make payments within five (5) calendar days after the date of written notice from the Authority of such failure to pay, the Authority, within thirty (30) days of the date of the written notice, shall have the right to impose or reimpose the requirements of Paragraph 8.11.1, above, on the Airline. In such event, the Airline shall provide the Authority with the required Contract Security within fourteen (14) days from its receipt of such written notice that the Authority is imposing or reimposing such Contract Security requirement and maintain said security in effect until the expiration of a period of twelve (12) consecutive months during which the Airline makes all payments to the Authority as required by Section 8.09 herein when due. The Authority shall have the right to reimpose the requirements of Paragraph 8.11.1, above, on the Airline each time the Airline fails to make a payment as required by Section 8.09 during the Period of this Agreement.

8.11.3 The Authority's rights under this Section 8.11 shall be in addition to all other rights and remedies available to the Authority either by law or under the terms of this Agreement.

8.12 Rentals, Fees, and Charges During Construction of the Capital Construction Program.

8.12.1 The rentals, fees, and charges payable by the Airline to the Authority, and the rates for such rentals, fees, and charges, may be recalculated and increased or decreased as appropriate, effective as of each Substantial Completion Date of any Project included in the Capital Construction Program to the extent that the costs allocable to such Project, or a portion thereof, are allocable to the Airline Supported Areas; provided, however, the Authority may include in any rate adjustment made pursuant to Section 9.02 and 9.03 the Capital Charges, Debt Service Coverage, O&M Expenses, and all other payments and reserves for any such Project anticipated by the Authority to become payable from Revenues during the next ensuing Rate Period.

8.12.2 Upon the Substantial Completion Date of any Premises and until the actual square footage of such Premises has been incorporated into revised Exhibits N-B-2 and D-B-2, all determinations that are based on the dimensions of the Premises, including rentals, fees, and charges, shall be based on the dimensions stated in the then current Exhibits N-B-2 and D-B-2.

After the incorporation of the actual square footage, the rentals, fees, and charges that are determined by the dimensions of the Premises shall be calculated using the actual square footage, and amounts previously paid or owed by the Airline shall be adjusted retroactively to the Substantial Completion Date. After the retroactive adjustment, the Airline shall pay to the Authority, together with the payment for the next monthly period, any additional rentals, fees, and charges that are due to the Authority or the Authority shall credit the Airline with any rentals, fees, and charges that were overpaid by the Airline so that the total payment made by the Airline for the period beginning with the Substantial Completion Date and ending with the date of the adjustment shall be the amount the Airline would have paid if the rentals, fees, and charges had been calculated on the actual square footage from the Substantial Completion Date.

8.12.3 In the event that Debt Service and Debt Service Coverage applicable to any Project in a Cost Center or Sub-Center within any Airline Supported Area shall become payable from Revenues prior to the Substantial Completion Date of said Project, the Total Requirement for such Cost Center or Sub-Center shall include such Debt Service and Debt Service Coverage from such earlier date.

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

8.13.1 The Airline shall hold in trust for the Authority the net principal amount of all PFCs that are collected by the Airline or its agents on behalf of the Authority pursuant to 49 U.S.C. § 40117 and the PFC Regulations. For purposes of this Section 8.13.1, net principal amount shall mean the total principal amount of all PFCs that are collected by the Airline or its agents on behalf of the Authority, reduced by any amount that the Airline is permitted to retain pursuant to § 158.53(a) of the PFC Regulations. PFCs collected by the Airline shall be remitted to the Authority at the address in Paragraph 8.09.7 or at such other place as the Authority may from time to time designate in writing.

8.14 No Other Fees and Charges. Except as provided for in this Agreement or any other contract between the Airline and the Authority, no charges, fees, or tolls of any nature, direct or indirect, shall be imposed by the Authority upon the Airline,

its employees, agents, passengers, guests, patrons, and invitees, its suppliers of materials, or its furnishers of services; provided, however, and except as otherwise provided herein, the foregoing shall not be construed to prohibit the Authority from imposing and collecting charges and fees for the use of the public automobile parking garages, lots and areas on the Airport, from operators of ground transportation to, from, and on the Airports, and from any concessionaire at the Airport in accordance with the terms of a contract with the Authority for the operation of such concession.

ARTICLE 9. CHANGES IN RATES FOR RENTALS, FEES, AND CHARGES

9.01 General.

9.01.1 Rates for Signatory Airlines' rentals, fees, and charges shall be adjusted as set forth in this Article 9. Said adjusted rates shall become effective (i) on the first day of each Fiscal Year pursuant to Section 9.02 ("Annual Adjustment"); (ii) on the first day of the seventh month of each Fiscal Year, if adjusted pursuant to Section 9.03 ("Midyear Adjustment"); or (iii) at any other time pursuant to Section 9.04.

9.01.2 Beginning on the effective date of a Rate Period following each such adjustment as provided for herein and for the duration of that Rate Period, unless said rates are subsequently adjusted during a Fiscal Year pursuant to Sections 9.03 or 9.04, the Airline's rentals, fees, and charges payable to the Authority hereunder shall be based upon the rates as adjusted.

9.01.3 All adjustments made pursuant to this Article 9 shall be determined by the Authority and provided to the Airline substantially in conformance with the methods set forth in Article 8. Upon each adjustment, revised Schedules N-F-1 through N-F-6 and D-F-1 through D-F-11, showing the calculation of adjusted rates for rentals, fees, and charges for that Rate Period, shall be prepared by the Authority and transmitted to the Airline, and said rates shall apply without the necessity of formal amendment of this Agreement.

9.01.4 If the calculation of adjusted rates for the next ensuing Rate Period is not completed by the Authority or the notice to the Airline of said adjusted rates as required herein is not given on or before twenty (20) calendar days prior to the end of the then current Rate Period, the rates for rentals, fees, and charges then in effect shall continue to be paid by the Airline until such calculations are concluded and such twenty (20) day notice is given. Upon the conclusion of such calculations and the giving of such twenty (20) day notice, the Authority shall determine the difference(s), if any, between the actual rentals, fees, and charges paid by the Airline to date for the then current Rate Period and the rentals, fees, and charges that would have been paid by the Airline if said adjusted rates had been in effect beginning on the first day of the then current Rate Period. Said differences shall be applied to the particular rentals, fees or charges for which a difference(s) in rates resulted in an overpayment or

underpayment, and shall be remitted by the Airline or credited by the Authority in the month immediately following the calculation of the new Rate Period rates and the giving of notice to Signatory Airlines.

9.02 Annual Adjustment.

9.02.1 Approximately sixty (60) days prior to the end of each Fiscal Year, the Authority shall notify Signatory Airlines of the estimated rates for rentals, fees, and charges for the next ensuing Fiscal Year. Said rates shall be based upon estimated activity at each Airport, budgeted O&M Expenses, the estimated Transfers amounts required by this Agreement, Capital Charges, Debt Service Coverage, Lease payments, and all other payments and reserves as set forth in Exhibits N-F and D-F and accompanying schedules, for the next ensuing Fiscal Year.

9.02.2 Within twenty (20) days after the forwarding of said estimated rates for rentals, fees, and charges, the Authority shall meet collectively with the Signatory Airlines of each Airport at a mutually convenient time for the purpose of discussing such estimated rates for rentals, fees, and charges. The Authority shall make available to the Signatory Airlines any reasonably requested additional information relating to the determination of the proposed rates. The Authority agrees to fully consider the comments and recommendations of the Signatory Airlines prior to finalizing its schedule of estimated rates for rentals, fees, and charges for the next ensuing Fiscal Year.

9.02.3 Following said meeting, the Authority shall provide at least twenty (20) days advance written notice to the Signatory Airlines of the estimated rates for rentals, fees, and charges in accordance with this Section 9.02; subject to the provisions of Paragraph 9.01.4, such adjusted rates shall become effective on the first day of the next ensuing Fiscal Year.

9.03 Midyear Adjustment.

9.03.1 In addition to the provisions of Sections 9.02 and 9.04, the Authority shall have the right to adjust the estimated rates for rentals, fees, and charges payable by the Signatory Airlines at the midpoint of each Fiscal Year in accordance with this Section 9.03.

9.03.2 Approximately sixty (60) days prior to the end of the sixth month of the then current Fiscal Year, the Authority shall re-estimate the rates for rentals, fees, and charges payable hereunder, applicable to the last six months of

the then current Fiscal Year, and shall then determine in accordance with Paragraph 9.03.5 whether a midyear adjustment to any rate(s) will be made. Said re-estimated rates shall be based upon any revised estimates of activity, O&M Expenses, Capital Charges, Debt Service Coverage, and other payments and reserves, as set forth in Exhibits N-F and D-F, for the then current Fiscal Year, and upon any adjustment to Transfers required by this Agreement based upon the actual audited results for the preceding Fiscal Year.

9.03.3 In the event midyear adjustments to rates are made by the Authority, the Authority shall notify Signatory Airlines of the re-estimated rates approximately forty-five (45) days prior to the end of the sixth month of the then current Fiscal Year. Within twenty (20) days after the forwarding of said rates, the Authority shall, if requested by the Airline or another Signatory Airline, meet collectively with the Signatory Airlines at each Airport at a mutually convenient time for the purpose of discussing said re-estimated rates. The Authority shall make available to the Signatory Airlines any reasonably requested additional information relating to said rates. The Authority agrees to fully consider the comments and recommendations of the Signatory Airlines prior to finalizing the midyear adjusted rates.

9.03.4 Following said meeting, the Authority shall provide at least twenty (20) days advance written notification to the Signatory Airlines of the adjusted rates to become effective on the first day of the seventh month of the then current Fiscal Year, subject to the provisions of Paragraph 9.01.4.

9.03.5 Nothing in this Section 9.03 shall be construed to require that the Authority make a midyear adjustment to estimated rates at either Airport; provided, the Authority shall not make any such midyear adjustment to any rate at an Airport if the total of rentals, fees, or charges payable by the Signatory Airlines at that Airport, using the then current rates for rentals, fees, and charges at that Airport, is at least ninety-eight percent (98%) of the total of rentals, fees, or charges that would be payable by the Signatory Airlines using any re-estimated rate(s) calculated pursuant to this Section 9.03.

9.03.6 In the event that the Authority does not make a midyear adjustment to rates, any difference between the estimated Transfers amount included in the calculation of the then current rates, and the amount of Transfers actually due to

the Signatory Airlines based upon the audited results for the preceding Fiscal Year, may at the option of the Authority (i) be included in any subsequent adjustment of rates during the then current Fiscal Year, as provided for in Section 9.04; or (ii) be incorporated into the settlement calculations for the then current Fiscal Year as provided for in Section 9.07.

9.04 Other Rate Adjustments.

9.04.1 Notwithstanding the provisions of Sections 9.02 and 9.03, any rate for rentals, fees, or charges payable by the Signatory Airlines at an Airport may be adjusted by the Authority at any other time in the event of one or more of the following:

(i) Current year-to-date unaudited financial data and/or activity statistics indicate that total rentals, fees, and charges payable at an Airport pursuant to the then current rates are projected by the Authority to vary by more than five percent (5%) from the total rentals, fees, and charges that would be paid during the Rate Period at that Airport if rates were based upon more current financial and activity data then available.

(ii) The Indenture requires the adjustment; provided, however, that total rentals, fees, and charges payable to the Authority by Signatory Airlines shall be calculated in accordance with this Agreement.

(iii) Additional Projects are constructed in Airline Supported Areas, and Debt Service and/or Amortization Requirements for such Additional Projects become payable from Revenues on a date other than the first day of any Fiscal Year; provided, however, the Authority may include in any rate adjustments made pursuant to Section 9.02 and 9.03 the Capital Charges, O&M Expenses, and all other payments, Debt Service Coverage, and reserves required by this Agreement for any such Additional Project, the costs of which are anticipated by the Authority to become payable from Revenues (as opposed to capitalized interest) during the next ensuing Rate Period.

(iv) At any other time as provided for in this Agreement, including, but not limited to, adjustments made in accordance with Section 8.12 for Projects included in the Capital Construction Program.

9.04.2 The Authority shall provide at least twenty (20) days advance written notice to the Signatory Airlines of

changes to estimated rates made in accordance with this Section 9.04, including the reasons necessitating any such adjustment, and such adjusted rates shall become effective on the date specified in the Authority's written notice to the Airline, subject to the provisions of Paragraph 9.01.4.

9.05 Transfers.

9.05.1 At the conclusion of Fiscal Year 2014 and each Fiscal Year during the Period of this Agreement applicable to each Airport, the amount of any "Net Remaining Revenue" at each Airport, as such term is defined in Paragraph 9.05.2, shall be determined. For Fiscal Year 2014 and each Fiscal Year during the Period of this Agreement applicable to each Airport, such Net Remaining Revenue shall be allocated between the Authority and the Signatory Airlines at each Airport in accordance with provisions of Paragraph 9.05.4 (at National) and Paragraph 9.05.5 (at Dulles); provided, that the Net Remaining Revenue generated at each Airport in the last Fiscal Year during the Period applicable to that Airport shall be allocated in accordance with the provisions of Paragraph 9.05.7. The Signatory Airlines' share of Net Remaining Revenue (or "Transfers") for each Fiscal Year shall be transferred by the Authority from the General Purpose Fund to the Airline Transfer Account at the beginning of the next ensuing Fiscal Year. Amounts in the Airline Transfer Account shall be applied as credits in the calculation of Signatory Airline rates for rentals, fees, and charges at each Airport in such next ensuing Fiscal Year. The Authority's share of Net Remaining Revenue at each Airport shall be transferred by the Authority from the General Purpose Fund to the Authority Capital Fund at the beginning of such next ensuing Fiscal Year, and used for the purposes and subject to the limits described in Section 9.06.

9.05.2 For any Fiscal Year, Net Remaining Revenue at each Airport is hereby defined to mean the total of Revenues for such Fiscal Year plus Transfers, if any, from the prior Fiscal Year, less (i) O&M Expenses; (ii) required deposits to maintain the O&M Reserve; (iii) Debt Service; (iv) Federal Lease payment; (v) required deposits to any Debt Service Reserve Fund; and (vi) required deposits to the Emergency R&R Fund; all as calculated in accordance with Schedules N-F-5 and D-F-10 for the then current Fiscal Year.

9.05.3 When estimating the rates for rentals, fees, and charges at each Airport for the next ensuing Fiscal Year (including Fiscal Year 2015), as set forth in Section 9.02, the Authority shall also estimate the Transfers required by this

Agreement to be transferred from Net Remaining Revenue generated in the then current Fiscal Year. Said estimated required Transfers shall be allocated to the Cost Centers and Sub-Centers in the manner described in Paragraph 9.05.4 (at National) and in Paragraph 9.05.5 (at Dulles) and included as a credit in the calculation of rates for Signatory Airlines' rentals, fees, and charges at each Airport for the next ensuing Fiscal Year.

9.05.4 Net Remaining Revenue at National for Fiscal Year 2014 and for each Fiscal Year during the Period of this Agreement applicable to National shall be allocated between the Signatory Airlines and the Authority, and the Signatory Airlines' share shall be allocated to Airline Supported Areas at National as follows:

9.05.4.1 An amount equal to the entire amount of Airline Funded Coverage on Subordinated Bonds (or if any such Bonds have been refunded from the proceeds of Senior Bonds, then the entire amount of Airline Funded Coverage on such Senior Bonds) collected from the Signatory Airlines for such Fiscal Year shall be allocated to the Airline Supported Areas in direct proportion to the allocation of Debt Service on Subordinated Bonds (or Senior Bonds, if any, issued to refund Subordinated Bonds) to the Cost Centers and Sub-Centers within the Airline Support Areas;

9.05.4.2 An amount equal to the entire amount of any Extraordinary Coverage Protection Payments, as described in Paragraph 8.01.3, for such Fiscal Year shall be allocated to Airline Supported Areas in direct proportion to the Total Requirements of each of the Cost Centers and Sub-Centers within the Airline Supported Areas.

9.05.4.3 An amount equal to the entire amount of Equipment Coverage collected from the Signatory Airlines for such Fiscal Year shall be allocated to the Equipment Sub-Centers in direct proportion to the allocation of Debt Service to such Sub-Centers.

9.05.4.4 An amount equal to the excess of Net Remaining Revenue for such Fiscal Year over the sum of the amounts described in Paragraphs 9.05.4.1 through 9.05.4.3 above shall, subject to the provisions of Paragraph 9.05.8, be divided between the Signatory Airlines and the Authority as follows:

9.05.4.4.1 For Fiscal Years 2014, 2015 and 2016, the Signatory Airlines' share shall equal zero percent

(0%) and the Authority's share shall equal one hundred percent (100%);

9.05.4.4.2 For Fiscal Years 2017 and 2018, the Signatory Airlines' share shall equal forty-five percent (45%) and the Authority's share shall equal fifty-five percent (55%); and

9.05.4.4.3 For Fiscal Years 2019 through 2023, the Signatory Airlines' share shall equal fifty-five percent (55%) and the Authority's share shall equal forty-five percent (45%).

9.05.4.5 The Signatory Airlines' share of Net Remaining Revenue at National determined pursuant to Paragraph 9.05.4.4 above (if any) shall in each subsequent Fiscal Year be allocated to the Airline Supported Areas as follows:

9.05.4.5.1 An amount equal to fifty percent (50%) of the amount of Airline Funded Coverage on Debt Service on Senior Bonds collected from the Signatory Airlines for such Fiscal Year shall be allocated to the Airline Supported Areas in proportion to the allocation of Debt Service on Senior Bonds to the Cost Centers and Sub-Centers within the Airline Supported Areas;

9.05.4.5.2 The remainder shall be allocated to the Airline Supported Areas in proportion to the Total Requirements (for purposes of this allocation only, Total Requirements shall include one hundred twenty-five percent (125%) of any Special Facility Bond debt service attributable to facilities in the Airline Supported Areas which are reasonably entitled pursuant to Paragraph 10.01.4.2 and the terms of any Special Facility agreement to the benefit of Transfers) of each of the Cost Centers and Sub-Centers within the Airline Supported Areas.

9.05.5 Net Remaining Revenue at Dulles for Fiscal Year 2014 and for each Fiscal Year during the Period of this Agreement applicable to Dulles shall be allocated between the Signatory Airlines and the Authority, and the Signatory Airlines' share shall be allocated to Airline Supported Areas at Dulles as follows:

9.05.5.1 An amount equal to the entire amount of Airline Funded Coverage on Subordinated Bonds (or if any such Bonds have been refunded from the proceeds of Senior Bonds, then the entire amount of Airline Funded Coverage on such Senior

Bonds) collected from the Signatory Airlines for such Fiscal Year shall be allocated to the Airline Supported Areas in direct proportion to the allocation of Debt Service on Subordinated Bonds (or Senior Bonds, if any, issued to refund Subordinated Bonds) to the Cost Centers and Sub-Centers within the Airline Support Areas;

9.05.5.2 An amount equal to the entire amount of any Extraordinary Coverage Protection Payments, as described in Paragraph 8.01.3, for such Fiscal Year shall be allocated to Airline Supported Areas in direct proportion to the Total Requirements of each of the Cost Centers and Sub-Centers within the Airline Supported Areas.

9.05.5.3 An amount equal to the entire amount of Equipment Coverage collected from the Signatory Airline for such Fiscal Year shall be allocated to the Equipment Sub-Centers in direct proportion to the allocation of Debt Service to such Sub-Centers.

9.05.5.4 An amount equal to the excess of Net Remaining Revenue for such Fiscal Year over the sum of the amounts described in Paragraphs 9.05.5.1 through 9.05.5.3 above shall be divided between the Signatory Airlines and the Authority as follows:

9.05.5.4.1 Such excess Net Remaining Revenue amount shall be divided equally between the Signatory Airlines and the Authority until the Authority's share of such amount is equal to the Plateau Amount for Dulles for that Fiscal Year;

9.05.5.4.2 Once the Authority's share of such excess Net Remaining Revenue has reached the Plateau Amount for Dulles for such Fiscal Year, the Signatory Airlines' share of any additional Net Remaining Revenue greater than two times the Plateau Amount for Dulles shall equal seventy-five percent (75%) and the Authority's share shall equal twenty-five percent (25%).

9.05.5.5 The Signatory Airlines' share of Net Remaining Revenue at Dulles determined pursuant to Paragraph 9.05.5.4 above (if any) shall in each subsequent Fiscal Year be allocated to the Airline Supported Areas as follows:

9.05.5.5.1 An amount equal to fifty percent (50%) of the amount of Airline Funded Coverage on Debt Service on Senior Bonds collected from the Signatory Airlines for such

Fiscal Year shall be allocated to the Airline Supported Areas in proportion to the allocation of Debt Service on Senior Bonds to the Cost Centers and Sub-Centers within the Airline Supported Areas;

9.05.5.5.2 The remainder shall be allocated to the Airline Supported Areas in proportion to the Total Requirements (for purposes of this allocation only, Total Requirements shall include one hundred twenty-five percent (125%) of any Special Facility Bond debt service attributable to facilities in the Airline Supported Areas which are reasonably entitled pursuant to Paragraph 10.01.4.2 and the terms of any Special Facility agreement to the benefit of Transfers) of each of the Cost Centers and Sub-Centers within the Airline Supported Areas.

9.05.6 The Authority shall credit Transfers only from funds available for such purposes in the General Purpose Fund. If for any reason the amount in the General Purpose Fund available for Transfers to the Signatory Airlines pursuant to this Agreement is less than the amount required to be credited to the Signatory Airlines pursuant to Paragraph 9.05.4 or Paragraph 9.05.5, the Authority shall make appropriate increases in Transfers from available funds in subsequent Fiscal Years.

9.05.7 Net Remaining Revenue generated at each Airport in the last Fiscal Year during the Period of this Agreement applicable to the Airport shall be allocated either (i) in accordance with the terms of any subsequent airport use agreement entered into between the Authority and some or all of the Signatory Airlines, or (ii) in the absence of such agreement, between the Authority, on the one hand, and the airlines then operating at the Airport, on the other hand, substantially in accordance with the methodology set forth in this Agreement for the immediately preceding Fiscal Year except with respect to any distinctions made herein between the Signatory Airlines and non-Signatory Airlines.

9.05.8 Legislation Authorizing Additional Beyond-Perimeter Flights. In the event legislation is enacted on one or more occasions during the Period of this Agreement applicable to National which increases the number of flights at National permitted, as of the Effective Date, to fly beyond the 1,250 mile perimeter established by the Perimeter Rule, the Authority's allocation of Net Remaining Revenue at National shall be increased in accordance with the following provisions.

9.05.8.1 Except as provided in Paragraph 9.05.8.3, for each new pair of beyond-perimeter flights

authorized by any such legislation, the Authority shall be allocated one million, five hundred thousand dollars (\$1,500,000) from the Net Remaining Revenue at National referenced in Paragraph 9.05.4.4 before any of the allocations called for by Paragraphs 9.05.4.4.1 through 9.05.4.4.3. This allocation to the Authority shall first occur in the Fiscal Year in which the final flight pair authorized by the legislation begins operations, and, except as provided in Paragraph 9.05.8.3, the allocation shall continue in each subsequent Fiscal Year for the remainder of the Period of this Agreement applicable to National.

9.05.8.2 The Authority's use of the Net Remaining Revenue from National allocated to the Authority under Paragraph 9.05.8.1 shall not be subject to the limitations in Paragraph 9.06.2 on the Authority's use at Dulles of Net Remaining Revenue from National, and the Authority may, in its discretion, use the Net Remaining Revenue allocated to the Authority under Paragraph 9.05.8.1 for any purpose at Dulles; provided, however, that in any Fiscal Year in which the cost per enplanement at National, as calculated and determined by the Authority, exceeds \$19.00, the Authority shall first use any such Net Remaining Revenue to reduce the cost per enplanement at National to \$19.00 and only after achieving such reduction may the Authority use the Net Remaining Revenue allocated to the Authority under Paragraph 9.05.8.1 at Dulles.

9.05.8.3 The allocation to the Authority of Net Remaining Revenue under Paragraph 9.05.8.1 shall not occur in any Fiscal Year in which the cost per enplanement at Dulles, as calculated and determined by the Authority, is less than \$22.00.

9.06 Creation of Funds and Accounts.

9.06.1 Authority Capital Fund. The Authority shall create a fund to be entitled the Authority Capital Fund into which the Authority shall transfer its share of all Net Remaining Revenue from each Airport calculated in accordance with Section 9.05. Amounts in the Authority Capital Fund may, without regard to their source, be used by the Authority for any one or more of the following purposes at either National or Dulles, subject to the limitations set forth in Paragraph 9.06.2:

(i) To pay the costs of any Projects in the Capital Construction Program, including any cost overruns;

(ii) To redeem, defease, or retire any Outstanding Bonds;

(iii) To pay the costs of any Additional Projects, including any projects in the Authority's repair and rehabilitation programs;

(iv) To pay any capital costs in excess of ten million dollars (\$10,000,000) for a Rail System plus any expenses associated with the Authority's establishment and administration of an agreement with a third-party operator of the Rail System with respect to the use and operation of the Rail System within Dulles; and

(v) To pay Debt Service on any Bonds issued to fund the costs of any of the foregoing.

9.06.2 Limitations on Use of Authority Capital Fund at Dulles. Except as provided in Paragraph 9.05.8.2, the Authority's use at Dulles of the Authority's share of Net Remaining Revenue from National for the purposes set forth in Paragraph 9.06.1 is subject to the following caps:

9.06.2.1 In each of Fiscal Years 2015, 2016 and 2017, the Authority may not use more than forty million dollars (\$40,000,000) of its share of Net Remaining Revenue generated at National in the preceding Fiscal Year for any purpose at Dulles;

9.06.2.2 In Fiscal Year 2018, the Authority may not use more than thirty-five million dollars (\$35,000,000) of its share of Net Remaining Revenue generated at National in Fiscal Year 2017 for any purpose at Dulles;

9.06.2.3 In Fiscal Year 2019, the Authority may not use more than thirty million dollars (\$30,000,000) of its share of Net Remaining Revenue generated at National in Fiscal Year 2018 for any purpose at Dulles;

9.06.2.4 In each of Fiscal Years 2020 through 2024, the Authority may not use more than twenty-five million dollars (\$25,000,000) of its share of Net Remaining Revenue generated at National in the prior Fiscal Year for any purpose at Dulles.

Nothing in this Paragraph 9.06.2 limits the Authority's ability to use its share of Net Remaining Revenue generated at Dulles.

9.06.3 Airline Transfer Account. The Authority shall create an account to be held in the Revenue Fund into which the Authority shall deposit Transfers at each Airport calculated in accordance with Section 9.05.

9.07 Settlement.

9.07.1 Rentals, fees, and charges paid by the Airline during any Fiscal Year shall be subject to adjustment provided for in this Section 9.07. Within one hundred twenty (120) days following the close of each Fiscal Year or as soon as the audited financial data for said Fiscal Year is available, rates for rentals, fees, and charges for the preceding Fiscal Year shall be recalculated using audited financial data and the methods set forth in Article 8 and Exhibits N-F and D-F. Upon the determination of any differences between the rentals, fees, and charges paid by the Signatory Airlines during the preceding Fiscal Year and the rentals, fees, and charges that would have been paid by the Signatory Airlines using said recalculated rates, the Authority shall credit the Airline with the amount of any overpayment and/or invoice the Airline for the amount of any underpayment.

9.07.2 Notwithstanding the results of the settlement calculations made pursuant to Paragraph 9.07.1, the Authority shall also determine whether total Revenues at each Airport, and Transfers allocable hereunder to the Airline Supported Areas, in the preceding Fiscal Year then being audited were at least equal to the (i) O&M Expenses; (ii) amounts required to maintain the O&M Reserve; (iii) Debt Service; (iv) other Capital Charges; (v) Federal Lease payment; (vi) required deposits, if any, to the Debt Service Reserve Fund; and (vii) required deposits, if any, to the Emergency R&R Fund allocable to the Airline Supported Areas at that Airport in said Fiscal Year. Should any deficiency exist for any reasons whatsoever, including but not limited to payment defaults and/or unleased premises, then the Airline, collectively with all other Signatory Airlines and Signatory Cargo Carriers, if any, shall pay its pro rata share of such deficiency, with such payments to be included as Revenues in the Fiscal Year then being audited. The Airline's pro rata share shall be calculated (i) on the basis of its share of total Signatory Airline and Signatory Cargo Carrier landed weight at the Airport at which the deficiency occurred, if attributable to the Airfield; and/or (ii) on the basis of its share of total Terminal Premises actually rented, or used pursuant to a Dulles Permit, by the Signatory Airlines and for which rental or permit payments were actually received by the Authority at the Airport at which the deficiency occurred, if

attributable to the Terminal. The Authority shall invoice the Airline for its share of any such deficiency, and the Airline shall remit its payment therefor within thirty (30) days of the date of the Authority's invoice.

ARTICLE 10. CAPITAL IMPROVEMENTS

10.01 General.

10.01.1 The parties hereto recognize that capital expenditures to preserve, protect, enhance, expand, or otherwise improve the Airports, or parts thereof, are required during the Period of this Agreement. Such capital expenditures include the Capital Construction Program and Additional Projects of the Authority, and may include improvements by the Airline. Any such improvements by the Airline, and capital expenditures of the Authority to be paid for or financed with Bonds or Revenues of the Airports, shall be subject to the provisions of this Article 10.

10.01.2 Subject to the provisions of this Article 10, the Authority may pay for any such capital expenditures using any funds lawfully available for such purposes, and/or may issue Bonds, whether subject to, or exempt from, Federal income taxation, in amounts sufficient to finance any capital expenditures, including any costs for design or program management, capitalized interest, any required Debt Service Reserve Fund, costs of issuance, bond insurance premiums or credit facility fees, or any other costs reasonably incurred by the Authority in connection with the issuance of Bonds. All costs associated with capital expenditures of the Authority, including but not limited to, O&M Expenses and appropriate reserves therefor, Debt Service, Debt Service Coverage, and any other payments, Amortization Requirements, and/or reserves applicable to said capital expenditures, shall be included in the determination of rates for rentals, fees, and charges in accordance with Articles 8 and 9; provided, however, except in accordance with Paragraph 8.01.3, no such rentals, fees, and charges payable hereunder shall be payable by the Airline for capital expenditures the costs for which are not properly attributable or allocable to the Airline Supported Areas.

10.01.3 Nothing herein shall preclude the Authority from undertaking, or authorizing to be undertaken, capital expenditures to be financed or paid from sources other than Revenues or from borrowing funds which are repayable from sources other than Revenues for the purpose of funding capital expenditures. Such other sources may specifically include, but are not limited to, the proceeds of Special Facility Bonds.

10.01.4 In the event any Special Facility is constructed within any Airline Supported Area, the Special Facility agreement between the Authority and the Special

Facility obligor may provide, among other things, for the following:

10.01.4.1 The treatment of O&M Expenses and responsibilities either as direct obligations of the obligor or in the same manner as O&M Expenses are handled for other facilities within the Airline Supported Areas;

10.01.4.2 A method of compensating the obligor for costs allocable to any premises constructed as part of the Special Facility which costs, under the Authority's allocation methodology, would not be allocated to airline leased premises and to allocate a fair and reasonable amount of Transfers to such Special Facility; the method of compensation or allocation could include, for example, fair and reasonable direct payments to the Special Facility obligor, allocations of Revenues or Transfers, credits against other payments due from the Special Facility obligor, or any combination of the foregoing;

10.01.4.3 Provisions relating to security for the Special Facility Bonds; and

10.01.4.4 Provisions relating to the operation and use of the Special Facility, including accommodation provisions.

10.02 Capital Construction Program.

10.02.1 Exhibits N-H and N-I (National) and Exhibits D-H and D-I (Dulles) summarize the Capital Construction Program consisting of Projects previously approved by the Signatory Airlines under the 1990 Agreement, as well as new Projects approved under this Agreement (including the Five CCP Projects at National), on which capital expenditures are anticipated being made during the Period of this Agreement applicable to National and the Period applicable to Dulles, including a listing of Projects, a description of the Projects, their estimated costs, their estimated construction start and Substantial Completion Dates, if known, and applicable Cost Center or Terminal or Equipment Sub-Centers. The Authority shall, from time to time, refine and update such Project descriptions. Such Project refinements may include the addition or deletion of components functionally related to the Capital Construction Program; provided, however, that no such refinements shall materially change the scope of the Capital Construction Program.

10.02.2 Subject to the issuance of Bonds, and the availability of the proceeds thereof, the Authority shall complete the Projects of the Capital Construction Program at National, and such Projects of the Capital Construction Program at Dulles as the Authority, in its sole discretion, elects to complete, in a good and workmanlike manner, substantially in accordance with Exhibits N-I and D-I and the Project Construction Documents developed or to be developed by the Authority's Architects and Engineers for each Project, current copies of which are or will be on file at the Authority's offices.

10.02.3 The Authority shall provide the Airline information with respect to the Capital Construction Program and an opportunity to consult on matters with respect thereto. This may be accomplished in the following manner. The Signatory Airlines will continue to staff and maintain an organization known as the Metropolitan Washington Airlines Committee ("MWAC") which was established during the period of the 1990 Agreement. The Airline may designate its representative to MWAC. The seven largest Signatory Airlines, as determined by reference to the combined landed weight at the two Airports, will constitute an executive committee of MWAC. The executive committee shall in any event include at least one domestic airline from each Airport and at least one foreign flag airline at Dulles. The executive committee shall designate an individual to serve as a representative for all Scheduled Air Carriers ("Airline Representative") to the Authority with respect to the construction and operational impact of all Projects described in the Capital Construction Program and all Additional Projects and, in addition, with respect to operational, environmental, financial, safety and security issues arising from time to time at either Airport that may affect one or more Scheduled Air Carriers operating at that Airport.

10.02.4 The Authority shall afford the Airline Representative access to all construction sites relating to the Capital Construction Program and an opportunity to participate in the evaluation of design and construction alternatives. The Authority shall consider the comments and requests of the Airline Representative regarding design and construction of a Project and of alternatives and methods proposed to reduce or eliminate adverse operational impacts or costs. The Authority shall afford the Airline Representative the opportunity to review a Project's thirty percent (30%) design submittals and the Authority shall consider the comments of the Airline Representative with respect to such submittals.

10.02.5 The Authority shall provide the Airline Representative the following:

(i) The scope, budget, and schedule for each Project in the Capital Construction Program prior to the award of a contract for design, if any, for that Project.

(ii) Copies of design submittals for the schematic, design, development, and construction document phases of the design process. Routine submittals will include site details or mechanical and electrical design documents will not be routinely submitted. Design submittals shall not include correspondence or minutes of meetings between the Authority and the designer.

(iii) A periodic Capital Construction Program cost control report which shall include the Original Cost Estimate and the Current Cost Estimate, including all fees, for each Project contained in the Capital Construction Program.

(iv) Notice of pre-bid and pre-construction meetings.

(v) A monthly listing of change orders in excess of two hundred fifty thousand dollars (\$250,000).

(vi) A monthly update of the Capital Construction Program schedule.

(vii) A monthly status report for each contract which has been awarded and not completed and each contract that is in the bidding process.

(viii) A weekly construction forecast.

10.02.6 The Airline Representative shall have an opportunity, upon his reasonable request, to meet with the Authority to discuss the Project design, and the effects of the Project construction on airfield operations or landside access.

10.02.7 The Authority agrees to sponsor employment of said Airline Representative by providing necessary funds to MWAC, LLC under the terms of the letter agreement between the Authority and MWAC, LLC dated October 19, 2004 and as amended by letter agreement between the Authority and MWAC, LLC dated March 16, 2011. Salaries, benefits, and expenses will be included as O&M Expenses on the Airfield Cost Centers.

10.02.8 The Authority will provide to the Airline Representative an office at one or both Airports which shall be considered administrative space for rate making purposes. The space will be furnished, finished, maintained, and provided utilities by the Authority, the cost of which will be recovered as if it were the Authority's administrative space. All necessary permits and access facilitation, including employee parking and National and Dulles security identification, will be made available to the Airline Representative and his staff.

10.03 Capital Construction Program Costs.

10.03.1 The Authority shall for each Airport develop and maintain Current Cost Estimates for each of the Projects included in the Capital Construction Program.

10.03.1.1 Whenever the Current Cost Estimate applicable to Projects in the Capital Construction Program at either Airport exceeds the Original Cost Estimate by more than five percent (5%) percent, as that estimate has been revised annually in accordance with the ENR Construction Index - MidAtlantic Region by escalating its Original Cost Estimate to its midpoint of construction, the Authority shall promptly notify the Airline Representative to discuss such increased cost and to determine whether and how the Project could be revised so that the Current Cost Estimate for such Project will not exceed the Original Cost Estimate for such Project by more than ten percent (10%).

10.03.1.2 The Authority agrees to consider the requests, suggestions, and recommendations of the Airline Representative provided pursuant to Paragraph 10.03.1.1; provided, however, that so long as the Current Cost Estimate for the Capital Construction Program at an Airport has not exceeded the Original Cost Estimate for the program, as that estimate has been revised annually in accordance with the ENR Construction Index - MidAtlantic Region by escalating the estimated cost of the Projects included in the Original Cost Estimate for the program to their respective midpoints of construction, plus the contingency described in Paragraph 10.03.1.3, the decision whether to revise any Project within the Capital Construction Program at that Airport or to otherwise revise that program shall be solely reserved to the Authority, and shall be made at the sole discretion of the Authority.

10.03.1.3 The following contingencies are hereby established for the Capital Construction Program:

National: twenty-five percent (25%) of the Original Cost Estimate, as revised pursuant to Paragraph 10.03.1.2

Dulles: twenty-five percent (25%) of the Original Cost Estimate, as revised pursuant to Paragraph 10.03.1.2

10.03.2 In the event the Original Cost Estimate, as revised pursuant to Paragraph 10.03.1.2, plus the contingency, for the Capital Construction Program at either Airport is exceeded by the Current Cost Estimate for such Airport, the Authority shall be required to do one or more of the following:

10.03.2.1 Modify or defer a sufficient number of Projects at that Airport so that the Current Cost Estimate for such Airport does not exceed the Original Cost Estimate, as revised pursuant to Paragraph 10.03.1.2, plus the contingency at such Airport;

10.03.2.2 Fund the cost overrun from the Authority's annual share of Net Remaining Revenue or from any balance in the Authority Capital Fund (in which event there shall be no Amortization Requirement);

10.03.2.3 Issue subordinated debt payable from and secured by the Authority's share of Net Remaining Revenue to fund the cost overrun; or

10.03.2.4 Obtain approval for additional funding from a Majority-in-Interest of the Signatory Airlines for the appropriate Cost Center at that Airport.

10.04 Additional Projects.

10.04.1 The Authority will provide the Airline Representative with a list of any proposed Additional Projects for each Fiscal Year in advance of the Fiscal Year. The Authority will also provide the Airline Representative at least sixty (60) days notice before beginning any Additional Project not included in said list. No additional notification, approval, or other requirements shall apply to any Additional Projects except those in Airline Supported Areas. In addition, the Authority shall notify the Airline in writing if it intends to undertake Additional Projects in Airline Supported Areas. Such notice shall include the following:

(i) A description of the proposed Additional Project(s) together with cost estimates, scheduling, and any preliminary drawings, if applicable;

(ii) A statement of the need for the proposed Additional Project(s), along with the planned benefits to be derived from such expenditures;

(iii) The Authority's means of financing or paying the costs of the proposed Additional Project(s); and

(iv) The planned allocation of the costs thereof to the various Cost Centers and Sub-Centers and the estimated impact on Signatory Airline rates for rentals, fees, and charges.

10.04.2 Within thirty (30) days after the Authority's delivery of said notice of Additional Projects in Airline Supported Areas, the Authority shall schedule a meeting with the Signatory Airlines collectively, or with an airline committee selected by the Signatory Airlines. The Authority shall review and consider the comments, suggestions, and recommendations of the Airline together with the comments and recommendations of the other Signatory Airlines; provided, however, the Authority reserves the right to make, subject to the provisions of Paragraph 10.04.4 with respect to those Additional Projects to be financed with the proceeds of Bonds, the final decision with respect to such Additional Projects. After the meeting, the Authority shall notify the Airline of its decision on whether to proceed with the Additional Projects as proposed or modified.

10.04.3 If the Authority proceeds with Additional Projects in the Airline Supported Areas, the Authority shall provide the Airline Representative the following:

10.04.3.1 The scope, budget, and schedule for the Additional Project.

10.04.3.2 Copies of design submittals, if any, for the schematic, design, development, and construction document phases of the design process. Routine submittals will include site plans, floor plans, and elevations. Architectural and structural details or mechanical and electrical design documents will not be routinely submitted. Design submittals shall not include correspondence or minutes of meetings between the Authority and the designer.

10.04.3.3 An opportunity to meet with the Authority to discuss the Project design and the effects of Project construction on airfield operations or landside access.

10.04.3.4 Notice of pre-bid and pre-construction meetings.

10.04.4 With respect to Additional Projects in Airline Supported Areas which the Authority proposes to fund with the proceeds of Bonds, the following provisions shall apply:

10.04.4.1 If the Additional Project is within one or more of the following categories, no additional procedures are required:

(i) Projects necessary to comply with any current or future law, rule, regulations, order or judgment of any Federal, state, or local agency (excluding the Authority) or court, or any Federal grant agreement or airport certification requirement, including any required modification or replacement of the National air traffic control facilities;

(ii) Projects to improve the safe operation of the Airport;

(iii) Projects to protect essential infrastructure from storm events or relocate such infrastructure;

(iv) Projects for restoration or replacement of airport capacity;

(v) Airfield projects eligible for Federal funding for which the Authority has received the full level of available eligible Federal funding;

(vi) Projects with respect to which the Authority has received commitments from users to lease eighty percent (80%) or more of the leasable premises included in such project;

(vii) Projects necessary to replace or repair damaged, destroyed, or condemned property to the extent that the amount of insurance or condemnation proceeds has been inadequate;

(viii) Projects for the acquisition and installation of Equipment in accordance with Section 6.04; or

(ix) Projects with respect to which the Authority has received approval of a Majority-in-Interest of the Signatory Airlines with respect to the Cost Center at the Airport in which the project is located.

10.04.4.2 If an Additional Project is not within one or more of the foregoing categories, then the Authority may issue Bonds to fund such project if (i) the estimated cost of the project is less than forty million dollars (\$40,000,000) (stated in 2014 dollars and escalated in accordance with the ENR Construction Index - MidAtlantic Region); or (ii) when the estimated cost of the project exceeds forty million dollars (\$40,000,000), as so escalated, Majority-in-Interest approval is obtained for the project. In the event of Majority-in-Interest disapproval of the project, the Authority may only issue Bonds to fund the project if it defers for one year from the date of Majority-in-Interest disapproval the issuance of such Bonds; thereafter, the Authority may issue such Bonds and proceed with the project (i) after obtaining Majority-in-Interest approval, or (ii) after requesting but not obtaining Majority-in-Interest approval, the Authority gives the Airline sixty (60) days notice of its intent to issue Bonds for the project. Commencing on the date of notification of the Authority's intent to proceed to issue Bonds and continuing for sixty (60) days thereafter, the Airline would have the right to terminate this Agreement upon one hundred eighty (180) days' written notice to the Authority; provided, if the Authority does not issue such Bonds, any such termination notice shall be ineffective.

10.05 Amortization. Subject to the provisions of Paragraph 10.03.2.2 in the event that the Authority funds any Project in the Capital Construction Program, or portion thereof, any Additional Project, or portion thereof, attributable or allocable to the Airline Supported Areas from the Authority's share of Net Remaining Revenue, Amortization Requirements shall be charged for such Project or Additional Project and included in the calculation of Signatory Airline rentals, fees, and charges pursuant to Articles 8 and 9.

10.06 Capital Construction Program Audit. The MWAC may conduct a financial audit, using a nationally recognized accounting firm, of the Authority's implementation of the Capital Construction Program and of Additional Projects in the Airline Supported Areas. The Authority shall make its financial records for the most recent three (3) years available for this

audit at a location selected by the Authority upon reasonable notice of the audit from the Airline Representative. The finding of any such audit shall be reviewed with the Authority.

10.07 Federal and State Grants.

10.07.1 The Authority agrees to use its best efforts to maximize Federal and Commonwealth of Virginia aviation grants and programs that may be available to fund a portion of the costs of the Capital Construction Program and any Additional Projects.

10.08 Funding Sources and Rate Treatment for Particular Projects.

10.08.1 The Authority shall debt finance the Five CCP Projects summarized in Exhibit N-H.

10.08.2 During the Period of this Agreement applicable to National, to reduce the cost of debt to finance the Five CCP Projects, the Authority shall seek authority from the FAA to impose and use PFCs of no more than \$4.50/passenger at National for the Five CCP Projects for the thirty (30) year period following the initial issuance of debt to finance any of the Five CCP Projects.

10.08.3 The costs of the Five CCP Projects, net of any PFCs, shall be allocated as follows for purposes of rate calculations under Articles 8 and 9:

10.08.3.1 The costs of the Commuter Concourse Project shall be allocated entirely to the Terminal B/C/D Sub-Center following its establishment.

10.08.3.2 The costs of the Commuter Concourse Enabling Projects shall be allocated between the Terminal A Sub-Center and the Terminal B/C Sub-Center and, following the establishment of the Terminal B/C/D Sub-Center, between the Terminal A Sub-Center and the Terminal B/C/D Sub-Center on the basis of the respective amounts of total square feet in Terminal A and Terminal B/C or Terminal B/C/D.

10.08.3.3 The costs of the Secure National Hall and its Enabling Projects shall be allocated ten percent (10%) to the Terminal A Sub-Center and ninety percent (90%) to the Terminal B/C Sub-Center and, following its establishment, to the Terminal B/C/D Sub-Center.

10.08.3.4 The costs of the Terminal A Preliminary Planning and Design Project shall be allocated entirely to the Terminal A Sub-Center.

10.08.3.5 The costs of any enabling projects for the redevelopment or improvement of Terminal A anticipated by the Terminal A Preliminary Planning and Design Project, whether incurred during or after the Period of this Agreement applicable to National, shall be allocated between the Terminal A Sub-Center and the Terminal B/C/D Sub-Center on the basis of the respective amounts of total square feet in Terminal A and Terminal B/C/D. The provisions of this Paragraph 10.08.3.5 shall survive the expiration, termination, or early cancellation of this Agreement and shall be incorporated into any subsequent agreement relating to the use of National entered into by the Authority and the Airline.

10.08.4 The Authority may, but shall not be required to, debt finance Projects at Dulles, summarized in Exhibit D-H, which the Authority, in its sole discretion, elects to complete.

10.09 Improvements by the Airline.

10.09.1 The Airline may construct and install, consistent with the terms and provisions of this Agreement and at its sole expense, Airline Operating Facilities and improvements in its Exclusive, Preferential, and if any, Joint Use Premises as the Airline deems to be necessary for its operations; provided, however, that the plans and specifications, location, and construction schedule for such Airline Operating Facilities and improvements must be approved by the Authority in writing prior to the commencement of any and all such construction or installation. No reduction or abatement of rentals, fees, and charges due to the Authority hereunder shall be allowed for any interference by such construction with the Airline's operations hereunder.

10.09.2 Prior to the commencement of construction of any such Airline Operating Facilities and improvements, the Airline shall obtain or cause to be obtained a contract surety bond in a sum equal to the full amount of any construction contract. Said bond shall (i) be drawn in a form and from such company reasonably acceptable to the Authority; (ii) shall guarantee the faithful performance of necessary construction and completion of improvements in accordance with the Authority's approved final plans and detailed specifications; and, (iii) shall protect the Authority against any losses and liability, damages, expenses, claims, liens, and judgments caused by or

resulting from the failure to perform completely the work described. The Airline shall further acquire, or cause to be acquired, a payment bond with any contractor or contractors of the Airline as principal, in a sum equal to the full amount of the construction contract awarded by the Airline for the improvements and shall require its contractor to acquire similar bond from its subcontractors. Said bond shall guarantee payment of all wages for labor and services engaged, and of all bills for materials, supplies and equipment used in the performance of said construction contract. The Airline shall assure that any work associated with such construction or installation shall not unreasonably interfere with the operation of the Airports, or otherwise unreasonably interfere with the permitted activities of other Airport tenants and users. The Airline shall within five (5) working days discharge any lien filed against its property or Premises by posting a bond or other adequate security.

10.09.3 The Airline shall require contractors to furnish satisfactory evidence of statutory worker's compensation insurance, comprehensive general liability insurance, comprehensive automobile insurance and physical damage insurance, on a builder's risk form with the interest of the Authority endorsed thereon, in such amounts and in such manner as the Authority may reasonably require. The Authority may require additional insurance for any alterations or improvements approved hereunder, in such limits as the Authority reasonably determines to be necessary.

10.09.4 Any construction or installation shall be at the sole risk of the Airline and shall be in accordance with all applicable state and local codes and laws and subject to inspection by the Authority.

10.09.5 Upon completion of approved construction, and within sixty (60) days of the Airline's receipt of a certificate of occupancy for the new construction, a complete set of as-built drawings shall be delivered to the Authority for the permanent record of the Authority.

10.09.6 All Airline Operating Facilities, except those financed by the Authority, shall be and remain the property of the Airline during the Period of this Agreement applicable to each Airport at which the Airline is conducting its Air Transportation Business. Upon termination or expiration of this Agreement, any Airline Operating Facilities and improvements which are permanently affixed to the Airline's Premises shall become the property of the Authority; provided,

that in the event of a termination of this Agreement before the expiration of the Period of this Agreement applicable to the Airport at which such Airport Operating Facilities or improvements have been permanently affixed to the Airline's Premises, the Airline shall be entitled to receive from the Authority, or the Authority shall cause the Airline to receive, payment for the unamortized value of Airline Operating Facilities and improvements that are approved by the Authority in accordance with Paragraph 10.09.1, installed after the Effective Date and permanently affixed to the Premises which are vacated by the Airline and not leased to the Airline in a subsequent Agreement or subsequently used by the Airline. For these purposes, facilities and improvements shall be amortized on the basis of generally accepted accounting principles over their useful life as agreed upon at the time the Authority approves the facilities and improvements under Paragraph 10.09.1

10.10 Rail System. The Authority has entered into an agreement with the Commonwealth of Virginia pursuant to which (i) the Authority is operating the Dulles Toll Road and using the revenue from the Dulles Toll Road to fund, in conjunction with other funding entities, the planning, design and construction of a Rail System to Dulles Airport and (ii) the Authority is responsible for the design and construction of the Rail System. The Authority and the Airline have mutual interests regarding the potential financial impact of the Rail System on the cost of operating Dulles. In view of these interests, it is agreed as follows:

10.10.1 Unless and until additional costs are agreed upon in writing by the Majority-in-Interest of the Signatory Airlines at Dulles for the Airfield Cost Center, the aggregate of all capital costs of the Rail System to Dulles which the Authority may pay from Revenues is ten million dollars (\$10,000,000) over the Period of this Agreement and all such capital costs shall be allocated to the Dulles ground transportation cost center, and

10.10.2 Unless and until such costs are agreed upon in writing by the Majority-in-Interest of the Signatory Airlines at Dulles for the Airfield Cost Center, no operation and maintenance costs associated with the Rail System may be paid from any sources other than the Authority's share of Net Remaining Revenue in the Authority's Capital Fund.

10.11 Dulles Toll Road.

10.11.1 Dulles Toll Road Revenue and Bonds. The Airline hereby disclaims any right to share in the revenue of the Dulles Toll Road. Any expenditure by the Authority of Dulles Toll Road revenues or other funds not constituting Revenues to acquire, operate and maintain and improve the Dulles Toll Road and to plan, design, construct and operate and maintain the Rail System, will not be a Project or an Additional Project within the Airline Supported Areas, and shall not require any approval by the Airline. Such expenditures shall not be recovered through rentals, fees and charges of the Airline under the Agreement. Furthermore, the Airline shall not be responsible to the Authority or to any holder of Toll Road revenue bonds for the payment of principal and interest thereon. Nothing herein, however, shall alter the responsibilities under Paragraph 8.01.3 of the Agreement.

10.11.2 Toll Road Cost Allocation. The Authority will allocate the administrative and other indirect costs incurred by the Authority in connection with the Dulles Toll Road and the construction of the Rail System so that these costs (i) may be reviewed by the Airline Representative upon reasonable request, and (ii) are not allocated to the Airline Supported Cost Centers.

ARTICLE 11. DAMAGE AND DESTRUCTION TO PREMISES; INSURANCE

11.01 The Authority's Responsibilities.

11.01.1 The Authority shall maintain property insurance or cause property insurance to be maintained with a responsible insurance company or companies approved to do business in the Commonwealth of Virginia, or adopt and maintain a risk financing plan for property losses and said insurance plan or risk financing plan, or combination thereof shall be equivalent to all-risk property insurance covering the full value and full replacement cost of Authority property.

11.01.2 If a portion of the Airports within the Airline Supported Areas, except property for which the Airline is responsible under Section 11.02, is damaged or destroyed by fire or other peril, and except as provided elsewhere in this Article 11, the Authority after consultation with the Airline, shall, to the extent of proceeds of the Authority's property insurance paid to the Authority or self insurance, repair, reconstruct, and replace the damaged or destroyed improvements so that the Airports are returned substantially to the same condition, character, and utility value (based upon the plans and specifications for the Premises, subject to the then-existing Airport building standards) as existed prior to such damage or destruction, exclusive of improvements made by the Airline and Airline Operating Facilities.

11.02 The Airline's Insurance Responsibilities.

11.02.1 The Airline shall be primarily responsible for insuring its Airline Operating Facilities.

11.02.2 The insurance for Airline Operating Facilities required by Paragraph 11.02.1 shall be in an amount equal to the full replacement value thereof. This insurance shall be all-risk property insurance covering the full value and full replacement cost, less reasonable deductibles.

11.03 Rental Abatement.

11.03.1 If the Airline Premises or Equipment, or any portion thereof, are rendered untenable by reason of damage or destruction, other than damage or destruction described in Paragraph 11.03.2, the Airline shall be entitled to a pro rata abatement of rentals, based upon size and type of area rendered untenable, until the Premises or Equipment are restored; provided, however, that the Airline shall not be entitled to any

such abatement of rentals at any time if the rate covenant under the Indenture is not at such time being met, or if such abatement would cause the rate covenant to be violated, or if such abatement would prevent the Authority from complying with any additional bonds test under the Indenture.

11.03.2 Notwithstanding any other provisions of this Article 11, if the Premises or Equipment shall be damaged or destroyed by fire or other peril, due to the negligence or willful act or omission of the Airline, its officers, its employees acting within the course and scope of their employment, its agents or its licensees, the Airline shall not be entitled to any rental abatement.

11.04 Responsibilities if Damage or Destruction Occurs.

11.04.1 The Authority shall use its best efforts to provide the Airline with alternative Premises and Equipment during the period that its Premises and Equipment are damaged or destroyed and are untenable or unusable. Said alternative Premises or Equipment shall be suitable for the conduct of the Airline's Air Transportation Business, but shall not be construed to require alternative Premises and Equipment that are comparable to the size, location, access, or other features of the Premises or Equipment leased under Article 6.

11.04.2 The Airline shall pay rentals, fees, and charges in accordance with Article 8 for any alternative Premises and Terminal used or leased by it during the period of repair and reconstruction of the original Premises.

ARTICLE 12. THIRD PARTY OBLIGATIONS; INDEMNIFICATION AND INSURANCE

12.01 Indemnification. The Airline shall defend, indemnify, and hold the Authority and its directors, officers, employees, agents and volunteers completely harmless from and against any and all claims, suits, demands, actions, liabilities, losses, damages, judgments or fines arising by reason of injury or death of any person, or damage to any property, including all reasonable costs for investigation and defense thereof (including, but not limited to, attorney fees, court costs and expert fees), of any nature whatsoever arising out of the Airline's conduct of its Air Transportation Business on an Airport or in its use or occupancy of the Premises, regardless of where the injury, death, or damage may occur, except to the extent such injury, death, or damage is caused by the sole negligent act or omission or willful misconduct of the Authority. The Authority shall give to the Airline reasonable notice of and an opportunity to defend against any such claims or actions, and the Authority shall take reasonable actions to mitigate its damages.

12.01.1 The Airline shall defend, indemnify, and hold the Authority and its directors, officers, employees, agents and volunteers completely harmless from and against any claim, suit, demand, action, liability, loss, damage, judgment, fines or civil penalty and all costs and expenses of whatever kind or nature (including, but not limited to, attorney fees, court costs, and expert fees) associated therewith in any way and to the extent arising from or based upon the actual or alleged violation of any Federal, state, or municipal laws, statutes, resolutions, or regulations by the Airline, its agents, employees, contractors, or tenants, in conjunction with the Airline's use and/or occupancy of the Airport. The Authority shall give the Airline reasonable notice of and an opportunity to defend against any such claims or actions, and the Authority shall take reasonable actions to mitigate its damages.

12.01.2 If the Authority is alleged to be in non-compliance with laws or regulations 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 any of the Airline's officers, employees, agents, or contractors, and such breach of a secure area results in a civil penalty action against the Authority, the Airline agrees to reimburse the Authority for all expenses, including reasonable attorney fees, incurred by the Authority in defending against the civil penalty action and for

any civil penalty or settlement amount paid by the Authority as a result of being deemed in non-compliance. The Authority shall give the Airline reasonable notice of any allegation, investigation, or proposed or actual civil penalty sought for such non-compliance.

12.01.3 The provisions of this Section 12.01 shall survive the expiration, termination, or early cancellation of this Agreement for claims, suits, demands, actions, liabilities, loss, or damage, which occur prior to the termination or early cancellation of this Agreement.

12.02 Insurance. The Airline shall, at its own cost and expense, purchase or acquire and carry in effect, through the Period of this Agreement, a policy or policies of insurance, with an insurance company that is financially sound and upon whom process in any suit or action or other proceeding in the courts of the Commonwealth of Virginia may be served, insuring the Airline against all liability, subject to policy terms, conditions and exclusions, for injuries to persons (including wrongful death) and damages to property and any other liability arising from or caused by the Airline's use and occupancy of the Airport or otherwise arising from or caused by the Airline's activities and operations on said Airport premises, the policy limits thereof to be in the minimum(s) as set forth below.

12.02.1 Comprehensive Airline Liability Insurance.

12.02.1.1 The Airline shall maintain comprehensive airline liability insurance with limits as set forth below. For purposes of this Section, the number of seats for Passenger Airlines is determined based upon the largest aircraft in the Airline's fleet. For purposes of this Section, the Gross Takeoff Weight (GTOW) for Cargo Airlines is determined based upon the largest aircraft in the Airline's fleet.

12.02.1.1.1 Passenger Airlines with 20 seats or less. The comprehensive airline liability insurance and, if necessary, commercial umbrella insurance shall be a limit of not less than Fifty Million Dollars (\$50,000,000) for each occurrence and in the aggregate.

12.02.1.1.2 Passenger Airlines with 21 to 60 seats. The comprehensive airline liability insurance and, if necessary, commercial umbrella insurance shall be a limit of not less than One Hundred Million Dollars (\$100,000,000) for each occurrence and in the aggregate.

12.02.1.1.3 Passenger Airlines with 61 to 99 seats. The comprehensive airline liability insurance and, if necessary, commercial umbrella insurance shall be a limit of not less than Two Hundred Million Dollars (\$200,000,000) for each occurrence and in the aggregate.

12.02.1.1.4 Passenger Airlines with 100 to 299 seats. The comprehensive airline liability insurance and, if necessary, commercial umbrella insurance shall be a limit of not less than Three Hundred Million Dollars (\$300,000,000) for each occurrence and in the aggregate.

12.02.1.1.5 Passenger Airlines with 300 seats or more. The comprehensive airline liability insurance and, if necessary, commercial umbrella insurance shall be a limit of not less than Five Hundred Million Dollars (\$500,000,000) for each occurrence and in the aggregate.

12.02.1.1.6 Cargo Airlines with less than 60,000 lbs. GTOW. The comprehensive airline liability insurance and, if necessary, commercial umbrella insurance shall be a limit of not less than Twenty-Five Million Dollars (\$25,000,000) for each occurrence and in the aggregate.

12.02.1.1.7 Cargo Airlines with 60,000 lbs. or more GTOW. The comprehensive airline liability insurance and, if necessary, commercial umbrella insurance shall be a limit of not less than One Hundred Fifty Million Dollars (\$150,000,000) for each occurrence and in the aggregate.

12.02.1.2 The comprehensive airline liability insurance shall include with sublimits and aggregates where applicable, but not be limited to, Commercial/Comprehensive General Liability, Bodily Injury and Property Damage to Third Parties, Passenger Liability, Personal Injury and Advertising Injury Liability, Contractual Liability, Passengers' Checked and Unchecked Baggage Liability, Premises, Operations, Independent Contractors, Products-Completed Operations Liabilities, and Cargo Legal Liabilities. Explosion, Collapse and Underground Property Damage Liability Coverage shall not be excluded.

12.02.1.3 Mobile Equipment. The comprehensive airline liability insurance shall include coverage for mobile or 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 Twenty-Five Million Dollars (\$25,000,000) for each occurrence. Mobile or other ground vehicle equipment shall include, but not be limited

to, baggage tugs, aircraft pushback tugs, provisioning trucks, air stair trucks, belt loaders, and any auto.

12.02.1.4 The comprehensive airline liability insurance shall apply as primary insurance with respect to any other insurance afforded to the Authority. There shall be no endorsement or modification of the policy to make it excess over other available insurance. If the policy states that it is excess or prorata, the policy shall be endorsed to be primary with respect to the additional insured.

12.02.1.5 Waiver of Subrogation. The Airline waives all rights against the Authority and its directors, officers, employees, agents and volunteers for recovery of damages to the extent these damages are covered by the comprehensive airline liability or commercial umbrella liability insurance obtained by the Airline pursuant to this Agreement.

12.02.2 Aircraft Liability Insurance.

12.02.2.1 The Airline shall maintain aircraft liability insurance with the limits as set forth below. The aircraft liability insurance may be included in the Comprehensive Airline Liability Insurance Policy. For purposes of this Section, the number of seats for Passenger Airlines is determined based upon the largest aircraft in the Airline's fleet. For purposes of this Section, the Gross Takeoff Weight for Cargo Airlines is determined based upon the largest aircraft in the Airline's fleet.

12.02.2.1.1 Passenger Airlines with 20 seats or less. The aircraft liability insurance and, if necessary, commercial umbrella insurance shall be a limit of not less than Fifty Million Dollars (\$50,000,000), with sublimits and aggregates where applicable, for bodily injury and/or death, personal injury, and property damage for all owned, operated, maintained, non-owned, leased, or hired aircraft, including passenger coverage, for each occurrence per aircraft and in the aggregate.

12.02.2.1.2 Passenger Airlines with 21 to 60 seats. The aircraft liability insurance and, if necessary, commercial umbrella insurance shall be a limit of not less than One Hundred Million Dollars (\$100,000,000), with sublimits and aggregates where applicable, for bodily injury and/or death, personal injury, and property damage for all owned, operated, maintained, non-owned, leased, or hired aircraft, including

passenger coverage, for each occurrence per aircraft and in the aggregate.

12.02.2.1.3 Passenger Airlines with 61 to 99 seats. The aircraft liability insurance and, if necessary, commercial umbrella insurance shall be a limit of not less than Two Hundred Million Dollars (\$200,000,000), with sublimits and aggregates where applicable, for bodily injury and/or death, personal injury, and property damage for all owned, operated, maintained, non-owned, leased, or hired aircraft, including passenger coverage, for each occurrence per aircraft and in the aggregate.

12.02.2.1.4 Passenger Airlines with 100 to 299 seats. The aircraft liability insurance and, if necessary, commercial umbrella insurance shall be a limit of not less than Three Hundred Million Dollars (\$300,000,000), with sublimits and aggregates where applicable, for bodily injury and/or death, personal injury, and property damage for all owned, operated, maintained, non-owned, leased, or hired aircraft, including passenger coverage, for each occurrence per aircraft and in the aggregate.

12.02.2.1.5 Passenger Airlines with 300 seats or more. The aircraft liability insurance and, if necessary, commercial umbrella insurance shall be a limit of not less than Five Hundred Million Dollars (\$500,000,000), with sublimits and aggregates where applicable, for bodily injury and/or death, personal injury, and property damage for all owned, operated, maintained, non-owned, leased, or hired aircraft, including passenger coverage, for each occurrence per aircraft and in the aggregate.

12.02.2.1.6 Cargo Airlines with less than 60,000 lbs. GTOW. The aircraft liability insurance and, if necessary, commercial umbrella insurance shall be a limit of not less than Twenty-Five Million Dollars (\$25,000,000), with sublimits and aggregates where applicable, for bodily injury and/or death, personal injury, and property damage for all owned, operated, maintained, non-owned, leased, or hired aircraft, including passenger coverage, for each occurrence per aircraft and in the aggregate.

12.02.2.1.7 Cargo Airlines with 60,000 lbs. or more GTOW. The aircraft liability insurance and, if necessary, commercial umbrella insurance shall be a limit of not less than One Hundred Fifty Million Dollars (\$150,000,000), with sublimits and aggregates where applicable, for bodily injury

and/or death, personal injury, and property damage for all owned, operated, maintained, non-owned, leased, or hired aircraft, including passenger coverage, for each occurrence per aircraft and in the aggregate.

12.02.2.2 Waiver of Subrogation. The Airline waives all rights against the Authority and its directors, officers, employees, agents and volunteers for recovery of damages to the extent these damages are covered by the aircraft liability, comprehensive airline liability, or commercial umbrella liability insurance obtained by the Airline pursuant to this Agreement.

12.02.3 Commercial Automobile Liability Insurance (non-restricted areas).

12.02.3.1 Restricted Area, Mobile Equipment Coverage. See Section A.1.c. above. This coverage is to be included under the comprehensive airline liability insurance.

12.02.3.2 The Airline shall maintain automobile liability insurance and, if necessary, commercial umbrella liability insurance with a limit of not less than Five Million Dollars (\$5,000,000) for each accident for vehicles operated in areas other than restricted areas.

12.02.3.3 Such insurance shall cover liability arising out of any auto.

12.02.3.4 Coverage shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to that provided in the 1990 and later editions of CA 00 01.

12.02.3.5 Waiver of Subrogation. The Airline waives all rights against the Authority and its directors, officers, employees, agents and volunteers for recovery of damages to the extent these damages are covered by the business, auto liability or commercial umbrella liability insurance obtained by the Airline as required by this Agreement or under any applicable auto physical damage coverage.

12.02.4 Workers' Compensation and Employer's Liability Insurance. The Airline shall maintain workers' compensation and employer's liability insurance.

12.02.4.1 Workers' Compensation. Coverage shall be at statutory limits as required by the laws of the Commonwealth of Virginia.

12.02.4.2 Employer's Liability. The commercial umbrella and/or employer's liability limits shall not be less than One Million Dollars (\$1,000,000) each accident for bodily injury by accident or One Million Dollars (\$1,000,000) each employee for bodily injury by disease.

12.02.4.3 Waiver of Subrogation. The Airline waives all rights against the Authority and its directors, officers, employees, agents and volunteers for recovery of damages to the extent these damages are covered by the workers' compensation and employer's liability or commercial umbrella liability insurance obtained by the Airline pursuant to this Agreement. The Airline shall obtain an endorsement equivalent to WC 00 03 13 to effect this waiver.

12.02.5 Commercial Property Insurance. The Airline shall maintain all-risk property insurance covering the full value and full replacement cost of the Airline's property and the Airline's improvements and betterments, less reasonable deductibles.

12.03 Approval of Unrated Insurance Providers. For those insurance companies not subject to A.M. Best's ratings, they shall have a nationally or internationally recognized reputation and responsibility and shall be approved by the Authority with such approval not to be unreasonably withheld. For those insurance companies subject to A.M. Best's ratings, they shall have an A.M. Best's rating of A- or better and a financial size category of VII or better.

12.04 Occurrence Policies. Insurance shall be written on an occurrence, not claims made basis.

12.05 Primary Coverage. All of the policies required of the Airline under this Agreement shall be primary with respect to any insurance afforded to or otherwise available to the Authority, and the Airline agrees that any insurance maintained by the Authority shall be non-contributing with respect to the Airline's insurance.

12.06 Evidence of Insurance.

12.06.1 Prior to the commencement of this Agreement, unless otherwise specifically authorized by the Authority in

writing, and at least annually thereafter, and as soon as possible after renewal but no later than five (5) business days after said renewal, the Airline agrees to furnish the Authority with certificate(s) of insurance and the required endorsement(s) referenced herein, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements of this Agreement.

12.06.1.1 The Airline shall advise the Authority of any cancellation, non-renewal, or material change in any policy reducing the protection it provides to the Authority within five (5) business days of notification of such action.

12.06.1.2 The Airline is responsible to ensure that all its subcontractors working at either Airport independently carry insurance appropriate to cover the subcontractor's exposures, or are covered under the Airline's policies.

12.06.1.3 Certificate(s) of insurance shall indicate at a minimum:

- (i) the type of insurance in effect,
- (ii) the kind of insurance in effect,
- (iii) the amount of insurance in effect,
- (iv) the period of the policies,
- (v) a reference to the Agreement Number of this Agreement,
- (vi) any applicable additional insured statement as referred to herein, and
- (vii) if commercial umbrella or excess policies are obtained by the Airline to meet the required limits of insurance, then the certificate of insurance must indicate the policies covered by said umbrella or excess policies.

12.06.1.4 The certificate(s) of insurance shall be provided on the industry standard form (ACORD 25) or other form acceptable to the Authority. Required endorsements and certificate(s) of insurance and shall be issued to:

Metropolitan Washington Airports Authority
Department of Risk Management
1 Aviation Circle
Washington, DC 20001-6000

12.06.2 The Authority reserves the right to inspect relevant endorsements, declaration pages, and/or a complete copy of the insurance policy(s) from the Airline, evidencing the coverage required herein, upon written demand. The Airline shall provide a reasonable opportunity for the Authority to inspect such insurance documents, at the Airline's corporate office located closest to the Authority's main administrative office, within ten (10) business days of the Authority's written request for such inspection.

12.07 Required Endorsements.

12.07.1 Additional Insureds Endorsement. All Airline policies, except workers' compensation, shall be endorsed to identify the Metropolitan Washington Airports Authority and its directors, officers, employees, agents and volunteers as additional insureds, not named insureds, as their interest may appear in connection with this Agreement. A policy endorsement evidencing same must be provided to the Authority.

12.07.2 Cancellation, Material Changes, or Non-Renewal Endorsement. All policies shall be endorsed to provide the Authority with at least thirty (30) days, or ten (10) days for non-payment of premium, advance notice, in writing, of cancellation, non-renewal, or material change. A policy endorsement evidencing same must be provided to the Authority.

12.08 Cancellation of Coverage. In no event shall any insurance referred to herein be cancelled by the Airline without the prior written consent of the Authority; provided, however, that such prior written consent shall not be required if, after notifying the Authority, the policy to be cancelled is replaced, without any lapse in coverage, by a policy providing at least as much coverage as the policy to be cancelled.

12.09 No Waiver. The failure of Authority, at any time or from time to time, to enforce or seek to enforce the provisions of this Article 12, to demand certificate(s) or other evidence of full compliance with the insurance requirements of this Article, or to identify a deficiency in the Airline's insurance shall not constitute a waiver of those provisions nor in any respect reduce the obligations of the Airline to maintain such insurance or to defend and hold the Authority harmless with

respect to any items of injury or damage covered by this Agreement.

12.10 Immediate Termination. The Airline's failure to maintain the insurance required by this Agreement shall be the basis for immediate termination of this Agreement at the Authority's option.

12.11 No Representation of Coverage Adequacy. By requiring insurance herein, the Authority does not represent that coverage and limits will necessarily be adequate to protect the Airline, and such coverage and limits shall not be deemed as a limitation on the Airline's liability under the indemnities granted to the Authority in this Agreement.

12.12 Commercial Umbrella Liability Insurance. The Airline may use commercial umbrella liability insurance so that the Airline has the flexibility to select the best combination of primary and excess limits to meet the total insurance limits required by this Agreement. Any umbrella or excess liability coverage must be at least as broad as the primary coverage and contain all coverage provisions that are required of the primary coverage.

12.13 Adjustment of Insurance Requirements. Authority reserves the right at any time throughout the Period of this Agreement to adjust the aforementioned insurance requirements, if, in the Authority's reasonable judgment, the insurance required by the Agreement is deemed inadequate to properly protect the Authority's interest. The Airline agrees that it will procure the adjusted insurance provided the coverage is available at commercially reasonable rates.

ARTICLE 13. AUTHORITY REMEDIES

13.01 Default. The occurrence of any of the following events shall be considered an event of default by the Airline:

13.01.1 The Airline becomes insolvent (as such term is defined under Section 101 of the Federal Bankruptcy Code, 11 U.S.C. § 101 et seq., or any successor statute thereto); or fails to pay its debts generally as they mature; or takes the benefit of any present or future federal or state insolvency statute; or makes a general assignment for the benefit of creditors, or files a voluntary petition in bankruptcy or a petition or answer seeking an arrangement of its indebtedness under the Federal Bankruptcy Code or under any other law or statute of the United States or of any state thereof, or consents to the appointment of a receiver, trustee, custodian, liquidator, or other similar official, of all or substantially all of its property; or an order for relief shall be entered by or against the Airline under any chapter of the Federal Bankruptcy Code.

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

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

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

13.01.5 The Airline becomes a corporation in dissolution.

13.01.6 The transfer, passing, or devolving of any interests or rights of the Airline hereunder, by operation of law or otherwise, to any other person, firm, corporation, or other entity, by, in connection with, or as a result of any bankruptcy, insolvency, trusteeship, liquidation, or other proceedings or occurrence described in Paragraphs 13.01.1 through 13.01.5.

13.01.7 The discontinuance by the Airline of its Air Transportation Business at the Airports for a period of thirty (30) consecutive days or for a period of sixty (60) days in any Fiscal Year; provided, however, that suspension of operations by the Airline during a strike or work stoppage by its employees at the Airports, or for similar reasons beyond the control of the Airline, shall not be a discontinuance of operations.

13.01.8 The voluntarily discontinued use or abandonment by the Airline for a period of thirty (30) consecutive days of all, or a portion, of its Premises or Equipment at one or both Airports and the failure to remedy this condition within thirty (30) days of notice to remedy same from the Authority.

13.01.9 The failure of the Airline to pay rentals, fees, and charges or any other payment required by this Agreement when due and the expiration of the period, if any, provided for herein after which said payment due becomes delinquent, except, however, in the event of a dispute over a payment, the Airline shall not be in default provided that the Airline has presented, at the time the payment is due, the dispute in detail and in writing, to the CEO of the Authority. The decision of the CEO will reinstate or modify the amount due and the due date. The Airline shall pay the amount due as specified by the CEO within ten (10) days of the receipt of notice from the CEO. If a dispute remains over that amount, the Airline agrees to pay the amount claimed by the Authority while pursuing its remedies.

13.01.10 The failure of the Airline to maintain the minimum insurance levels required in Articles 11 and 12 of this Agreement.

13.01.11 The failure of the Airline to provide Contract Security required pursuant to Section 8.11.

13.01.12 The conduct of any business, practice, or performance of any act at the Airport which is not specifically authorized herein or by any other agreement between the

Authority and the Airline, if said business or act does not cease permanently within thirty (30) days of receipt of the Authority's written notice to cease said business, practice, or act.

13.01.13 The nonperformance by the Airline of any other material covenant, condition, term, or agreement required to be performed by the Airline herein, and the continued failure of the Airline (i) to remedy such nonperformance within a thirty (30) day period after receipt of written notice from the Authority to remedy the same; or (ii) to diligently commence and proceed towards a remedy for such nonperformance which cannot be remedied within such thirty (30) day period in which event the Airline shall have the burden of proving that the nonperformance cannot be remedied within thirty (30) days, that it is proceeding with diligence to remedy same, and that such nonperformance will be remedied within a reasonable period of time.

13.01.14 The issuance of an order or the taking of action by any court or governmental authority having jurisdiction over the Airline's operations which for a period of thirty (30) days substantially limits or prohibits the Airline's operations at the Airports; provided, however, that before it invokes its remedies for a default under this Paragraph 13.01.14, the Authority will have reasonably determined that the material adverse consequences of a default herein cannot be substantially eliminated by the procedures available to the Authority under Article 17.

13.02 Remedies.

13.02.1 In addition to any remedy provided by law, and except for defaults under Paragraph 13.01.8, if the Airline shall be in default under this Agreement, and if the notice of default to the Airline stated that this Agreement could, as a result thereof, be terminated, the Authority shall have the right, in its sole discretion, to terminate this Agreement. The termination may be effective in not less than ten (10) calendar days from the date of written notice of termination from the Authority unless the Airline has cured the default during this period.

13.02.2 The Authority's remedy for a default under Paragraph 13.01.8 includes the right to reclaim, in its discretion, the Premises that have been abandoned and to delete same from the Airline's Agreement. Such reclamation may be effective in not less than ten (10) calendar days from the date

of written notice from the Authority. Nothing herein shall preclude the Authority from terminating this Agreement in its entirety in the event that the Airline's default under Paragraph 13.01.8 relates to all of its Premises at both Airports. Nothing herein shall, in the event of a default under Paragraph 13.01.8, preclude the Authority, as an alternative to reclaiming the Premises or Equipment or terminating this Agreement, from continuing to hold the Airline responsible for the performance of this Agreement for the Period thereof.

13.02.3 Upon the effective date of termination or reclamation under Paragraphs 13.02.1 or 13.02.2, respectively, the Authority may re-enter and take immediate possession of the Premises. Notices of termination or reclamation under Paragraphs 13.02.1 or 13.02.2 shall operate as a notice to quit and any other notice to quit or notice of the Authority's intention to re-enter the Premises is hereby expressly waived. If necessary, the Authority may proceed to recover possession of the Premises under and by virtue of the laws of the Commonwealth of Virginia, or by such other proceedings, including re-entry and possession, as may be applicable. If the Authority elects to terminate this Agreement in whole or in part, everything contained in this Agreement on the part of the Authority to be done and performed shall cease without prejudice to the right of the Authority to recover from the Airline all rentals, fees, charges, and other sums accrued up to the time of termination or recovery of possession by the Authority, whichever is later. Further, the Authority shall use its best efforts to relet the Premises, and, if the full rentals provided for herein plus the costs, expenses, and damages described below shall not be realized by the Authority, the Airline shall be liable for all damages sustained by the Authority, including, without limitation, any deficiency in rentals, fees, and charges, the expenses of placing the Premises in good rentable condition, and reasonable attorneys' fees. The provisions contained in this Section shall be in addition to, and shall not prevent the enforcement of, any claim the Authority may have against the Airline for anticipatory breach of this Agreement.

13.02.4 All rights and remedies of the Authority set forth herein are in addition to all other rights and remedies available to the Authority at law or in equity. All rights and remedies available to the Authority hereunder, at law or in equity, are expressly declared to be cumulative. The exercise by the Authority of any such right or remedy shall not prevent the concurrent or subsequent exercise of any other right or remedy. No delay in the enforcement or exercise of any such

right or remedy shall constitute a waiver of any default by the Airline hereunder or of any of the Authority's rights or remedies in connection therewith. The Authority shall not be deemed to have waived any default by the Airline hereunder unless such waiver is set forth in a written instrument signed by the Authority. If the Authority waives in writing any default by the Airline, such waiver shall not be construed as a waiver of any covenant, condition, or term set forth in this Agreement except as to the specific circumstances described in such written waiver.

13.02.5 If the Authority shall institute proceedings against the Airline and a compromise or settlement thereof shall be made, the same shall not constitute a waiver of any subsequent breach of the same or of any other covenant, condition, or term set forth herein, nor of any of the Authority's rights hereunder with regard to any future occurrence of the same or other matter. Neither the payment by the Airline of a lesser amount than the full rentals, fees, and charges due hereunder nor any endorsement or statement on any check or letter accompanying a check for payment of rent or other sums payable hereunder shall be deemed an accord and satisfaction, and the Authority may accept such check or payment without prejudice to the Authority's right to recover the balance of such rent or other sums or to pursue any other remedy available to the Authority. Unless previously agreed to by the Authority in writing, no re-entry by the Authority shall be considered an acceptance of a surrender of this Agreement or Premises.

13.03 Bankruptcy. To the extent that the Authority's right to terminate this Agreement as a result of an event enumerated in Paragraphs 13.01.1 through 13.01.6 of this Article is determined to be unenforceable under the Federal Bankruptcy Code, as amended from time to time, or under any other statute, then the Airline and any trustee who may be appointed agree: i) to perform promptly every obligation of the Airline under this Agreement until this Agreement is either assumed or rejected under the Federal Bankruptcy Code; (ii) to pay on a current basis all rentals, fees, and charges set forth in this Agreement; (iii) to reject or assume this Agreement within sixty (60) days of a filing of a petition under the Federal Bankruptcy Code; (iv) to cure or provide adequate assurance of a prompt cure of any default of the Airline under this Agreement; and (v) to provide to the Authority such adequate assurance of future performance under this Agreement as may be requested by the

Authority, including a tender of Contract Security as set forth in Section 8.11 of this Agreement.

13.04 Special Cancellation Right. In the event that the United States government determines that the Airline has failed to comply with the nondiscrimination covenants set forth in Paragraph 18.04 herein, the Authority shall have the right to cancel this Agreement after such action as the United States government may direct to enforce this covenant has been followed and completed, including exercise or expiration of appeal rights.

13.05 Elimination of Perimeter Rule. If, during the Period of this Agreement applicable to National, Congress enacts legislation that effectively eliminates the Perimeter Rule, the Authority may, by notice given, within one hundred twenty (120) days from the enactment of such legislation, to the Airline and the other Signatory Airlines then operating at National, elect to re-open this Agreement to address the anticipated or potential impacts of such legislation on the Airports. Following such timely notice, the Authority and the Signatory Airlines then operating at National shall, in good faith and for a period of one hundred eighty (180) days following the date of the Authority's notice, negotiate one or more amendments to this Agreement to address such impacts. If, at the end of this negotiation period (which may be extended by the mutual written consent of the Authority and Signatory Airlines then operating at National which collectively accounted for at least fifty-one percent (51%) of the Landing Fees and Terminal Rents paid by all Signatory Airlines at National during the immediately preceding Fiscal Year), the Authority and Signatory Airlines then operating at National which collectively accounted for at least fifty-one percent (51%) of the Landing Fees and Terminal Rents paid by all Signatory Airlines at National during the immediately preceding Fiscal Year have not executed one or more amendments to this Agreement to address the legislation's impacts, the Authority may, upon one hundred eighty (180) days notice to the Airline, terminate this Agreement.

ARTICLE 14. AIRLINE REMEDIES

14.01 Default. The occurrence of the following shall be considered an event of default by the Authority: The failure of the Authority to perform any material covenant or term required to be performed by the Authority and the failure continues for thirty (30) days after receipt of written notice from the Airline, or, if by its nature such default cannot reasonably be cured within thirty (30) days, the Authority fails to diligently commence to cure such default within said thirty (30) day period after receipt from the Airline of written notice to remedy the same.

14.02 Airline's Remedy. Provided the Airline is not itself in default of this Agreement as set forth in Article 13, the Airline may bring an appropriate action in a court of competent jurisdiction to compel the Authority to perform in accordance with the terms of this Agreement.

14.03 Termination. At any time when no Bonds are Outstanding, and if the Airline is not then in default in the payment of any amount due from it to the Authority hereunder, the Airline may terminate this Agreement by giving the Authority sixty (60) days advance notice upon or after the happening and during the continuance of any one of the following events:

14.03.1 The issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport or any part thereof so as to substantially limit or prohibit the Airline's use of the Airport in the conduct of its Air Transportation Business, and the remaining in force of such injunction, not stayed by way of appeal or otherwise, for a period of at least sixty (60) days;

14.03.2 The enactment of any law, issuance of any order, rule, ordinance, or regulation, or the taking of any action by a Federal, state, or local government body or agency having jurisdiction with respect to the Airport, or the occurrence of any fire, other casualty, act of God or the public enemy, substantially limiting or prohibiting, for a period of at least sixty (60) days, the Airline's use of the Airport in the conduct of its Air Transportation Business; provided, however, that none of the foregoing is instituted or initiated by the Airline or due to any fault of the Airline;

14.03.3 The default by the Authority in the performance of any material covenant or agreement required to be performed by the Authority herein, which default materially and

adversely limits or prohibits the Airline's operations at the Airport, and the failure by the Authority to remedy such default after written notice thereof has been delivered to the Authority, unless (a) the Authority takes prompt action to remedy such default, within a period of thirty (30) days after receipt from the Airline of such notice, or (b) in the case of any such failure which cannot with due diligence be cured within such thirty (30) day period, the Authority takes corrective action within the thirty (30) day period and diligently pursues such action until the failure is cured.

14.03.4 The substantial limiting or restricting of the Authority's operation of the Airport by action of any Federal, state, local government body or agency having jurisdiction with respect thereto, and the continuance thereof for a period of not less than sixty (60) days, provided such restriction materially adversely affects the Airline's operations at the Airport.

ARTICLE 15. SURRENDER OF PREMISES; HOLDING OVER

15.01 Surrender and Delivery. Immediately upon termination or the expiration of this Agreement, or upon deletion of any portion of the Premises and Equipment leased hereunder, in accordance with Article 17, the Airline shall peaceably surrender and deliver to the Authority the Premises and Equipment that are the subject of said expiration or termination. Premises and Equipment shall be surrendered in good condition, with the exception of ordinary wear from use of the Premises and Equipment for the purpose for which they were leased. After surrender, the Airline agrees to pay to the Authority the costs, if any, incurred by the Authority to bring the Premises and Equipment up to such condition.

15.02 Removal of Property.

15.02.1 Except as provided in Paragraph 15.02.2, nothing herein shall be construed to preclude the Airline from removing from the Airports or otherwise disposing of its personal property, including aircraft, tools, equipment, and trade fixtures, title to which is to remain with the Airline. All Authority property damaged by or as a result of the removal of Airline property shall be promptly restored by the Airline to the condition existing before such damage, at the Airline's sole cost and expense. Such aircraft, tools, equipment, trade fixtures, and other personal property shall be removed upon the expiration of this Agreement or from any portion of the Premises upon the deletion from this Agreement of that portion from the Premises leased hereunder.

15.02.2 Any removal of property by the Airline pursuant to this Section 15.02 shall be subject to any valid lien which the Authority may have thereon and such property shall not be removed from the Airport without the written consent of the Authority.

15.02.3 At the expiration or termination of this Agreement, any personal property of the Airline not removed in accordance with Paragraph 15.02.1 above, at the option of the Authority, may be removed and placed in storage by the Authority at the sole cost of the Airline. If such property is not removed from storage by the Airline within one month after placement therein, the Authority may elect, after notice to the Authority, to take ownership of the property or dispose of the property by either public or private sale and retain the proceeds. Any costs of removal and disposition not covered by such proceeds shall be borne by the Airline.

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

ARTICLE 16. TRANSFER OF PREMISES: ASSIGNMENT, SUBLETTING,
AND HANDLING

16.01 General. The Airline shall not assign, transfer, convey, sell, mortgage, pledge, or encumber (hereinafter collectively referred to in Article 16 as "assignment") or sublet its Premises or Equipment, without the prior written approval of the Authority, such approval not to be unreasonably withheld by the Authority. The Airline shall not allow the use of its Premises or Equipment through a handling or services agreement or similar arrangement (hereinafter collectively referred to in Article 16 as "handling agreements") by another Air Transportation Company without the prior written approval of the Authority. If the Airline fails to obtain prior written approval of any such assignment, sublease, or handling agreement, the Authority, in addition to the rights and remedies set forth in Article 13, shall have the right to refuse to recognize the agreement, and the assignee, sublessee or "handled" Air Transportation Company shall acquire no interest in this Agreement or any rights to use Premises or Equipment.

16.02 Authority Approval of Assignments. It shall not be unreasonable for the Authority to disapprove or condition an assignment of the Airline's Premises or Equipment under any or all of the following circumstances, among others:

16.02.1 If the Airline has failed to accommodate a Requesting Airline on reasonable terms prescribed by the Authority in accordance with Article 17.

16.02.2 If said assignment would result in the transfer of fifty percent (50%) or more of any of the following: the Airline's linear feet of ticket counter space; square feet of holdroom space; or number of gate positions.

16.02.3 If the assignee is not, and is not willing to become, a Signatory Airline.

16.02.4 If a Signatory Airline, including a Signatory Airline which is not leasing space directly from the Authority because of the unavailability of such space, is, in the determination of the Authority, in need of the Premises and/or Equipment proposed to be assigned; provided, however, that such Signatory Airline is willing to take such Premises and Equipment on substantially the same terms and conditions relating to the use of such Premises and Equipment to be assigned as proposed in the assignment.

16.02.5 If the Authority determines that there is adequate space for lease by the proposed assignee directly from the Authority.

16.02.6 If the Authority determines that the proposed assignee is not substantially as creditworthy as the Airline.

16.02.7 Notwithstanding the foregoing, this section shall not be interpreted to preclude the assignment of this Agreement, and the Airline's rights and obligations hereunder, to a parent, subsidiary, or merged company if such parent, subsidiary, or merged company conducts an Air Transportation Business at the Airport at which the Airline is a Signatory Airline and assumes all rights and obligations hereunder. Written notice of such assumption shall be provided by the parent, subsidiary, or merged company thirty (30) days prior to the effective day of such assignment.

16.03 Authority Approval of Subleases. It shall not be unreasonable for the Authority to disapprove or condition a sublease of the Airline's Premises or Equipment under any or all of the following circumstances, among others:

16.03.1 If the Airline has failed to accommodate a Requesting Airline on reasonable terms prescribed by the Authority in accordance with Article 17.

16.03.2 If said sublease would result in the sublease (i) for a period greater than fifty percent (50%) of the remaining Period of the Agreement, and (ii) is for greater than fifty percent (50%) of any of the following Premises: the Airline's linear feet of ticket counter space; square feet of holdroom space; or number of gate positions.

16.03.3 If the sublessee is an Air Transportation Company who is not, and is not willing to become, a Signatory Airline.

16.03.4 If a Signatory Airline, including a Signatory Airline which is not leasing space directly from the Authority because of the unavailability of such space, is, in the determination of the Authority, in need of the Premises and/or Equipment proposed to be subleased; provided, however, that such Signatory Airline is willing to take such Premises or Equipment on substantially the same terms and conditions as proposed in the sublease and is willing to provide the Airline with a reasonable security deposit, not to exceed three (3) months' rentals.

16.03.5 It the Authority determines that there is adequate space for lease directly from the Authority by the proposed sublessee or if the sublease does not contain a provision which permits it to be terminated upon notice from the Authority to the parties thereto of the availability of Premises in accordance with notice procedures in Section 1.04.

16.04 Authority Approval of Handling Agreements. It shall not be unreasonable for the Authority to disapprove or condition a handling agreement if the Airline has failed to accommodate a Requesting Airline on reasonable terms prescribed by the Authority in accordance with Article 17.

16.05 Reasons for Disapproval. The circumstances under which the Authority may determine to disapprove or condition assignments, subleases, and handling agreements set forth in Sections 16.02, 16.03, and 16.04 are not intended to be a comprehensive list of all those which the Authority may impose under Section 16.01.

16.06 Method of Obtaining Approval. The Airline, when requesting an approval of an assignment, sublease, or handling agreement under Section 16.01, shall include with its request a copy of the proposed agreement, if prepared, or a detailed summary of the material terms and conditions to be contained in such agreement. Any proposed agreement or detailed summary thereof shall provide the following information: (i) the Premises and/or Equipment to be assigned, sublet, or used under a handling agreement; (ii) the terms; (iii) if a sublease, the rentals and fees to be charged; and (iv) all material terms and conditions of the assignment, sublease, or handling agreement the Authority may reasonably require. If approved, the Airline shall submit a fully executed copy of such agreement to the Authority within thirty (30) days prior to the commencement of the assignment or sublease or within fifteen (15) days after the commencement of the handling agreement.

16.07 Administrative Charge. In the event the Airline is authorized by the Authority to sublease any portion of its Premises or Equipment, the Airline may charge such sublessee, in addition to a reasonable charge for any services and Airline owned property provided by the Airline, reasonable rentals not to exceed one hundred fifteen percent (115%) or the Airlines' rentals for such portion of the Premises and Equipment.

16.08 Airline to Remain Liable. The Airline shall remain fully and primarily liable during the Period of this Agreement for the payment of all of the rental due and payable to the

Authority for the Premises and Equipment that are subject to an assignment, sublease, or handling agreement under Section 16.01, and fully responsible for the performance of all the other obligations hereunder, unless otherwise agreed to by the Authority; provided, however, this Section 16.08 shall not apply to Premises and Equipment with respect to which an assignment has been made at the Authority's request pursuant to Paragraph 16.02.4 hereof.

16.09 Authority Determination of Type of Agreement. The Authority shall have the right to examine the terms of any agreement or arrangement submitted to it for approval pursuant to this Article 16, and determine whether such agreement or arrangement is most appropriately characterized as an assignment, sublease, or handling agreement, regardless of the Airline's characterization of such agreement or arrangement.

ARTICLE 17. AVAILABILITY OF ADEQUATE FACILITIES

17.01 General. The Authority and the Airline agree that facilities at the Airports are limited and the Airline shall cooperate fully with the Authority's exercise of its obligation to prudently operate and manage the Airports so as to provide adequate facilities for all Air Transportation Companies, including the Airline, operating or desiring to operate at the Airports.

17.02 Periodic Reallocation of Premises. In addition to any other rights of the Authority, the Authority may reallocate Airline Premises and Equipment among the Signatory Airlines (a) at either or both Airports in the event of (i) Congressional authorization of additional slots or slot exemptions at National, or (ii) Congressional modification of the existing Perimeter Rule at National or authorization of additional beyond-perimeter flights at National; and (b) at an Airport in the event of the merger of one or more Signatory Airlines operating at that Airport. The Authority may also reallocate Airline Premises and Equipment among the Signatory Airlines at National once every twenty-four (24) months during the Period of the Agreement applicable to National, beginning on January 1, 2017, and at Dulles on or after July 1, 2016, to address facility imbalances and improve operations at the Airport. Reallocations by the Authority under this Paragraph 17.02 may result in the reduction of the Airline's Premises and Equipment and/or cause the 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 Authority which shall take into account the following factors, among others:

(i) Each Signatory Airline's historical, current and reasonably projected frequency of operations;

(ii) Each Signatory Airline's number of Enplaning and Deplaning Passengers;

(iii) Each Signatory Airline's number of gates;

(iv) Each Signatory Airline's linear feet of ticket counter space, square feet of holdroom space and square feet of other Premises;

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

(vi) The need to provide Premises and Equipment to a Signatory Airline which is without adequate Premises and Equipment leased directly from the Authority due to the unavailability of such space;

(vii) The practicality of the Authority constructing additional Premises within a reasonable period of time; and

(viii) The need for the Authority to manage aircraft and passenger activity at the Airport in order to correct an imbalanced use of Airport facilities, including Aircraft Parking Positions, or to minimize or to reduce congestion in the Terminal or at the curbside.

17.02.1 In making such reallocations, the Authority shall give the Airline, along with other Signatory Airlines at National, not less than thirty (30) days written notice of the proposed space reallocations together with the Authority's reasons for the reallocations. The Airline shall during the thirty (30) day period be entitled to respond to the proposed reallocations in writing. A final decision of the Authority shall be in writing from the CEO and contain the basis therefor along with the effective date of a reallocation, if any.

17.02.2 In implementing such reallocations, the Authority shall attempt to minimize disruptions to the Airline's operations and to preserve the operational integrity of the Airline's Premises during and after such reallocation.

17.02.3 If, as a result of a reallocation under this Section 17.02, the Airline is required to relocate all or a portion of its operations, or to consolidate its operations in its remaining Premises, the Authority shall determine the reasonable cost of such relocation or consolidation, including the unamortized cost on the basis of generally accepted accounting principles of reallocated Airline Operating Facilities and fixed improvements vacated by the Airline, and said costs shall be borne by the Signatory Airline gaining the use of the reallocated Premises or Equipment, and shall be paid to the Airline.

17.02.4 The Authority shall revise the Exhibits hereto, as appropriate, to reflect the resulting modifications of the Agreement, and such amended Exhibits shall be substituted herein.

17.03 Voluntary Accommodation of a Requesting Airline. The need exists to maximize the use of facilities that are available to the Signatory Airlines and to facilitate the entry of new Scheduled Air Carriers and the expansion of service by other Scheduled Air Carriers operating at the Airports (hereinafter collectively referred to as "Requesting Airline(s)"). The Authority hereby expresses a preference to have, to the extent possible, a Requesting Airline's need to use the Airport(s) accommodated by the Signatory Airlines on a voluntary basis. The Airline's voluntary accommodation of the Requesting Airline hereunder shall be subject to the prior execution of a handling agreement or written sublease between the Airline and such Requesting Airline setting forth mutually agreed upon terms, conditions, rates and charges, which handling agreement or sublease shall also require the written approval of the Authority prior to the effectiveness thereof in accordance with Article 16. Any such accommodation agreement made by the Airline and the Requesting Airline may define the priority rights of the Airline.

17.04 Accommodation on Exclusive and Joint Use Premises.

17.04.1 In the event the Authority receives a written request from a Requesting Airline for a type of space leased on an exclusive or joint basis to others, and the Requesting Airline demonstrates to the satisfaction of the Authority that it has contacted all Signatory Airlines at a level above the local station manager and has exhausted all reasonable efforts to find reasonable accommodations for its proposed operations on the Airport, the Authority shall serve written notice to all Signatory Airlines of the Authority's intention to make a determination, in not less than fifteen (15) calendar days, as to how the Requesting Airline will be accommodated.

17.04.2 The Authority will be guided by all pertinent factors, including Airline's present use and the use planned by the Airline for such Premises in the one hundred eighty (180) days immediately after the request, the present and planned requirements for Air Transportation Companies that the Airline is then accommodating or handling, and the compatibility of such Requesting Airline's proposed operations and work force with the Airline's own operations and work force and those of other Air Transportation Companies already using such facilities, and the security of the Airline's and the Requesting Airline's Operations.

17.04.3 The Authority may request that planned uses and requirements be documented and submitted in writing to the

Authority, and if the Airline requests, the Authority shall treat such planned uses and requirements as confidential, proprietary information.

17.04.4 If the Authority determines that the Requesting Airline can be accommodated on the Airline's Exclusive or Joint Use Premises, the Authority may: (i) authorize in writing the Requesting Airline to use the Premises leased to the Airline; (ii) notify the Airline in writing of such authorization and the effective date thereof; and (iii) provide to the Airline and to such Requesting Airline a written statement specifying the required terms and conditions, if any, including whether the Requesting Airline may handle its aircraft and passengers with its own employees or agents, except that the Authority shall not prescribe the rates and charges to be imposed by the Airline upon the Requesting Airline for any services provided by Airline to the Requesting Airline, other than as prescribed in Article 16.

17.04.5 If the Airline is directed to accommodate a Requesting Airline in accordance with Section 17.04 and Section 17.06, the Airline shall make available to the Requesting Airline for the Requesting Airline's use, the Airline's Exclusive or Joint Use Premises or such portion thereof as shall be determined by the Authority.

17.05 Accommodation on Preferential Use Premises.

17.05.1 In the event the Authority receives a request from a Requesting Airline for a type of space leased on a preferential basis to others, the Authority shall make a determination as to how the Requesting Airline will be accommodated. Promptly thereafter, the Authority shall notify the Airline of any planned accommodation on the Airline's Preferential Use Premises; provided, however, the Authority has determined that the Requesting Airline's schedule is compatible with the Airline's priority use as described in Paragraph 17.05.2 and would not require the Airline to reschedule an existing arrival or departure. The Airline shall, consistent with its right of priority use, as described in Paragraph 17.05.2, accommodate such Requesting Airline as directed by the Authority by providing access to and use of its Preferential Use Premises.

17.05.2 If the Airline is directed to accommodate a Requesting Airline under Paragraph 17.05.1, the Airline shall have the priority use of such Premises at all times except for each period commencing fifteen (15) minutes before the

Requesting Airline's next scheduled arrival at a gate and continuing until the earlier of the Requesting Airline's scheduled departure from the gate or forty-five (45) minutes (one hundred twenty (120) minutes for a wide body aircraft) before the next scheduled use of the gate by the Airline assuming there is no other gate available to the Airline for such next scheduled use. The Airline may make a change in its own scheduled use of said facilities by giving the Requesting Airline who is being accommodated at least thirty (30) days notice of any schedule change that would require the Requesting Airline to change its schedule or otherwise discontinue use of said facilities. In the event of any conflicts due to schedule delays of either the Airline or the Requesting Airline, such conflicts shall be resolved in the manner least likely to inconvenience the passengers of both airlines. Such conflicts shall be resolved by the Airline and the Requesting Airline whenever possible. In the absence of such resolution, the Authority shall resolve such conflicts.

17.05.3 Accommodation of Preferential Use Premises shall not be subject to the procedures of Section 17.04, but shall be as directed by the Authority for the operations of aircraft by an Air Transportation Company; provided, however, that the Authority shall not require an accommodation under this Section 17.05 unless there is not a reasonable means of accommodating the Air Transportation Company on Premises and Equipment obtained directly from the Authority, and, if the Requesting Airline is a Signatory Airline, there is not a reasonable means as determined by the Authority, of accommodating the aircraft operations on that Signatory Airline's Premises and Equipment.

17.05.4 For purposes of Paragraph 17.05.1, a direction by the Authority shall be sufficient if given by the manager of the Airport to the Airline's manager of its station for the Airport.

17.06 Use of Equipment. In connection with an accommodation pursuant to Section 17.04 or 17.05, the Authority may also authorize the Requesting Airline to use Equipment or airline-owned equipment; provided, however, that whenever the Requesting Airline is authorized to use airline-owned equipment, the following conditions shall apply: (i) such equipment must be essential to the accommodation of the Requesting Airline (e.g., loading bridges and baggage claim and makeup equipment), and (ii) when reasonably required, the Airline may require the Requesting Airline to use the Airline's employees to operate such equipment.

17.07 Indemnification. During the period of accommodation by a Requesting Airline pursuant to Sections 17.04 through 17.06, the Airline shall be relieved of its obligation under this Agreement to indemnify and save harmless the Authority and its directors, officers, employees, agents and volunteers with regard to any claim for property damage or personal injury arising out of the accommodation of said Requesting Airline unless such damage or injury is caused by the negligence or willful misconduct of the Airline, its officers, directors, employees, or agents. The Authority shall require the Requesting Airline to agree in writing to indemnify the Authority and the Airline in the manner and to the extent required of the Airline, pursuant to Article 12 hereof.

17.08 Payment by the Requesting Airline. Payment by the Requesting Airline to the Airline for accommodation on the Airline's Premises or Equipment or Airline-owned property and for services shall be reasonable and for the Premises or Equipment or Airline-owned property shall not exceed one hundred fifteen percent (115%) of the Airline's cost on a pro-rated basis. The Airline may require a reasonable security deposit from the Requesting Airline, not to exceed three (3) months' payments. In the event of a payment default by the Requesting Airline, the Airline may institute termination procedures in the following manner: (i) the Airline shall certify such payment default to the Authority; (ii) the Authority shall have fifteen (15) days in which to pursue appropriate remedies against the Requesting Airline; and (iii) if, after such fifteen (15) day period, the Requesting Airline remains in default, the Airline may terminate the Requesting Airline's use of such Premises, Equipment and airline-owned equipment upon fifteen (15) days' notice.

ARTICLE 18. FEDERAL REQUIREMENTS

18.01 Relationship to Federal Lease. This Agreement shall be and remain subordinate to the provisions of the Federal Lease dated March 2, 1987, between the United States Department of Transportation and the Authority, providing for the Authority's lease of the Airports effective June 7, 1987. The Authority agrees to provide the Airline written advance notice of any material amendments to the Federal Lease. At any time after the execution of this Agreement, the United States Department of Transportation, or its successor, shall have the right to declare this Agreement to be superior to the Federal Lease.

18.02 Other Government Agreements. This Agreement shall be and remain subordinate to the provisions of any existing or future agreements between the Authority and the United States government or other governmental authority, relative to the operation or maintenance of the Airports, the execution of which has been or will be required as a condition precedent to the granting of Federal or other governmental funds for the development of the Airport, to the extent that the provisions of any such existing or future agreements are generally required by the United States or other governmental authority of other civil airports receiving such funds. The Authority agrees to use its best effort to notify the Airline of any provision of which the Authority becomes aware which would materially and adversely modify the material terms of this Agreement.

18.03 Federal Government's Emergency Clause. All provisions of this Agreement shall be subordinate to the rights of the United States of America to operate the Airports or any portion thereof during time of war or declared national emergency in accordance with established lawful procedures. Such rights shall supersede any provision of this Agreement that is inconsistent with the operation of the Airports by the United States of America during a time of war or national emergency.

18.04 Nondiscrimination.

18.04.1 The Airline for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby agree as a covenant running with the land that (i) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of Premises; (ii) in the construction of any improvements on, over, or under Premises and the furnishing of services thereon, no person on the grounds of

race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination; and (iii) the Airline shall use the Premises in compliance with all other requirements imposed by or pursuant to the Airport and Airway Improvement Act of 1982, as amended or superseded, and any regulations issued thereunder, as well as in compliance with Title VI of the Civil Rights Act of 1964 and 49 CFR, Subtitle A, Part 21, Nondiscrimination in Federally Assisted Programs of the United States Department of Transportation, as said Statute and regulations may be amended.

18.04.2 The Airline acknowledges that the provisions of 49 CFR Part 23 ("Airport Concessions Disadvantaged Business Enterprises" and Part 26 ("Participation by Disadvantaged Enterprises in Department of Transportation Financial Assistance Programs") as said regulations may be amended, and such other similar regulations that may be enacted governing Disadvantaged Business Enterprises, may be applicable to the activities of the Airline under the terms of this Agreement, unless exempted by said regulations, and hereby agrees to comply with the applicable regulations. These requirements may include, but not be limited to, compliance with Disadvantaged Business Enterprise or Minority Business Enterprise, as such terms are defined in 49 U.S.C. §§ 47107, 47113 and 47123, 49 CFR Parts 23 and 26, or such other statutes or regulations as may be enacted governing minority or disadvantaged business enterprises, participation goals, the keeping of certain records of good faith compliance efforts, which would be subject to review by the various agencies, the submission of various reports and, if so directed, the contracting of specified percentages of goods and services contracts to Minority and Disadvantaged Business Enterprises.

18.05 Airport Certification. The Airline shall not operate at the Airports in a manner that prevents or impairs the Authority's ability to meet and maintain compliance with 14 CFR Part 139, "Certification and Operations: Large Airports Serving Certain Air Carriers," and other requirements for obtaining, and maintaining, an Airport Operating Certificate from the FAA.

ARTICLE 19. ENVIRONMENTAL STANDARDS

19.01 Restriction on Hazardous Substances. The Airline and Airline's agents shall not, in the course of the Airline's operations, Release on either Airport any Hazardous Substances in violation of any Environmental Law and shall not allow any such Hazardous Substances to migrate off the Airport. The Airline and Airline's agents shall not, in the course of the Airline's operations, Release any Hazardous Substances into adjacent surface waters, soils, underground waters or air in violation of any Environmental Law. At the reasonable written request of the Authority, the Airline shall provide the Authority with the Airline's USEPA Waste Generator Identification Number.

19.02 Notice to Authority. The Airline shall immediately notify the Authority in writing should the Airline become aware of: (a) any Release or threat of Release of a Hazardous Substance in an amount equal to or greater than a Reportable Quantity as a result of the Airline's or Airline's agents' activity at either Airport or onto or under any real property adjoining either Airport; (b) any Release or threat of Release of a Hazardous Substance by a third party other than the Authority in an amount equal to or greater than a Reportable Quantity at the Airline's Premises, (c) any notice given to the Airline from a government agency or any other third party with respect to any Release or threat of Release of any Hazardous Substances at either Airport or any real property adjoining or in the vicinity of either Airport; or (d) the commencement of any litigation or investigation or any information relating to any threat of litigation or investigation relating to any alleged unauthorized Release of any Hazardous Substances or other environmental contamination or material environmental liability arising from or with respect to the Airline's activities at either Airport.

19.03 Compliance and Remediation. The Airline shall at all times conduct its operations at the Airports in compliance with all applicable Environmental Laws. If the Airline, Airline's agents or Airline's Premises is in violation of any Environmental Law concerning the Release or threat of Release of Hazardous Substances or any other Environmental Law (whether or not pertaining to Hazardous Substances), the Airline shall promptly take action to remedy and cure the violation of Environmental Law, unless the Airline can demonstrate that the violation was not caused by activities of the Airline or Airline's agents. Any remediation that the Airline conducts pursuant to this Section 19.03 or Section 19.06 shall be to

industrial/commercial clean-up standards, and not to residential standards, provided that an industrial/commercial clean-up standard is consistent with the current and anticipated use of the property as reasonably determined by the Authority.

19.04 Authority Remedies.

19.04.1 If the Airline or Airline's agents violate any Environmental Law concerning Hazardous Substances because of actions or inactions by the Airline or Airline's agents, and the Airline does not promptly take action to remedy and cure the violation of Environmental Law, the Authority may provide written notice and a reasonable opportunity to cure the violation of Environmental Law to the Airline. If the Airline fails to initiate action to cure the violation within a reasonable time after receipt of such notice and opportunity to cure, then Authority may come onto the Airline's Premises, to act in place of the Airline, and to take action to cure the violation of Environmental Law.

19.04.2 If the Authority has a reasonable belief that the Airline's or Airline's agents' actions or inactions constitute or present a threat of a violation of Environmental Law concerning Hazardous Substances or present a threat of damage to the Airline's Premises or other facilities or properties at an Airport, the Authority may provide written notice and a reasonable opportunity to cure the alleged violation of Environmental Law to Airline. If the Airline fails to initiate action to cure the alleged violation after receipt of such written notice and opportunity to cure, then the Authority may enter onto the Airline's Premises and take such corrective or mitigating action as the Authority deems reasonably necessary, including but not limited to conducting environmental sampling. The Authority's obligation to provide the Airline with reasonable opportunity to cure under this Section 19.04 shall not apply to the extent that the violation or threat of violation poses an imminent harm to the environment, an imminent disruption of airport operations or other emergency situation. All reasonable, documented costs and expenses incurred by the Authority in connection with corrective or mitigating action taken pursuant to this section shall become due and payable by the Airline thirty (30) days after presentation of an invoice, unless and to the extent the Airline can demonstrate that the Authority's actions were not necessary to address the Airline's or Airline's agents' violation or threat of a violation of Environmental Law.

19.05 Environmental Inspection. The Authority may conduct environmental inspections of the Airline's Premises, provided that it gives the Airline forty eight (48) hours advance written notice of its intent to conduct such inspection. The Authority will conduct the inspection in a manner that does not unduly interfere with the Airline's operations. In addition, the Authority may access the Airline's Premises at any reasonable time for the purpose of conducting environmental testing, provided that it provides at least forty eight (48) hours advance written notice to the Airline concerning the planned testing procedures and locations. The Authority shall provide the results of such testing to the Airline. In the event of such testing, the Airline may (but is not required to) split samples with the Authority at the Airline's expense.

19.06 Termination. Prior to vacating any of Airline's Premises, the Airline shall (a) remove Hazardous Substances stored in tanks or containers from any such space; and (b) remediate Hazardous Substances Released by the Airline or Airline's agents in or on any such space in accordance with Environmental Laws and the clean-up standards in Section 19.03.

19.07 Stormwater Permitting. The Authority shall notify the Airline prior to commencing National Pollutant Discharge Elimination System (NPDES) permit renewal discussions or negotiations. The Authority and the Airline both acknowledge that their cooperation may improve compliance with any stormwater discharge permit terms and conditions and help to reduce the cost of compliance. Authority will provide Airline with written notice of the stormwater discharge permit requirements applicable to Airline and with which Airline will be obligated to comply.

19.08 Environmental Indemnity. Except for Excluded Environmental Claims, the Airline agrees that it shall defend, indemnify and hold the Authority and its directors, officers, employees, agents and volunteers free and harmless from any and all claims, causes of action, regulatory demands, liabilities, fines, penalties, losses, and expenses, including without limitation clean-up or other remedial costs (and including actually incurred reasonable attorneys' fees, costs and all other reasonable litigation expenses when incurred and whether incurred in defense of actual litigation or in reasonable anticipation of litigation), arising from (i) any Hazardous Substance on the Airline's Premises, (ii) the Release of any Hazardous Substance from the Airline's Premises onto other properties or into the surrounding environment, or (iii) any violation of Environmental Law that is directly attributable to

the Airline's actions during the Airline's use or occupancy of the Airport. Claims for indemnification for environmental matters are limited to this Section 19.08 and are not subject to the general indemnity provisions in Article 12.

19.09 Survival of Obligations. The Airline's obligations under this Article 19 shall survive the expiration, termination, or early cancellation of this Agreement.

ARTICLE 20. GENERAL PROVISIONS

20.01 Rights Reserved to the Authority. All rights not specifically granted to the Airline by this Agreement are reserved to the Authority.

20.02 Actions by the Authority and the Signatory Airlines.
Whenever in this Agreement the doing of any act or the exercise of any right by the Airline is conditioned upon receipt of approval, permission, agreement, authorization, the Authority shall promptly render its decision and shall neither unreasonably withhold nor unreasonably condition its approval of a request by the Airline. Whenever in this Agreement any approval is required from the Airline or from a Majority-in-Interest, such decision shall be promptly rendered and shall not be unreasonably withheld or conditioned.

20.03 Majority-in-Interest Approval Procedures. The Authority shall initiate the Majority-in-Interest approval process by delivering the request for approval to the Signatory Airlines at the appropriate Airport for the appropriate Cost Center. The request will be deemed to have been approved unless the Authority receives, within thirty (30) days, written notice of disapproval from the Signatory Airlines representing a Majority-in-Interest at such Airport for such Cost Center.

20.04 Authority Not Liable. Except as specifically provided for in this Agreement, the Authority shall not be under any duty or obligation to the Airline to repair or maintain the Premises, or any portion thereof, or any facilities or equipment constructed thereon. The Authority shall not be responsible or liable to the Airline for any claims for compensation for any losses, damages, or injury, including lost profits, sustained by the Airline resulting from failure of any water supply, heat, air conditioning, electrical power, or sewage or drainage facility, or caused by the natural physical conditions on the Airports, whether on the surface or underground, including stability, moving, shifting, settlement of ground, or displacement of materials by fire, water, windstorm, tornado, act of God, or state of war, civilian commotion or riot, or any other cause or peril beyond the control of the Authority, except to the extent covered by the Authority's insurance.

20.05 Laws, Regulations, and Compliance.

20.05.1 Laws and Regulations. The Airline and the Authority shall each comply, with all applicable Federal, state, and local laws, codes, regulations, including regulations of the

Authority, ordinances, rules, and orders now or hereafter in force; provided, however, that the Airline or the Authority may, without being considered in breach hereof, contest in good faith any of the foregoing as long as such contest is diligently commenced and prosecuted by the Airline or the Authority, as the case may be.

20.05.2 Safety and Fire Regulations. The Airline shall conduct its operations and activities under this Agreement in compliance with all safety regulations and directives of the Authority and applicable Federal, state, and local laws. The Airline shall procure and maintain such fire prevention and extinguishing devices as required by the Authority and shall at all times be familiar with and comply with the fire regulations and orders of the Authority.

20.05.3 Security. The Airline understands that the police security protection provided by the Authority is finite and limited to that generally provided to any other airline or business on the Airports and expressly acknowledges that any special security measures deemed necessary or desirable for additional protection of the Premises, equipment, improvements, and the Airline's personal property, and that of its employees and invitees shall be the sole responsibility of the Airline and shall involve no cost to the Authority.

20.05.4 Compliance By Other Tenants. The Authority shall, whenever possible, make reasonable efforts to obtain uniform compliance with the Authority's rules and regulations; however, the Authority shall not be liable to the Airline for any violation or non-observance of such rules and regulations by any user, tenant, concessionaire, other Air Transportation Company, invitee, licensee, or trespasser at the Airports nor shall such violation or non-observance by a user, tenant, concessionaire, other Air Transportation Company, invitee, licensee, or trespasser at the Airports, constitute a waiver of the Airline's obligation to comply with Authority rules and regulations.

20.06 Inspection. The Airline shall allow the Authority's authorized representatives entry to the Premises for the purpose of examining and inspecting said Premises, for purposes necessary, incidental to, or connected with the performance of the Authority's rights and obligations under this Agreement or in the exercise of its governmental functions. Except in the case of an emergency, the Authority shall conduct such inspections during reasonable business hours, and in the presence of the Airline's representative.

20.07 Relationship of the Parties. The Airline is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts and omissions, and the Authority shall in no way be responsible therefor. Nothing in this Agreement shall be construed as making the Airline an agent or representative of the Authority for any purpose whatsoever.

20.08 Covenant Not to Grant More Favorable Terms. The Authority shall accord all Signatory Airlines substantially equal treatment and shall not hereafter, during the Period of this Agreement, offer to other Scheduled Air Carriers more favorable rates or terms and conditions at the Airports than those provided in this Agreement for comparable rights and privileges, unless the more favorable rates and conditions are offered to the Airline at the same time; provided, however, nothing herein shall be construed to limit the Authority's rights to distinguish or discriminate among different classes of Air Transportation Companies, or to charge differential rental rates.

20.09 Quiet Enjoyment. The Authority agrees that, upon payment of the rentals, fees and charges and performance of the covenants and agreements on the part of the Airline to be performed hereunder, the Airline shall peaceably have and, in accordance with the terms hereof, enjoy the Premises and all rights, licenses, services, and privileges of the Airports and their appurtenances granted herein.

20.10 No Individual Liability. No director, officer, employee or agent of the Authority or the Airline shall be charged personally, or held contractually liable by or to the other party, under the terms or provisions of this Agreement, or because of any breach thereof, or because of the execution or attempted execution of this Agreement.

20.11 Waiver of Performance. The failure of the Authority or the Airline in any one or more instances, to invoke a provision, term, covenant, reservation, condition, or stipulation of this Agreement, or to enforce or take action to enforce, or to demand performance by the other party hereto, or to insist upon a strict performance by the other of any of the provisions, terms, covenants, reservations, conditions or stipulations contained in this Agreement shall not be considered a waiver or relinquishment of the rights to invoke, enforce, demand, or insist thereon, but the same shall continue and remain in full force and effect, and no waiver by either party of any provision, term, covenant, reservation, condition, or

stipulation hereof shall be deemed to have been made in any instance unless expressed in writing. In the event any agreement contained in this Agreement is breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to be a waiver of any other breach hereunder.

20.12 Force Majeure. Except as herein provided, neither the Authority nor the Airline shall be deemed to be in default hereunder if either party is prevented from performing any of the obligations, other than the payment of rentals, fees and charges hereunder, by reason of strikes, boycotts, labor disputes, embargoes, shortages of energy or materials, acts of God, acts of the public enemy, riots, rebellion, or sabotage.

20.13 Severability. If any article, section, provision, term, or condition of this Agreement is held to be invalid by a court of competent jurisdiction, the remainder of this Agreement, including the remaining rights and obligations of the Authority and the Airline, shall not be affected thereby.

20.14 Subordination to Indenture.

20.14.1 This Agreement and all rights granted to the Airline hereunder are expressly subordinated and subject to the lien and provisions of the pledges, transfer, hypothecation or assignment made by the Authority in any prior Indenture, or Indenture hereafter executed by the Authority, to issue Bonds. The Authority expressly reserves the right to enter into such Indentures and to make such pledges and grant such liens and enter into such covenants as it may deem necessary or desirable to secure and provide for the payment of Bonds, including the creation of reserves therefor; provided, however, that no such pledges, liens, covenants, or reserves shall have a material adverse affect on the Airline.

20.14.2 The Airline understands that the Authority is and will be the issuer of Bonds, the interest on which, with the exception of taxable Bonds, is intended to be excludable from gross income from the holders of such Bonds for Federal income tax purposes under the Internal Revenue Code of 1986. The Airline agrees that it will not act, or fail to act (and will immediately cease and desist from any action, or failure to act) with respect to the use of the Premises and Equipment leased to the Airline under this Agreement, if such act or failure to act may cause the Authority to be in noncompliance with the provisions of the Internal Revenue Code of 1986 as they may be amended, supplemented, or replaced, or the regulations or

rulings issued thereunder, nor will the Airline take, or persist in, any action or omission which may cause the interest on the tax-exempt Bonds not to be excludable from the gross income of the holders thereof for Federal income tax purposes.

20.15 Prohibition Against Exclusive Rights. It is hereby specifically understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right to provide aeronautical services to the public as prohibited by 49 U.S.C. § 40103(e), and the Authority reserves the right to grant to others the privileges and right of conducting any or all activities of an aeronautical nature.

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

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

20.18 Airline Mergers and Consolidations. If the Airline consolidates with or merges into another corporation or permits one or more other corporations to consolidate with or merge into it, or transfers or conveys all or substantially all of its property, assets and licenses to another corporation, the corporation resulting from or surviving such merger (if other than the Airline) or consolidation or the corporation to which such transfer or conveyance is made shall (i) expressly assume in writing and agree to perform all of the Airline's obligations hereunder, (ii) be qualified to do business in the Commonwealth

of Virginia, and (iii) if such corporation shall not be organized and existing under the laws of the United States of America or any state or territory thereof or the District of Columbia, furnish to the Authority an irrevocable consent to service of process in, and to the jurisdiction of the courts of, the Commonwealth of Virginia with respect to any action or suit, in law or at equity, brought by the Authority to enforce the Agreement. If the Airline is the surviving corporation in such a merger, the express assumption referred to in the preceding sentence shall not be required.

20.19 No Third Party Beneficiaries. This Agreement is for the benefit of the parties hereto only and is not intended to and shall not create any rights in or confer any benefits upon any person or entity (including and other Signatory Airline) other than the parties hereto.

20.20 Distribution of Funds Upon Termination. All amounts remaining in any fund or account, including any debt service reserve, established under any Indenture entered into by the Authority shall be distributed or applied in accordance with the provisions of the Indenture under which such fund or account was established. All amounts in any other fund or account established in connection with this Agreement shall be distributed to the Authority, which may use such amounts for any lawful purpose.

20.21 Depreciation. The Airline hereby irrevocably elects (binding the Airline and all successors-in-interest under the Agreement) not to claim depreciation or any investment tax credit with respect to any Project or Additional Project financed with the proceeds of Bonds.

20.22 Notices. Except as specifically provided elsewhere in this Agreement, any notice given under the provisions of this Agreement shall be in writing and shall be delivered personally or sent by certified or registered mail, postage prepaid --

To Authority: Chief Executive Officer
Metropolitan Washington Airports Authority
1 Aviation Circle
Washington, D.C. 20001-6000

To Airline: _____

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.

20.23 Governing Law. This Agreement shall be governed by and in accordance with the laws of the Commonwealth of Virginia.

20.24 Venue. To the extent allowed by law, the venue for any action arising from this Agreement shall be Arlington County, Virginia, for National Airport and Loudoun County, Virginia, for Dulles Airport.

20.25 Capacity to Execute. The individuals executing this Agreement personally warrant that they have full authority to execute this Agreement on behalf of the Airline or the Authority as the case may be.

20.26 Execution. The parties hereto acknowledge that they have thoroughly read this Agreement, including any exhibits or attachments hereto and have sought and received whatever competent advice and counsel was necessary for them to form a full and complete understanding of all rights and obligations herein. The parties further acknowledge that this Agreement is the result of extensive negotiations between the parties and shall not be construed against the Authority by reason of the preparation of this Agreement by the Authority.

20.27 Clear Title. The Authority covenants that at the granting and delivery of this Agreement, it has the right and authority to lease the Premises and Equipment to the Airline as set forth in this Agreement.

20.28 Binding Effect. The terms, conditions, and covenants of this Agreement shall inure to the benefit of, and be binding upon, the parties hereto and upon their successors, assigns and sublessee, if any. This provision shall not constitute a waiver of any conditions regarding assignment or subletting contained in this Agreement.

20.29 Entirety of Agreement. The parties agree that this Agreement sets forth the entire Agreement between the parties, and that there are no promises or understandings other than those stated herein. Except as otherwise provided in this Agreement, none of the provisions, terms, and conditions contained in this Agreement may be added to, modified,

superseded, or otherwise altered, except by written instrument executed by the parties hereto.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto, each intending to be bound and warranting that the individual signing this Agreement on its behalf is fully authorized to do so, hereby execute this Agreement on this ____ day of _____ 2014.

METROPOLITAN WASHINGTON
AIRPORTS AUTHORITY

[AIRLINE]

By:_____

By:_____

Name: _____

Name:_____

Title: _____

Title:_____

Proposed Resolution

Approving New Airport Use Agreement and Premises Lease between the Airports Authority and the Airlines Operating at Reagan National and Dulles International Airports

WHEREAS, The current Airport Use Agreement and Premises Lease between the Airports Authority and the domestic and international airlines operating at Ronald Reagan Washington National ("Reagan National") and Washington Dulles International ("Dulles International") Airports will expire on December 31, 2014 ("Expiring Use & Lease Agreement");

WHEREAS, The Expiring Use & Lease Agreement sets forth, among other things, the terms and conditions governing the financial and operational relationship between the Airports Authority and the airlines operating at the Airports;

WHEREAS, Over the past 18 months, Airports Authority staff and representatives of the airlines operating at Reagan National and Dulles International have been engaged in negotiations regarding a new Airport Use Agreement and Premises Lease that would become effective upon the December 31, 2014 Expiring Use & Lease Agreement;

WHEREAS, These negotiations have produced agreement on a new Airport Use Agreement and Premises Lease which, after approval by the governing bodies or authorized officers of the parties, would become effective on January 1, 2015 ("2015 Use & Lease Agreement");

WHEREAS, The proposed 2015 Use & Lease Agreement has been presented to the Strategic Development Committee, and the Committee has approved the proposed agreement and has recommended that the Board of Directors approve the agreement and authorize its execution by the President and Chief Executive Officer; now, therefore, be it

RESOLVED, That the 2015 Use and Lease Agreement, in the form presented to the Board of Directors on November 12, 2014, is approved;

2. That the President and Chief Executive Officer is authorized to execute the 2015 Use & Lease Agreement between the Airports Authority and each of the airlines operating at Reagan National and Dulles International which has executed the agreement, in the form of the agreement as presented to the Board of Directors, but with such changes, insertions, deletions and completions of a

non-substantive nature, if any, that he deems necessary or desirable after consultation with the Chairman and the Co-Chairs of the Strategic Development Committee; and

3. That this resolution shall be effective upon its adoption.

*For Consideration by the Strategic Development Committee
and Board of Directors on November 12, 2014*