

August 1, 2009

“Air Carrier”

Re: Agreement Regarding Operations at Raleigh-Durham International Airport, Terminal 2

Dear :

Upon their acceptance, the provisions of this letter will constitute the arrangement pursuant to which “Air Carrier”, a Delaware corporation (hereinafter ““Air Carrier””) will be permitted to operate a scheduled airline passenger business at Raleigh-Durham International Airport (hereinafter “Airport”), and under which the Raleigh-Durham Airport Authority (hereinafter “Authority”) will rent to “Air Carrier” that space in Terminal 2 which is particularly described in Attachment A to this letter.

1. Common Use Facility. “Air Carrier” understands and acknowledges that the new terminal building is designed and intended by the Authority to function as a common-use facility, such that air carriers may be assigned by the Authority to use aircraft gates, passenger hold rooms, airline ticketing/check-in kiosks and counters and baggage claim units as frequently as on a day-by-day and flight-by-flight basis. “Air Carrier” is advised and understands that for an unknown duration so long as all facility components are not assigned to carriers, the Authority shall assign use of these facility components to air carriers on a continuing basis such that said carriers have “Preferential Use” of said assigned components. Offices on the second (ticketing) and third (Club) level, operations offices on the first level, and a baggage service office on the first level, will be rented exclusively to “Air Carrier”. Baggage conveyors, CUSS kiosks, FIDS and BIDS screens, and TSSR rooms located within the Leased Premises are leased non-exclusively, and “Air Carrier” shall be entitled to and may use them in common with other airline tenants of Terminal 2. All other equipment located within the Leased Premises is leased preferentially to “Air Carrier”, and “Air Carrier” shall be entitled to preferential use thereof.
2. Term. Rental of Terminal 2 building space and equipment to the extent rented, will be on a month-to-month basis, cancelable by either party upon the giving of thirty (30) days prior written notice to the other party.
3. Condition. It is understood and agreed that “Air Carrier” takes and enters onto the Leased Premises in their present condition “as is, where is”.
4. Maintenance and Repairs - Equipment. The Authority shall be responsible for the maintenance and repair of (a) the passenger loading bridges, including the 400 hz. electric power, pre-conditioned air, potable water cabinet and luggage lift units with which they are equipped, installed on the gates assigned to “Air Carrier”; (b) the seating units, visual display panels and common use passenger processing terminals and associated equipment located in the passenger hold rooms; (c) the visual display panels and common use passenger processing kiosks, terminals and associated equipment located in the ticketing area on the second level of the new building; (d) the outbound and inbound baggage conveyor systems located on the basement, first and second levels of the new building; (e) the flight and baggage information display systems located on the first and sec-

ond levels of the new building; and (f) the aural and visual paging systems located throughout the public-accessible areas of the new building, in addition to its general responsibility for maintaining the new Terminal 2 building and the building systems and equipment installed therein. "Air Carrier" shall compensate the Authority for the costs of such maintenance and repair either as an addition to the rent it pays to occupy and use space and facilities in the building, or as a component of the rent, in a manner to be determined by the Authority, to ensure that the components of the rents in both terminals are consistent and additions to rent are charged for additional facilities and services provided by the Authority to tenants of new Terminal 2. "Air Carrier" shall, at its own cost and expense, be responsible for the maintenance and repair of any and all Leasehold Improvements made by "Air Carrier" so as to keep the same in good condition and repair at all times, safe for use by the public and "Air Carrier"'s subtenants, assigns, agents and employees.

5. Maintenance and Repair – Leased Premises. The Authority will be responsible for maintenance within the Leased Premises except for those items of personal property owned by "Air Carrier" or as otherwise stated within this Agreement. The Authority will not be responsible for the maintenance nor repair of personal property owned by "Air Carrier". The Authority will not be responsible for any improvements to the Leased Premises, including extension of HVAC or utilities to support renovation or improvements made by "Air Carrier" with the prior written consent and approval of the Authority, with the exception of the club facilities on the third level of Terminal 2. The "Air Carrier" Club is a leasehold improvement within which the Authority will be responsible for maintenance as outlined below; however, the Authority will maintain the Club on a charge-back to "Air Carrier" basis. However, the Authority will not repair, replace or recondition equipment and furniture owned and installed by "Air Carrier" within the Club, nor is the Authority responsible for refurbishment or renovation of the club.

Heating and air conditioning, lighting, electric power and water and sewer services within rented space are supplied by the Authority without additional charge.

The Authority's responsibilities for maintenance within the Leased Premises include the following:

- a) Sufficient heating and air conditioning system to maintain inside temperature in the range from a low of 68° during the heating season to a high of 80° at all other times.
- b) Replacement of carpet and repainting of walls as deemed necessary by the Authority, and repairs to other flooring types as needed.
- c) Repairs to electrical distribution, including components and fixtures, and replacement of fluorescent tubes and ballasts.
- d) Repairs to HVAC units, including VAV's, diffusers, ductwork, thermostats, and the like.
- e) Repairs to plumbing fixtures, sink repair, and water and sanitary sewer distribution, as well as responses to backups and overflows.
- f) Structural repairs and cosmetic and functional repairs to non-personal property items such as foundation, walls, ceilings, floors, doors, windows and roof.

Should maintenance or repair be necessary due to damage caused by "Air Carrier"'s employees, agents, contractors or customers, the Authority will make the required repairs and bill "Air Carrier" for reimbursement. With the exception of the Club, maintenance related to normal wear and tear is supplied by the Authority at no additional charge. "Air Carrier" will be billed for reimbursement of expenses related to maintenance of the Club.

Except as noted above, during the term of the Agreement the Authority shall keep the Leased Premises in good repair and tenantable condition, to the end that all facilities which it is required to maintain are kept in operative condition. "Air Carrier" is responsible for damages arising from the negligence of its employees, agents and invitees. In case the Authority shall, after written notice from "Air Carrier" in regard to a specified condition, fail, refuse or neglect to correct said condition, or in the event of an emergency constituting a hazard to the health or safety of "Air Carrier"'s employees, agents, invitees or property, it shall then be lawful for "Air Carrier", in addition to any other remedy "Air Carrier" may have, to make such repair at its own cost and expense and to deduct the amount thereof from the rent that may then be or thereafter become due hereunder. The Authority reserves the right to enter and inspect the Leased Premises at reasonable times, and to make necessary repairs to the premises.

6. Signs. All signs and corporate identification (including but not limited to posters, banners, rugs or carpet, stanchion-related ribbon, and scales) shall conform to and comply with the terminal building and equipment standards prescribed by the Authority, and any changes therein that from time to time may be prescribed by the Authority. Those standards do not permit signs and other media constituting advertising to be displayed (e.g., travel posters denoting locations served by "Air Carrier" and containing its name and/or logo). The Authority will not allow any tenant to post, install, or hang a sign on any wall, door or any other surface in Terminal 2, without first receiving authorization from the Authority. There will be no exceptions to this policy. The Authority may reasonably withhold or delay approval of any sign that, in its sole opinion, does not conform to or comply with the above-referenced standards.
7. Furniture & Fixtures. "Air Carrier" may install its furniture and fixtures (excluding light fixtures) in the exclusive space it rents. At the termination of its occupancy of the space, "Air Carrier" will have the right to remove its personal property; provided however, that upon removal "Air Carrier" shall restore the facilities to their original condition, ordinary wear and tear excepted. "Air Carrier" will be fully responsible for the operation, repair and maintenance of said furniture and fixtures in complete and proper working order at all times.
8. Vending Machines. "Air Carrier" shall have the right to install and provide, at its sole expense in the exclusive space it rents, food and beverage vending machines for the use and benefit of its employees only. No other vending machines shall be installed or provided by "Air Carrier" within the Leased Premises without the prior written approval of the Authority.
9. Information Services.
 - Telecommunication and Data Services. The Authority's Information Services Division offers telecommunication and data services for airport tenants. However, tenants may choose the provider of their choice; the Airport Authority, AT&T, TWTC, or other communication provider. Tenants must complete a Telecommunication Tenant Services form at least thirty (30) days prior to activating service. The form may be obtained by contacting the Authority's Communication Analyst in Information Services at 919-840-7437. Tenants may contact 919-840-7678 (PORT) or 919-840-7437 to obtain additional service information.
 - Radio Systems/Antennas. Tenants wishing to install any VHF, UHF or 800Mhz radio systems and/or antennas must do so in accordance with the "RDU Airport Authority VHF, UHF

and 800Mhz Radio Site Standards". This document contains definitions, process and technical information related to installation and/or modification of VHF, UHF or 800Mhz radio equipment and antennas, and may be obtained by contacting the Authority's Information Services Operations Support Manager at 919-840-7575. Installation or modification of such devices without prior written consent from the Airport Authority is prohibited.

- Secured Wireless Service/MATV/CCTV. The Authority will provide a shared-use, in-building secured wireless network (Wi-Fi), MATV service and CCTV service in the terminal buildings, and in future public buildings and structures located on airport property. Tenants are not authorized to develop and implement their own wireless network, MATV or CCTV services, and should contact the Authority's Communication Analyst in Information Services at 919-840-7437 to obtain additional service information.

10. Gate Assignments and Ramp Usage. At the time of this agreement, "Air Carrier" is assigned to use the passenger hold room space, aircraft parking positions, and passenger loading bridges at Gates C-7, 9/11, C-10/12, and C-15, and will coordinate use of those spaces, positions and bridges as necessary.

Aircraft taxiways, taxilanes and cartways are leased non-exclusively, and "Air Carrier" shall be entitled to and may use them in common with other tenants and users of Airport property.

"Air Carrier" shall be entitled to preferential occupancy and use of the aircraft parking position on the apron at each of the assigned gates; provided, however, that "Air Carrier" agrees that upon request from the Authority, it will cooperate and make all reasonable efforts to reposition its aircraft parking positions at the assigned gates to accommodate aircraft parking by other air carriers at gates adjacent to the assigned gates. The Authority reserves the right to reassign occupancy and use of any section of aircraft parking apron at any time to the extent necessary to facilitate aircraft movement over the apron taxilanes.

In addition, "Air Carrier" may use the portion of the Terminal 2 aircraft parking apron within the areas of the aircraft gates from which its flights operate for parking and minor maintenance, (excluding changing of fluids), and cleaning of vehicles and ground service equipment operated by "Air Carrier" in servicing its passenger flights serving the Airport, provided such vehicles and equipment are parked so as not to interfere with or constitute a hazard to the safe movement and parking of aircraft or vehicles or to be unsightly to the public view. In no case shall "Air Carrier" use any part of the Terminal 2 aircraft parking apron or the perimeter of the terminal building or any part thereof for storage of materials, supplies, vehicles or any other type of equipment so as to interfere with or constitute a hazard to the safe movement and parking of aircraft or vehicles, be hazardous to public safety, or be unsightly to the public view. "Air Carrier" shall promptly and fully store in an appropriate inside location or remove from the Airport any and all items that are not in compliance with this provision.

11. Club Facilities. The Club on the third level of Terminal 2 is a leasehold improvement by "Air Carrier", and will remain the property of "Air Carrier" upon completion, currently anticipated in November 2009. "Air Carrier" acknowledges that the Club may be subject to property taxes levied by Wake County.

12. Snow Removal. In common with the other carriers operating from Terminal 2, "Air Carrier" agrees to clear and remove all snow, ice and debris from the Terminal 2 aircraft parking apron, in particular around the aircraft, as is reasonably necessary to permit the operations of aircraft, vehicles and equipment thereon; provided, however, that the Authority is responsible for clearing and removal of snow, ice and debris from the taxiways providing access to and egress from the apron.
13. Ground Handling. "Air Carrier" shall have the right, without prior approval of the Authority, to ground handle periodic non-scheduled and charter commercial flights of non-tenant air transportation companies authorized by the Authority to use the Airport; provided, however, that the foregoing shall not be construed to authorize such companies to use the Airport without payment by those other companies, or by "Air Carrier" on their behalf, of landing fees, security charges and other fees and charges for such use established by the Authority in accordance with the rules, regulations and policies adopted by the Authority for such use.
14. Provision for International Flights. The aircraft gates in new Terminal 2 that will be usable for international flights requiring Customs & Border Protection processing of passengers upon arrival at RDU are Gates C-23, C-24 and C-25. No other gates will be usable for such flights. The following provisions related to use of these gates are understood and agreed to by the Authority and "Air Carrier":
 - a. Operation of B-777 or larger widebody aircraft requires that Gates C-23 and C-25 be concurrently used in order to accommodate parking and servicing of the aircraft. It is understood and agreed that all such aircraft operating at RDU and requiring access to an airline terminal shall use those gates. It is further understood and agreed that so long as it continues to be operated, American Airlines' daily RDU-LHR flight shall have priority in the use of those gates each day that it operates over any other flight that may be scheduled to use the Airport that day. It also is understood and agreed that Gate C-25 will be the Airport's primary international gate and that use of that gate by an international flight operated by any carrier at a time other than when it is being used by American Airlines' RDU-LHR flight shall take precedence over its use by any domestic flight.
 - b. Gate C-24 will be usable by aircraft up to the A330-300 in size concurrently with Gates C-23 and C-25 being jointly used by B-777 or larger widebody aircraft. However, operation of a B-757 or larger aircraft on that gate concurrently with Gates C-23 and C-25 being jointly used by B-777 or larger widebody aircraft will require that no aircraft be concurrently parked at Gate C-22. It is understood and agreed that during the time Gate C-25 or Gates C-23 and C-25 are being used by an international flight, concurrent use of Gate C-24 by a second international flight operated by any carrier shall take precedence over its use by any domestic flight; and if it is necessary in order to accommodate use of Gate C-24 by such flight, no aircraft shall be parked in Gate C-22 during that time.
15. Leased Premises Fixed Rent. Rents payable are due in advance on the first (1st) day of each month. Rental rates are subject to annual adjustment by the Authority in accordance with the operating budget adopted by the Authority for each fiscal year beginning on April 1st. The Terminal 2 space and equipment rental rates for the FY 2008-09 are:

Ticket counter space	\$88.00 per square foot per year
Ticket Counter Self-Service Device & Queuing Area	\$66.00 per square foot per year

Passenger hold room, security checkpoint and baggage claim space	\$66.00 per square foot per year
Third level Club, third and second level offices, first level operations offices, and first level baggage service office	\$44.00 per square foot per year
Baggage make-up and tug corridor space	\$22.00 per square foot per year
Passenger Loading Bridges, including Ground Power, PCA and Baggage Valet	\$3,041.67/month
Outbound Baggage Conveyor, Screening & Sorting and Inbound Baggage Conveyor System	Apportioned
Resource Management Center (Ramp Tower) Equipment	Apportioned
Airport Operations & Information Systems Equipment	Apportioned

16. Outbound Baggage Conveyor, Screening and Sorting System, and Inbound Baggage Conveyor System Fixed Rent. The total fixed rent to be charged all of the air carriers operating in Terminal 2 for the use of the outbound baggage conveyor, screening and sorting system and for the use of the inbound baggage conveyor system equipment, which shall be sufficient to recover the Authority's acquisition, installation and financing costs, shall be apportioned among them on the following basis: (a) 20% of the charge divided equally among the carriers; and (b) 80% apportioned in the ratio that the number of each carrier's enplaned passengers bears to the total enplanements of all carriers operating in Terminal 2. The Authority shall have the right to modify such apportionment formula at any time.

17. Resource Management Center (Ramp Tower) Equipment Fixed Rent. The total fixed rent to be charged all of the air carriers operating in Terminal 2 for the equipment installed in the Resource Management Center (Ramp Tower), including air-to-ground and ground-to-ground radio, computer, closed circuit television camera, lightning detection and television, which shall be sufficient to recover the Authority's acquisition, installation and financing costs, shall be apportioned among them in the ratio that the number of gates assigned to each carrier bears to the total number of gates. The Authority shall have the right to modify such apportionment formula at any time.

18. Security Checkpoint Variable Rent. The fixed rent for security checkpoint space in Terminal 2 shall be added to the variable charge for Authority Law Enforcement response to and presence at the checkpoint and apportioned among each of the air carriers operating in Terminal 2 in the ratio that each carrier's enplaned passengers bears to the total passenger enplanements of all carriers operating in Terminal 2, and the charge to "Air Carrier" shall be payable by "Air Carrier" monthly in advance along with the fixed rental payments due the Authority. However, the Authority shall have the right to modify that apportionment formula at any time. Said variable charge shall be subject to annual adjustment by the Authority at the beginning of the Authority's fiscal year on April 1st of each year hereafter upon written notice to "Air Carrier" to reflect the then current cost of providing such service to "Air Carrier" and the other carriers operating in Terminal 2. The foregoing provisions shall cease to apply in the event and to the extent that the

Transportation Security Administration, or its successor, accepts the responsibility for and pays the fixed rent for the security checkpoint space in Terminal 2 to the Authority.

19. Outbound Baggage Conveyor and Sorting System, Inbound Baggage Conveyor System Maintenance Variable Rent. Initially, the variable charge for maintenance and repair of the outbound baggage conveyor and sorting system and inbound baggage conveyor system equipment, which shall be the Authority's actual cost as invoiced by its maintenance contractor, shall be apportioned among each of the air carriers operating in Terminal 2 on the following basis: (a) 20% of the charge divided equally among the carriers; and (b) 80% apportioned in the ratio that the number of each carrier's enplaned passengers bears to the total enplanements of all carriers operating in Terminal 2. Such charges shall be due and payable within thirty (30) days following "Air Carrier"'s receipt of the Authority's invoice therefor. The Authority shall have the right to modify such apportionment formula at any time to match any change in the formula for Outbound Baggage Conveyor, Screening and Sorting System, and Inbound Baggage Conveyor System Maintenance Fixed Rents.
20. Resource Management Center (Ramp Tower) Variable Rent. Initially, the variable charge for operation of the Resource Management Center (Ramp Tower), which shall be the Authority's actual cost as invoiced by its operating contractor, shall be apportioned among each of the carriers operating in Terminal 2 in the ratio that the number of gates assigned to each carrier bears to the total number of gates. The Authority shall have the right to modify such apportionment formula at any time to match any change in the formula for the Resource Management Center (Ramp Tower) Equipment Fixed Rent.
21. Rent Adjustment. The rental rates and fixed rents for the Leased Premises described above, as well as in Attachment A, shall be subject to adjustment by the Authority not less frequently than at the beginning of the Authority's fiscal year on April 1st of each year. The fixed rents and rental rates charged "Air Carrier" shall not be increased unless the fixed rents and rental rates for similar space in the other passenger terminals at the Airport and in the remainder of Terminal 2 are also increased by the same proportionate amounts.
22. Service Fees. The following fees and charges for utilities and other services shall be due and payable as provided:
 - Public Utilities Services. The costs of providing water and sewer, electric power and natural gas services to Terminal 2 and the Terminal 2 aircraft parking apron lighting are included in the fixed rents charged to "Air Carrier" for those facilities.
 - 400 Hz. Ground Power and Preconditioned Air Supply Utilities Services. 400 Hz. electrical service and preconditioned (heated/cooled) air service that are supplied by the Authority to "Air Carrier"'s aircraft while parked at the assigned gates shall be provided at the Authority's cost, whether based upon measured use (by meter) where measurement can be made, or estimated using the best available information (non-metered). Such charges shall be due and payable within thirty (30) days following "Air Carrier"'s receipt of the Authority's invoice.
 - Janitorial and Cleaning Service. The Authority shall procure, maintain and provide all cleaning and janitorial services within the Leased Premises so as to maintain the cleanli-

ness of the Leased Premises in good condition, and "Air Carrier" agrees to pay the Authority for such services. The Authority will not allow tenants to contract with a janitorial services provider of their choosing.

"Air Carrier" and "Air Carrier"'s invitees, guests and visitors shall be entitled to use the public restrooms in Terminal 2, the responsibility for janitorial and cleaning services and supplies, including the cost of such services and supplies, for which shall rest with the Authority.

If "Air Carrier" chooses to use "Air Carrier" employees to clean their exclusively leased space, it is then "Air Carrier"'s responsibility to remove trash from their rented space to the dumpster serving the building. The Authority will provide dumpster service for the building. Janitorial and cleaning services for "Air Carrier"'s Terminal 2 Leased Premises that are provided to "Air Carrier" by the Authority shall be supplied at the Authority's actual contract cost plus a fifteen percent (15%) administrative charge. Such charges shall be due and payable within thirty (30) days following "Air Carrier"'s receipt of the Authority's invoice.

- Federal Inspection Services Facility Fee. A Federal Inspection Services fee of \$15 per deplaning international passenger subject to inspection by the FIS agencies shall be payable monthly by "Air Carrier" within thirty (30) days following the end of the month for each of its passengers on an international flight that uses the Terminal 2 Federal Inspections Services facility and associated security checkpoint area. Such fee shall be due and payable within thirty (30) days following "Air Carrier"'s receipt of the Authority's invoice. This fee shall be subject to annual adjustment by the Authority not less frequently than at the beginning of the Authority's fiscal year on April 1st of each year.
- Other Charges. Services rendered to "Air Carrier" by the Authority at the request of "Air Carrier" shall be provided at the actual cost of labor, equipment, parts, supplies and other itemized charges. Such costs shall be due and payable by "Air Carrier" within thirty (30) days following "Air Carrier"'s receipt of the Authority's invoice.

23. Landing Fees. Landing fees are charged to each air carrier for its operations at the Airport and for the operations of other non-tenant carriers' aircraft that it handles. The rate as of April 1, 2009 is \$2.0540 per 1,000 pounds of maximum gross aircraft landing weight as certificated by the Federal Aviation Administration. The rate is subject to annual adjustment by the Authority in accordance with the operating budget adopted by the Authority for each fiscal year beginning on April 1st. An adjustment is made at the end of each fiscal year based upon an allocation of actual costs attributable to the airfield, and the carriers are either credited with overpayment or charged with underpayment, in either case with interest, in the landing fee established for the succeeding fiscal year. There are no other airfield charges made to the air carriers at this time.

24. Parking. Parking of "Air Carrier"'s employees' private vehicles shall be in the employee section of Park & Ride Lot #4, to which the Authority's normal charges for employee parking shall apply. "Air Carrier" employee parking is subject to relocation at any time at the Authority's discretion. Parking of "Air Carrier"'s visitors' private vehicles shall be in the public parking lots.

25. Insurance. "Air Carrier" is required to maintain Comprehensive General Liability Insurance covering its operations at the Airport with a combined single limit of at least \$50 million. The Authority must be in possession of a Certificate of Insurance evidencing such coverage that names the Raleigh-Durham Airport Authority as an additional insured. The certificate shall be endorsed with or contain the following cancellation clause (which replaces the standard clause): "*This policy cannot be cancelled, reduced in amount or any coverage eliminated in less than thirty (30) days after mailing written notice to the insured and the Authority of such alteration or cancellation, sent by certified mail, or such lesser period as may be customary with respect to war risks.*"
26. Indemnification. To the extent allowed by North Carolina law, "Air Carrier" shall indemnify and save the Authority harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury or damage to property occurring in, on or about, or arising out of the use of the Leased Premises and any appurtenances thereto, or occasioned wholly or in part by any act or omission of "Air Carrier", its employees, agents, contractors or customers; provided, however, that nothing contained herein shall be construed as requiring "Air Carrier" to indemnify and save the Authority harmless from or against all such claims, actions, damages, liability or expense which may be caused by the negligence or willful misconduct of the Authority.
27. Payment Security. "Air Carrier" is required to secure and maintain a letter of credit or payment bond with the Authority, in accordance with the provisions of Paragraph II of the Authority's Accounts Receivable Procedures, which is attached to and made a part of this Agreement, sufficient to cover estimated fees and charges to become due the Authority for a period of ninety (90) days operations at the Airport. In the event "Air Carrier" should default in the performance of any term or condition of this Agreement, and such default shall continue for a period of ten (10) days after written notice from the Authority to "Air Carrier" specifying the nature of such default, the Authority may, but shall not be required to, use, apply or retain the whole or any part of the bond for the payment of any charges or for any other sum which the Authority shall have expended by reason of "Air Carrier"'s default. Whenever and as often as the amount of the bond shall be diminished by the Authority's application thereof, "Air Carrier" shall, within ten (10) days after the Authority's request therefor, restore the payment bond to the original amount. "Air Carrier" agrees that such bond or deposit may be drawn upon by the Authority to cover any payment deficiency, including any payments due and owing the Authority upon a filing for protection or liquidation under the Federal Bankruptcy Statutes.

As of the date of this Agreement, "Air Carrier"'s master agreement with its "Air Carrier" Connection partner carriers requires that "Air Carrier" pay all variable expenses for each "Air Carrier" connection carrier. Therefore, at this time, the landing fees, building space rents, and other fees and charges for ninety (90) days for the operation of "Air Carrier" and its connection carriers are estimated to be \$1,795,000.

In lieu of "Air Carrier"'s ability to provide the Authority with a letter of credit or payment bond as aforementioned, "Air Carrier" shall pay to the Authority estimated aircraft landing fees for landings of its aircraft at the Airport, and other rent or charges due the Authority, at least thirty (30) days in advance such that at any time during said term the Authority will have in its possession an amount equal to a minimum of fourteen (14) days of said estimated fees and charges. There shall be a monthly reconciliation of "Air Carrier"'s account. Payment of said fees and charges shall be made by wire transfer to the Authority's account with First Citizens Bank &

Trust Company not later than the close of business on the last business day of each month. Payment by corporate check or certified check will not be acceptable.

In addition to the preceding, should the public rating of "Air Carrier"'s long-term, most senior corporate debt by Moody's fall below Ba3 or by S&P and/or Fitch fall below Bb- at any time, within thirty (30) days thereafter "Air Carrier" shall furnish to the Authority and thereafter maintain so long as that condition continues the above-mentioned payment bond or letter of credit in the amount prescribed as a condition of continuing to operate at the Airport.

28. Reports.

- Landing Report. On or before the fifth business day of each calendar month, "Air Carrier" shall prepare and deliver to the Authority a complete and accurate statement in writing in the form therefor prescribed by the Authority setting forth the number of landings at the Airport during the preceding calendar month of each type of aircraft it and any other non-tenant carrier(s) whose aircraft it handled operated. The number of landings by aircraft type are subject to periodic audit by the Authority as it considers appropriate. "Air Carrier" at all times shall maintain at its Airport station original records of aircraft landings covering not less than the preceding twelve (12) calendar months and shall make those records available to the Authority for audit upon request during normal business hours.
- Other Reports. On or before the fifth day of each calendar month, "Air Carrier" also shall prepare and deliver to the Authority a complete and accurate statement in writing in the form therefor prescribed by the Authority setting forth the following information for the preceding calendar month for scheduled and charter flights operated by "Air Carrier" and by non-tenant carriers whose aircraft were handled by "Air Carrier":
 1. The total number of enplaned passengers, the number of those enplaned passengers who connected from one "Air Carrier" flight to another at RDU, and the number of those enplaned passengers who were flying on a domestic leg of an international trip.
 2. The total number of deplaned passengers, the number of those deplaned passengers who connected from one "Air Carrier" flight to another at RDU, and the number of those deplaned passengers who were flying on a domestic leg of an international trip.
 3. The pounds of air freight, the pounds of air express, and the pounds of air mail enplaned.
 4. The pounds of air freight, the pounds of air express, and the pounds of air mail deplaned.

29. Compliance with Laws. "Air Carrier" shall at all times fully and promptly observe, obey and comply with all statutes, laws, ordinance, orders, rules, regulations and standards, whether now in effect or hereinafter enacted, adopted or promulgated by the Authority, any municipal, State or federal agency, or any other lawful authority having jurisdiction over the Leased Premises, the operation of the airport, or the business conducted by "Air Carrier" at or from the Leased Premises, including, but not limited to, those relating to the safety, cleanliness, occupancy and use of the Leased Premises, to the nature, character and manner of operation of the business conducted in, at or from said Leased Premises, and to the conduct of "Air Carrier"'s agents and employees while on Airport property.

30. Employee Behavior. "Air Carrier" shall regulate and control the conduct, demeanor and work activities of its employees while on the Airport property. The Authority reserves the right to restrict, suspend or revoke the identification badge issued by the Authority authorizing access to the restricted areas on the Airport of any employee, subtenant, customer or assign of "Air Carrier" at any time for failure to observe or abide by and comply with any of the Authority's ordinances, rules and regulations, except to the extent such ordinances, rules or regulations are superseded by federal Law.

31. Damages. If the Leased Premises be destroyed by fire or other casualty, without fault of "Air Carrier", this Agreement shall immediately terminate and the rent shall be apportioned to the time of the damage. In case of partial destruction or damage by fire or other casualty without fault of "Air Carrier", so as to render the premises untenable in whole or in part, there shall be an apportionment of the rent until the damage has been repaired. During such period of repair, "Air Carrier" shall have the right to obtain similar space at the expense of "Air Carrier", or "Air Carrier" may terminate the Agreement by giving fifteen (15) days written notice to the Authority.

The Authority shall be liable to "Air Carrier" for any loss or damages suffered by "Air Carrier" which are a direct result of the failure of the Authority to perform an act required by this Agreement, provided that the Authority could reasonably have complied with said requirement.

32. Surrender. Upon expiration or earlier termination of this Agreement or any renewal or extension thereof, "Air Carrier"'s right to occupy and use the Leased Premises shall cease and "Air Carrier" shall promptly surrender the Leased Premises to the Authority in as good order and condition as when received, reasonable wear and tear and damage by fire or other casualty excepted.

33. Inspection. Authorized representatives of the Authority may enter upon the Leased Premises at reasonable times for the purpose of making inspections of said Leased Premises; in order to gain access to the structural, electrical, mechanical, elevator, utility and fire protection systems within the Leased Premises; for the inspection, installation, modification, expansion and maintenance of or repairs to utilities, equipment and facilities located within the Leased Premises; or for any other purpose necessary for, reasonably incidental to or connected with the performance of the Authority's obligations under the terms of this Agreement. Insofar as is reasonably possible, "Air Carrier" shall be given advance notice of any inspection, said inspection shall be performed in the company of an employee or other authorized representative of "Air Carrier", and reasonable effort shall be made to avoid or minimize any business disruption which may be associated therewith.

34. Assignment. "Air Carrier" shall not assign nor sublet the Leased Premises without the prior written consent of the Authority.

35. Notices. All notices herein provided to be given, or which may be given, by either party to the other, shall be deemed to have been fully given when made in writing and deposited in United States mail, certified and postage prepaid and addressed as follows: To the Authority at P.O. Box 80001, RDU Airport, North Carolina 27623, and to "Air Carrier" at Dept. 877, Box 20706, Atlanta, Georgia 20706. Nothing herein contained shall preclude the giving of such notice by personal service. The address to which notices shall be mailed to either party may be changed by written notice.

36. Waiver. The failure of either party to insist in any instance upon strict performance of any of the terms and conditions herein set forth shall not be construed as a waiver of the same in any other instance. No modification of any provision hereof and no cancellation or surrender hereof shall be valid unless in writing and executed by both parties.
37. Binder. This Agreement, and all of the terms and provisions hereof, shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns. This Agreement shall be governed by and construed under the laws of the State of North Carolina. If any provision of this Agreement be declared invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect. This document constitutes the entire agreement between the parties as of the date hereof, and supersedes all prior and independent agreements between the parties respecting the Leased Premises whether written or unwritten.

Please indicate the agreement of "Air Carrier" to the terms and conditions enumerated above by signing both copies of this Agreement. Please retain one copy of the Agreement for your files, and return the other copy to the Authority along with the letter of credit or payment bond and the insurance certificate.

If you have any questions about the arrangement described herein or need any additional information, please contact our Properties & Insurance Officer, Karen Quinn Reynolds, or the undersigned. The Authority looks forward to continued and expanded service by "Air Carrier" at Raleigh-Durham for many years.

Sincerely,

John C. Brantley
Airport Director

AGREED TO AND ACCEPTED:

"AIR CARRIER"

Name: _____ (print)

Title: _____ (print)

Signature: _____

Date: _____

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

Mr.
"Air Carrier"
August 1, 2009
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Finance Officer