

**AIRLINE-AIRPORT USE AND LEASE AGREEMENT**

FOR

TAMPA INTERNATIONAL AIRPORT

BY AND BETWEEN

HILLSBOROUGH COUNTY AVIATION AUTHORITY

TAMPA, FLORIDA

AND

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## **LIST OF EXHIBITS**

<u>Exhibit</u>	<u>Title</u>
Exhibit A	Airport Boundaries
Exhibit B	Airline Premises
Exhibit C	Summary of Terminal Complex Areas
Exhibit D	Responsibilities of AUTHORITY and AIRLINE for Operation and Maintenance of the Terminal Complex
Exhibit E	Sample Reporting Forms
Exhibit F	Changes in Rates for Rentals, Fees and Charges

## **AIRLINE-AIRPORT USE AND LEASE AGREEMENT**

THIS AIRLINE-AIRPORT USE AND LEASE AGREEMENT (“Agreement”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by and between the Hillsborough County Aviation Authority, hereinafter referred to as “AUTHORITY,” and \_\_\_\_\_, a corporation organized and existing under the laws of the State/Country of \_\_\_\_\_ and authorized to do business in the State of Florida, hereinafter referred to as “AIRLINE.”

### WITNESSETH:

WHEREAS, AUTHORITY has the ownership, custody, control and management of Tampa International Airport (which, as it now exists or hereafter may be extended, is hereafter called the “Airport,” as set forth in Exhibit A attached hereto) located in Hillsborough County, State of Florida; and

WHEREAS, AUTHORITY has the legal and sole responsibility for the operation, maintenance, improvement and promotion of the Airport System in Hillsborough County, Florida; and

WHEREAS, AUTHORITY has the right to lease, license, or otherwise provide for the use of land, property and facilities of the Airport System and has full power and authority to enter into this Agreement in respect thereof; and

WHEREAS, AIRLINE is engaged in the business of transportation by air of persons, property, mail, parcels and/or cargo; and

WHEREAS, AIRLINE desires to lease certain premises, obtain certain rights, services and privileges in connection with the use of the Airport and its facilities, and AUTHORITY is willing to grant and lease the same to AIRLINE upon the terms and conditions hereinafter stated; and

WHEREAS, AIRLINE and AUTHORITY agree to enter into this Agreement, specifying the rights and obligations of the parties with respect to the use and occupancy of the Airport by AIRLINE;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, AUTHORITY and AIRLINE do hereby mutually undertake, promise and agree, each for itself and its successors and assigns, as follows:

## ARTICLE 1: DEFINITIONS

The following words, terms and phrases wherever used in this Agreement shall for the purposes of this Agreement have the following meanings:

1.01 Administrative Cost Center shall include all direct, indirect and general administrative O&M Expenditures for all administrative functions of the Airport System. The Administrative Cost Center shall be allocated to the Cost Centers and Cost and Revenue Centers of the Airport System based on their proportionate share of all other direct and indirect O&M Expenditures.

1.02 Agreement shall mean this Airline-Airport Use and Lease Agreement between AUTHORITY and AIRLINE, as the same may be amended, modified or altered from time to time pursuant to the terms hereof.

1.03 Air Transportation Business shall mean that business operated by AIRLINE at the Airport for the commercial transportation by air of persons, property, mail, parcels and/or cargo.

1.04 Air Transportation Company shall mean a legal entity engaged in the business of scheduled or non-scheduled commercial transportation by air of persons, property, mail, parcels and/or cargo.

1.05 Airfield shall mean those portions of the Airport, excluding the Terminal Aircraft Aprons and the Cargo Aircraft Aprons, provided for the landing, taking off, and taxiing of aircraft, including without limitation, approach and turning zones, clear zones, avigation or other easements, runways, a fully integrated taxiway system, runway and taxiway lights, and other appurtenances related to the aeronautical use of the Airport, including any property purchased for noise mitigation purposes, as set forth in Exhibit A and as may be revised from time to time.

1.06 Airfield Cost and Revenue Center shall include all Investment Service (allocated by its proportional share of Recognized Net Investment), all direct and indirect O&M Expenditures, and operating Revenues for the Airfield. Boundaries of the Airfield Cost and Revenue Center are as shown in Exhibit A, attached hereto, and as may be revised from time to time.

1.07 AIRLINE shall mean the Air Transportation Company executing this Agreement.

1.08 Airline Premises shall mean those areas in the Terminal Complex assigned to AIRLINE as Exclusive Use Premises, Preferential Use Premises, or Common Use Premises, as defined herein, and shown in Exhibits B and C, attached hereto.

1.09 Airline Supported Areas shall mean the direct and indirect O&M Expenditures and Investment Service charged to the Airfield Cost and Revenue Center and the Terminal Complex Cost and Revenue Center.

1.10 Airport shall mean Tampa International Airport, owned and operated by AUTHORITY, the boundaries of which are more particularly shown in Exhibit A, attached hereto, including all real property easements or any other interest therein as well as all improvements and appurtenances thereto, structures, buildings, fixtures, and all tangible personal property or interest in any of the foregoing, now or hereafter owned leased or operated by AUTHORITY.

1.11 Airport Affairs Committee (AAC) shall mean collectively the authorized representatives of each Signatory Airline which shall meet from time to time with representatives of AUTHORITY to receive information and provide input from the Signatory Airlines with regard to selected operation and development matters of the Airport.

1.12 Airport System shall mean all real property or any interest therein, including improvements thereto, structures, buildings, fixtures, and other personal property, which are located on the Airport, Peter O. Knight Airport, Plant City Airport, Vandenberg Airport, or any airport hereafter owned, leased or operated by AUTHORITY.

1.13 Airside Buildings shall mean the building or buildings at the Airport through which passenger aircraft are loaded or unloaded as set forth in Exhibit A, attached hereto.

1.14 AUTHORITY shall mean the Hillsborough County Aviation Authority, a public body corporate pursuant to the provisions of Chapter 23339, Laws of Florida, Acts of 1945, as amended, supplemented and codified by Chapter 2003-370, Laws of Florida, Acts of 2003 or any amendments, supplements thereto, or recodification thereof.

1.15 Auxiliary Airports Cost and Revenue Center shall include all Investment Service (allocated by its proportional share of Recognized Net Investment), all direct, indirect and general administrative O&M Expenditures, and operating Revenues for all airports operated by the AUTHORITY, other than the Airport.



1.16 Bonds shall mean Tampa International Airport Revenue Bonds issued pursuant to the Trust Agreement.

1.17 Capital Expenditure shall mean an expenditure, equal to or greater than \$100,000, made to acquire, purchase or construct a single capital item or project for the purpose(s) of improving, maintaining or developing the Airport System, and shall include expenses incurred for development, study, analysis, review, design, or planning efforts.

1.18 Cargo Aircraft Aprons shall mean those areas of the Airport that are designated for the parking of cargo aircraft and support vehicles, and the loading and unloading of cargo aircraft, as shown in Exhibit A, attached hereto.

1.19 Cargo Cost and Revenue Center shall include all Investment Service (allocated by its proportional share of Recognized Net Investment), all direct, indirect and general administrative O&M Expenditures, and operating Revenues for the Cargo Aircraft Aprons and cargo facilities at the Airport, as its boundaries may be adjusted from time to time. Boundaries of the Cargo Cost and Revenue Center are as shown in Exhibit A, attached hereto.

1.20 Chargeable Landings shall mean all Revenue Landings and those Non-Revenue Landings whenever the same aircraft departs the Airport as a revenue flight.

1.21 Commercial Landside Cost and Revenue Center shall include all Investment Service (allocated by its proportional share of Recognized Net Investment), all direct, indirect and general administrative O&M Expenditures, and operating Revenues for those areas on the Airport designated from time to time for public automobile parking, automobile rental agencies, taxi and limousine parking areas, the Airport hotel, and other nonaeronautical accommodations and services for the public using the Airport. Boundaries of the Commercial Landside Cost and Revenue Center are as shown in Exhibit A, attached hereto.

1.22 Common Use Formula shall mean that formula which allocates 15 percent of the cost of a service or space as defined in amended Exhibit F, which is attached hereto and incorporated herein, equally among those Scheduled Air Carriers that account for at least five percent (5%) of the Airport's total Enplaned Passengers annually, and 85 percent prorated among those Scheduled Air Carriers that account for at least five percent (5%) of the Airport's total Enplaned Passengers annually, based on the ratio of each Scheduled Air Carrier's Enplaned Passengers annually at the Airport, to the total of all Enplaned Passengers annually at the Airport, by all Scheduled Air Carriers that account for at least five percent (5%) of total Enplaned Passengers at

the Airport. When determining the number of Scheduled Air Carriers sharing in the fifteen percent (15%) portion of the Common Use Formula, all individual Scheduled Air Carriers that are wholly-owned by the same entity shall be combined and considered a single Scheduled Air Carrier.

1.23 Common Use Premises shall mean those non-exclusive areas of the Airport (excluding Public Space), used in common by AIRLINE, along with other authorized users of the Airport, along with all facilities, improvements, equipment and services which are, or hereafter may be, provided for such common-use, as shown in Exhibits B and C, attached hereto.

1.24 Cost and Revenue Centers shall mean those areas or functional activities of the Airport System used for the purposes of accounting for Revenues, O&M Expenditures, and Investment Service.

1.25 Cost Centers shall mean those areas or functional activities of the Airport System used for the purposes of accounting for O&M Expenditures and Investment Service.

1.26 Coverage shall mean twenty-five percent (25%) of the Debt Service payable on Bonds in each Fiscal Year.

1.27 Debt Service shall mean any principal, interest, premium, and other fees and amounts either paid or accrued for Bonds, and such other accounts which may be established for payment of principal, interest, premium and other fees and amounts associated with Subordinated Indebtedness, exclusive of amounts funded by Passenger Facility Charge (“PFC”) collections.

1.28 Debt Service Reserve Fund shall mean the fund created by the Trust Agreement for maintaining a balance equal to the maximum annual Debt Service on all outstanding Bonds.

1.29 Deplaned Passenger shall mean any passenger disembarking an aircraft at the Terminal Complex, including any such passenger that shall subsequently board another aircraft of the same or a different Air Transportation Company or the same aircraft, previously operating under a different flight number.

1.30 Enplaned Passenger shall mean any passenger boarding an aircraft at the Terminal Complex, including any such passenger that previously disembarked from another aircraft of the same or a different Air Transportation Company or from the same aircraft, previously operating under a different flight number.

1.31 Exclusive Use Premises shall mean those portions of the Terminal Complex assigned exclusively to AIRLINE, as shown in Exhibit B, attached hereto.

1.32 Executive Director shall be the Executive Director of AUTHORITY, and shall include such person or persons as may from time to time be authorized in writing by AUTHORITY or by the Executive Director or applicable law to act for the Executive Director with respect to any or all matters pertaining to this Agreement.

1.33 Extraordinary Coverage Protection shall mean the requirements set forth in Paragraph 7.05D.

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

1.35 Fiscal Year shall mean the annual accounting period of AUTHORITY for its general accounting purposes which, at the time of entering into this Agreement, is the period of twelve consecutive months, ending with the last day of September of any year.

1.36 General Aviation Cost and Revenue Center shall include all Investment Service (allocated by its proportional share of Recognized Net Investment), all direct, indirect and general administrative O&M Expenditures, and operating Revenues for the general aviation facilities at the Airport, as its boundaries may be adjusted from time to time. Boundaries of the General Aviation Cost and Revenue Center are as shown in Exhibit A, attached hereto.

1.37 Investment Service shall mean, with respect to any Fiscal Year, the sum of (1) Debt Service (exclusive of capitalized interest) and Other Debt Service payable by AUTHORITY in that Fiscal Year; plus (2) Return on AUTHORITY Investment; plus (3) Coverage; less (4) a reduction for any interest earnings in the Debt Service Reserve Fund; less (5) a reduction for any interest earnings in the Redemption Account attributable to amounts transferred from the Surplus Fund. Investment Service will exclude any amounts funded by PFC collections.

1.38 Land Bank Cost Center shall include all Investment Service (allocated by its proportional share of Recognized Net Investment) and all direct, indirect and general administrative O&M Expenditures for all land on the Airport that is not at the time useful for Airport purposes, but is expected to be needed in the future for Airport purposes, as its boundaries are adjusted from time to time. Boundaries of the Land Bank Cost Center are as shown in Exhibit A, attached hereto. When land in the Land Bank Cost Center becomes useful for Airport

purposes other than land bank, it will be transferred out of the Land Bank Cost Center and into an appropriate Cost and Revenue Center.

1.39 Landing Fee shall mean a fee expressed in tenths of a cent per thousand pounds of the Maximum Gross Landed Weight of each type of AIRLINE's aircraft and shall be multiplied by the total of all Maximum Gross Landed Weight for all Chargeable Landings of each type of aircraft landed at the Airport by AIRLINE.

1.40 Majority In Interest of Airlines (MII) shall apply only to the Airfield Cost and Revenue Center and shall mean at least fifty percent (50%) of the Signatory Airlines who together have landed sixty percent (60%) of the total Maximum Gross Landed Weight by all Signatory Airlines at the Airport during the immediately preceding Fiscal Year.

1.41 Maximum Gross Landed Weight shall mean the maximum gross certificated landing weight in one thousand pound units for which each aircraft operated at the Airport by AIRLINE as certificated by the FAA or its successor.

1.42 Net Requirement shall mean, with respect to the Terminal Complex, the direct and indirect O&M Expenditures for the Terminal Complex and reserves therefore, plus its proportional share of Investment Service, less reimbursements; with respect to the Airfield, the direct and indirect O&M Expenditures for the Airfield and reserves therefore, plus its proportional share of Investment Service.

1.43 Non-Airline Revenues shall mean those rentals, fees, charges and other income received by AUTHORITY from all Airport System operations including income from lessees, permittees, concessionaires, users, and patrons other than Air Transportation Companies.

1.44 Non-Revenue Landing shall mean any aircraft landing by AIRLINE at the Airport for a flight for which AIRLINE receives no revenue, and shall include irregular and occasional ferry or emergency, which shall include any flight, that after having taken off from the Airport and without making a landing at any other airport, returns to land at the Airport because of meteorological conditions, mechanical or operating causes, or any other reason of emergency or precaution.

1.45 Operating Expenditures (O&M Expenditures) shall mean all Operating Expenses, excluding any reimbursement or grants received from governmental entities to offset operating expenses, plus all expenditures with a unit cost less than \$100,000 for the cost of moveable equipment consisting of, but not limited to, fire

fighting equipment, trucks, tractors and automotive equipment and other similar moveable equipment and for the purpose of paying the cost of rebuilding, reconstructing, altering, replacing and renewing the facilities of the Airport System, and construction and acquisition of improvements to capital assets of the Airport System.

1.46 Operating Expenses shall mean the current expenses, paid or accrued, of operation, maintenance, and ordinary current repairs of said Airport System and shall include, without limiting the generality of the foregoing, insurance premiums, administrative expenses of the Authority relating solely to the Airport System, including engineering, architectural, legal, airport consultants, and accounting fees and expenses, and fees and expenses of the Trustee, and such other reasonable current expenses as shall be in accordance with sound accounting practice. Operating Expenses shall not include any allowance for depreciation or renewals or replacements or obsolescence of capital assets of the Airport System, or any operating expenses of Special Purpose Facilities buildings where the lessees thereof are obligated to pay such operating expenses.

1.47 Operating Reserve Requirement (O&M Reserve Requirement) shall mean the Trust Agreement requirement that a reserve be created and maintained at an amount at least equal to one-sixth of the annual budget then in effect for Operating Expenses.

1.48 Other Cost and Revenue Center shall include all Investment Service (allocated by its proportional share of Recognized Net Investment), all direct, indirect and general administrative O&M Expenditures, and operating Revenues for that area of the Airport designated from time to time for aviation support facilities such as flight kitchens, maintenance hangars, ground support equipment buildings and reservations centers, as shown in Exhibit A, attached hereto.

1.49 Other Debt Service shall mean any principal, interest, premium, and other fees and amounts, either paid or accrued, on Other Indebtedness of AUTHORITY.

1.50 Other Indebtedness shall mean any debt incurred by AUTHORITY for Airport System purposes which is outstanding and not authenticated and delivered under and pursuant to the Trust Agreement, or any Subordinated Trust Agreement.

1.51 Passenger Facility Charge (PFC) shall mean the fees authorized by 49 USC 40117 and regulated by 14 CFR Part 158 as such statute and regulations currently exist or as they may be amended during the Term of this Agreement.

1.52 Passenger Transfer System shall mean the passenger transfer equipment and facilities, including the stations located in the Terminal Building and the Airside Buildings, as shown on Exhibit B.

1.53 Passenger Transfer System Cost Center shall include all Investment Service (allocated by its proportional share of Recognized Net Investment) and all direct, indirect and general administrative O&M Expenditures for the Passenger Transfer System. The costs of the Passenger Transfer System will be allocated to the Airside Buildings and included with the costs of the Airside Buildings in the development of the rental rate for the use or lease of square feet in the Airside Buildings as calculated in accordance with Exhibit F.

1.54 Preferential Use Premises shall mean those portions of the Terminal Complex and Terminal Aircraft Aprons assigned to AIRLINE, as shown in Exhibits B and C, attached hereto, to which AIRLINE shall have priority over other users, subject to the provisions of Article 16.

1.55 Public Space shall mean all utility rooms, ductways, janitorial rooms and closets, stairways, hallways, elevators, escalators, entrance-ways, public or common use lobbies and areas, public toilet areas and other areas used for the operation, maintenance or security of the Terminal Complex, even if used solely by AUTHORITY; as shown on Exhibit B, attached hereto.

1.56 Recognized Net Investment shall mean AUTHORITY's cost of an improvement, equal to or greater than \$100,000, or an acquisition made on or for the Airport System (including without limitation the cost of construction, testing, architects' and engineers' fees, consultants' fees, construction management fees, inspection and surveillance by AUTHORITY engineer, condemnation, relocation expenses, brokers' fees), reduced by the amount of any federal or state grant or PFC received by AUTHORITY therefor, shall be considered Recognized Net Investment beginning in the Fiscal Year in which the improvement or acquisition is completed.

1.57 Redemption Account means the account created by the Trust Agreement to be used for the retirement of Bonds.

1.58 Rentable Square Feet with respect to the Terminal Complex shall mean the number of square feet of space in the Terminal Complex that is rentable to tenants, including office and administrative space used by AUTHORITY. Untenable areas committed for leasing to a future tenant when renovated, as shown on Exhibit B, shall not be considered rentable during the period of such commitment until the lease period commences. The

Passenger Transfer System is not considered as Rentable Square Feet but shall be considered as Public Space for the purpose of rate calculations.

1.59 Return on AUTHORITY Investment shall mean the return on Recognized Net Investment made by AUTHORITY after September 30, 1999 with its own AUTHORITY funds (not Bond proceeds; not proceeds from insurance resulting from casualty damage to or destruction of improvements on the Airport System; not federal or state grant funds; and not PFC's) for new capital improvements or acquisitions on the Airport System equal to the total of the annual amortization of the amount of each item of Recognized Net Investment over twenty-five (25) years in principal and interest amounts which together represent equal annual payments, with interest computed at AUTHORITY's True Interest Cost. For the Fiscal Year of acquisition or completion, only one-half of the annual amortization shall be recognized.

1.60 Revenue Fund shall mean that fund for the deposit of Revenues, as defined under the Trust Agreement, derived from the operation of the Airport System.

1.61 Revenue Landing shall mean any aircraft landing by AIRLINE at the Airport for which AIRLINE receives revenue.

1.62 Revenues shall mean income accrued by AUTHORITY in accordance with generally accepted accounting practices, including investment earnings, from or in connection with the ownership or operation of the Airport System or any part thereof, or the leasing or use thereof. PFC's and the interest earned therefrom shall be excluded from the calculation of revenues.

1.63 Roads and Grounds Cost Center shall include all Investment Service (allocated by its proportional share of Recognized Net Investment) and all direct, indirect and general administrative O&M Expenditures for all public roads on the Airport and the landscaping and facilities provided therefor, as defined from time to time. The Roads and Grounds Cost Center shall be allocated to the Cost and Revenue Centers based upon the following percentages: 5% to the Airfield Cost and Revenue Center, 35% to the Terminal Building Cost and Revenue Center, 45% to the Commercial Landside Cost and Revenue Center, 5% to the Other Cost and Revenue Center, 5% to the Cargo Cost and Revenue Center, and 5% to the General Aviation Cost and Revenue Center. The roads that are included in the Roads and Grounds Cost Center are as shown in Exhibit A.

1.64 Scheduled Air Carrier shall mean any Air Transportation Company performing or desiring to perform, pursuant to published schedules, seasonal or non-seasonal commercial air transportation services over

specified routes to and from the Airport and holding the necessary authority from the appropriate federal or state agencies to provide such transportation.

1.65 Signatory Airline shall mean an Air Transportation Company that leases at least one holdroom in an Airside Building and space in the Terminal Building deemed sufficient by the Executive Director to support its operation, and has an agreement with AUTHORITY substantially similar to this Agreement. A wholly owned (100 percent) subsidiary of a Signatory Airline, or the Signatory Airline's parent, will be treated as a Signatory Airline for the purposes of this Agreement provided that AIRLINE shall guarantee payments required of its wholly owned subsidiaries. An all-cargo Air Transportation Company shall be considered a Signatory Airline if it guarantees a minimum of 30,600 annual units of Maximum Gross Landed Weight throughout the Term of this Agreement, leases facilities on the Airport from AUTHORITY for a term at least equal to the Term of this Agreement, and has an agreement with AUTHORITY substantially similar to this Agreement.

1.66 Subordinated Indebtedness shall mean any bonds or other financing instrument or obligation subordinate to the Bonds, issued pursuant to any Subordinated Trust Agreement.

1.67 Subordinated Trust Agreement shall mean a trust agreement subordinated to the Trust Agreement authorizing the issuance by AUTHORITY of Subordinated Indebtedness, as such may be supplemented or amended from time to time.

1.68 Substantial Completion shall mean the date on which AUTHORITY's architects and/or engineers certify any premises at the Airport to be substantially complete as to permit use and occupancy by AIRLINE.

1.69 Surplus Fund shall mean that fund created by the Trust Agreement, the use of which is governed by Section 8.05 of this Agreement.

1.70 Term shall mean the period of time during which AIRLINE's activities at the Airport shall be governed by this Agreement. Said Term shall begin on the Effective Date, and, except as otherwise set forth herein, terminate on the date set forth in Article 3.

1.71 Terminal Aircraft Aprons shall mean those areas of the Airport that are designated for the parking of passenger aircraft and support vehicles, and the loading and unloading of passenger aircraft.



1.72 Terminal Building shall mean the passenger terminal building, remote baggage sort buildings, the baggage make-up area in the Airside Buildings and the mechanical and electrical service building, excluding the Airside Buildings, as set forth in Exhibit B, attached hereto.

1.73 Terminal Complex shall mean the Terminal Building and the Airside Buildings connected by means of the Passenger Transfer System, together, as they and any other passenger handling facilities exist at the Airport prior to and after completion of any improvements or expansion.

1.74 Terminal Complex Cost and Revenue Center shall include all Investment Service (allocated by its proportional share of Recognized Net Investment), all direct, indirect and general administrative O&M Expenditures, and operating Revenues for the Terminal Building and all of the Airside Buildings. Boundaries of the Terminal Complex Cost and Revenue Center are as shown in Exhibit A, attached hereto. Subsets of the Terminal Complex Cost and Revenue Center will consist of the Terminal Building and the Airside Buildings. Costs associated with the Passenger Transfer System Cost Center will be allocated to the Airside Buildings in accordance with Exhibit F.

1.75 True Interest Cost shall mean the index as of September 30th of the previous Fiscal Year provided by the Bond Buyer's 25 Bond Revenue Index.

1.76 Trust Agreement shall mean the Trust Agreement dated October 1, 1968, as supplemented, amended and codified from time to time authorizing the issuance by AUTHORITY of Bonds or other financing obligations with respect to the Airport System.

1.77 TSA shall mean the Transportation Security Administration of the Department of Homeland Security, or its authorized successor.

Additional words and phrases used in this Agreement but not defined herein shall have the meanings as defined under the Trust Agreement or, if not so set forth, shall have their usual and customary meaning.

## **ARTICLE 2: EFFECTIVE DATE AND TRANSITION PROVISIONS**

2.01 Effective Date. This Agreement, along with the determination of rentals, fees, and charges set forth herein, shall be effective on October 1, 2010.

### **ARTICLE 3: TERM**

This Agreement shall commence October 1, 2010 and terminate at midnight on September 30, 2015, unless terminated sooner as provided herein.

## ARTICLE 4: PREMISES

### 4.01 Airline Premises.

A. AUTHORITY does hereby lease and demise to AIRLINE, and AIRLINE does hereby lease and accept from AUTHORITY, the Exclusive Use Premises, Preferential Use Premises, and Common Use Premises, as set forth in Exhibits B and C.

B. Any changes to Airline Premises, except as set forth herein relating to "as-built" drawings, shall be evidenced by an amendment to this Agreement pursuant to Section 18.18.

C. In the event that changes to Exhibits B, C, or D are made to reflect changes in the leased premises of others, or to reflect other space changes in public-use and common-use areas, then in such event said revised exhibits may be substituted herein without the necessity for amendment of this Agreement.

4.02 Terminal Complex Equipment. Terminal Complex equipment owned or acquired by AUTHORITY for use by AIRLINE shall remain the property and under the control of AUTHORITY.

4.03 Employee Parking. AUTHORITY will make reasonable efforts to make available area(s) at the Airport for vehicular parking for AIRLINE's personnel employed at the Airport; provided, however, such area(s) shall not be used for the storage of vehicles or trailers; and usage of the area(s) is subject to Section 7.06B and to reasonable and non-discriminatory rules and regulations established by AUTHORITY.

4.04 Federal Inspection Facilities. AUTHORITY shall designate areas in the Terminal Complex, or elsewhere on the Airport, to be used by agencies of the United States for the inspection of international passengers and their baggage, and for the exercise of the responsibilities of said agencies with respect to the movement of persons, property, and cargo to and from the United States.

### 4.05 Transfer of Operations

A. In the event new or expanded facilities are developed at the Airport, AUTHORITY shall give notice to affected Air Transportation Company of the estimated Substantial Completion date at least one hundred and twenty (120) days prior thereto. The affected Air Transportation Company shall have the right to install in its Exclusive Use Premises and Preferential Use Premises its own equipment

and furnishings sixty (60) days prior to the estimated date of Substantial Completion or such other date as may be agreed to by the parties subject to the provisions of Section 9.04, herein.

B. The affected Air Transportation Company shall begin its operations from its new or expanded Airline Premises on the date of Substantial Completion thereof.

## **ARTICLE 5: USE OF THE AIRPORT AND RELATED FACILITIES**

5.01 AIRLINE Rights and Privileges. In addition to all rights granted elsewhere in this Agreement, AIRLINE shall have the right to use, in common with others so authorized by AUTHORITY, areas, other than areas leased exclusively or preferentially to others, facilities, equipment, and improvements at the Airport for the operation of AIRLINE's Air Transportation Business and all activities reasonably necessary to such operations, including but not limited to:

A. The landing, taking off, flying over, taxiing, towing, and conditioning of AIRLINE's aircraft and, in areas designated by AUTHORITY, the extended parking, servicing, deicing, loading or unloading, storage, or maintenance of AIRLINE's aircraft and support equipment subject to Paragraphs 5.01F, 5.01G, and 5.02C, and to the availability of space, and subject to such reasonable charges and regulations as AUTHORITY may establish; provided, however, AIRLINE shall not permit the use of the Airfield by any aircraft operated or controlled by AIRLINE which exceeds the design strength or capability of the Airfield as described in the then-current FAA-approved Airport Layout Plan (ALP) or other engineering evaluations performed subsequent to the then-current ALP, including the then-current Airport Certification Manual.

B. The sale of air transportation tickets and services, the processing of passengers and their baggage for air travel, the sale, handling, and providing of mail, freight, and express services, and reasonable and customary airline activities.

C. The training of personnel in the employ of or to be employed by AIRLINE and the testing of aircraft and other equipment being utilized at the Airport in the operation of AIRLINE's Air Transportation Business; provided, however, said training and testing shall be incidental to the use of the Airport in the operation by AIRLINE of its Air Transportation Business and shall not unreasonably hamper or interfere with the use of the Airport and its facilities by others entitled to the use of same. AUTHORITY reserves the right to restrict or prohibit such training and testing operations which it deems to interfere with the use of the Airport, including excessive noise as reasonably determined by AUTHORITY.

D. The sale, disposition, or exchange of AIRLINE's aircraft, engines, accessories, gasoline, oil, grease, lubricants, fuel, or other similar equipment or supplies; provided, however, AIRLINE shall not sell or permit to be sold aviation fuels or propellants except (i) to such Air

Transportation Company which is a successor company to AIRLINE, (ii) for use in aircraft of others which are being used solely in the operation of AIRLINE's Air Transportation Business, including, but not limited to, AIRLINE's code sharing partner(s), or (iii) when a comparable grade and type of fuel desired by others is not available at the Airport except from AIRLINE.

E. The purchase at the Airport or elsewhere, of fuels, lubricants, and any other supplies and services, from any person or company, subject to Paragraph 5.01D and to AUTHORITY's right to require that each provider of services and/or supplies to AIRLINE secures a permit from AUTHORITY to conduct such activity at the Airport, pays required applicable service-oriented fees, and abides by all reasonable rules and regulations established by AUTHORITY. No discriminatory limitations or restrictions shall be imposed by AUTHORITY that interfere with such purchases; provided, however, nothing herein shall be construed to permit AIRLINE to store aviation fuels at the Airport. Fuel tenders are prohibited on Terminal Aircraft Aprons serviced by the fuel hydrant system except by separate authorization of AUTHORITY. The granting of the right to store aviation fuels shall be subject to the execution of a separate agreement between AIRLINE and AUTHORITY.

F. The servicing by AIRLINE or its suppliers of aircraft and other equipment being utilized at the Airport by AIRLINE on the Terminal Aircraft Aprons or such other locations as may be designated by the Executive Director.

G. The loading and unloading of persons, property, cargo, parcels and mail by motor vehicles or other means of conveyance reasonably approved by AUTHORITY on Terminal Aircraft Aprons or such other locations as may be designated by the Executive Director; provided AIRLINE shall not use Terminal Aircraft Aprons immediately adjacent to the Terminal Complex to load or unload all-cargo aircraft unless otherwise authorized in writing by AUTHORITY.

H. The provision, either alone or in conjunction with other Air Transportation Companies or through a nominee, of porter/skycap service for the convenience of the public.

I. The installation and maintenance, at AIRLINE's sole cost and expense, of identifying signs in AIRLINE's Preferential Use Premises. Installation shall be subject to the prior written approval of the Executive Director and comply with the Tenant Work Permit Program. The general type and design of such signs shall be compatible with and not detract from the pattern and decor of the Terminal Complex areas. Nothing herein shall be deemed to prohibit AIRLINE's installation on the walls behind ticket counters and ticket lift counters in holdrooms and on loading bridges, if any, identifying and

company logo signs as are customarily installed by AIRLINE in such areas at comparable airport facilities.

J. The installation, maintenance, and operation, at no cost to AUTHORITY, of such radio communication, company telephone system, computer, meteorological and aerial navigation equipment, and facilities on AIRLINE's Exclusive Use Premises and Preferential Use Premises as may be necessary or convenient for the operation of its Air Transportation Business; provided, however, that except for equipment and facilities already in place, such installations shall be subject to the prior written approval of the Executive Director. Prior to any written approval, AIRLINE shall provide the Executive Director with all necessary supporting documentation related to such installations. Should AUTHORITY install AIRLINE compatible multiuser flight information display systems, AIRLINE shall diligently proceed to use such systems.

K. Such rights of way as may reasonably be required by AIRLINE for communications, computer equipment, teletype, telephone, interphone, conveyor systems and power, and other transmission lines in areas exclusively and preferentially-leased by AIRLINE, subject to the availability of space and/or ground areas as determined by the Executive Director. AUTHORITY reserves the right to require the execution of a separate agreement between AUTHORITY and AIRLINE for the lease and use of such space and/or ground area outside Terminal Complex areas or to provide such service directly to AIRLINE.

L. The installation of personal property, including furniture, furnishings, supplies, machinery, and equipment, in AIRLINE's Exclusive Use Premises as AIRLINE may deem necessary, useful or prudent for the operation of its Air Transportation Business. Title to such personal property shall remain with AIRLINE, subject to the provisions of this Agreement.

M. The construction of modifications, finishes, and improvements in Airline Premises as AIRLINE may deem necessary or prudent for the operation of its Air Transportation Business, subject to the provisions of Section 9.04.

N. AIRLINE shall have the right to ingress to and egress from the Airport and Airline Premises for AIRLINE's officers, employees, agents, and invitees, including passengers, suppliers of materials, furnishers of services, aircraft, equipment, vehicles, machinery and other property. Such right shall be subject to 49 CFR Part 1542, applicable laws, and the AUTHORITY's right in accordance with its applicable law to establish reasonable and nondiscriminatory Rules and Regulations and Operating



Directives as set out in Section 18.08 governing (i) the general public, including AIRLINE's passengers, and, (ii) access to non-public areas at the Airport by AIRLINE's employees, suppliers of materials, and furnishers of services; provided, however, any such Rules and Regulations and Operating Directives of AUTHORITY shall not unreasonably interfere with the operation of AIRLINE's Air Transportation Business. AUTHORITY may at any time temporarily or permanently close, re-route, or consent to or request the closing or re-routing of any roadway or access to the Airport, so long as a means of ingress and egress reasonably equivalent is concurrently made available to AIRLINE. AIRLINE hereby releases and discharges AUTHORITY from any and all claims, demands, or causes of action which AIRLINE may now or at any time hereafter have arising or alleged to arise out of such a closing or re-routing.

O. Subject to any restrictions in AUTHORITY's agreement with its food and beverage concessionaire, nothing in this paragraph shall prohibit AIRLINE from (i) providing food and beverages, at AIRLINE's sole cost and expense, or installing or maintaining vending machines in its non-public Exclusive Use Premises for the sole use of AIRLINE's employees, the type, kind, and locations subject to the approval of the Executive Director and (ii) providing under a separate agreement with AUTHORITY for its own flight kitchen for catering services to its passengers and crews for consumption aboard aircraft or (iii) from entering into a separate agreement for the sale of food and beverage in a "VIP room" or similar private club at the Airport.

P. The rights and privileges granted to AIRLINE pursuant to this Article 5 may be exercised on behalf of AIRLINE by other Signatory Airlines or contractors authorized by AUTHORITY to provide such services at the Airport, subject to the prior written approval of AUTHORITY and further subject to all laws, rules, regulations, fees and charges and Article 15 as may be applicable to the activities undertaken.

Q. AIRLINE may exercise on behalf of any other Air Transportation Company having an operating agreement or permit with AUTHORITY any of the rights granted AIRLINE herein, so long as AIRLINE is concurrently exercising those same rights in the operation of AIRLINE's own Air Transportation Business at the Airport, subject to the provisions of Section 7.05, Article 15 and other provisions of this Agreement with respect to Hillsborough County Aviation Authority Rules and Regulations and Operating Directives for Tampa International Airport.

R. AIRLINE may only enter into agreements providing for pay telephones by the public in its airline clubs and VIP rooms, and shall not enter into any agreements providing for pay telephones for the public anywhere else within the Terminal Complex.

5.02 Exclusions and Reservations.

A. Nothing in this Article 5 shall be construed as authorizing AIRLINE to conduct any business separate and apart from the conduct of its Air Transportation Business.

B. AIRLINE shall not knowingly interfere or permit interference with the use, operation, or maintenance of the Airport, including but not limited to, the effectiveness or accessibility of the drainage, sewerage, water, communications, fire protection, utility, electrical, or other systems installed or located from time to time at the Airport; and AIRLINE shall not engage in any activity prohibited by AUTHORITY's approved FAR Part 150 Noise Compatibility Study and Preferential Runway Use Program as amended or supplemented from time to time.

C. As soon as possible after release from proper authorities, AIRLINE shall remove any of its disabled aircraft from the Airfield or Terminal Aircraft Aprons, shall place any such disabled aircraft only in such storage areas as may be reasonably designated by the Executive Director, and shall store such disabled aircraft only upon such terms and conditions as may be reasonably established by AUTHORITY; provided, however, AIRLINE shall be requested to remove such disabled aircraft from the Terminal Aircraft Apron(s) only if deemed necessary in accordance with Article 16. In the event AIRLINE shall fail to remove any of its disabled aircraft as expeditiously as possible, AUTHORITY may, but shall not be obligated to, cause the removal of such disabled aircraft. AIRLINE shall pay to AUTHORITY, upon receipt of invoice, the costs incurred for such removal plus ten percent (10%). Nonpayment of such invoice shall be deemed a default of this Agreement, pursuant to Section 12.01B.

D. AIRLINE shall not do or permit to be done anything, either by act or failure to act, that shall cause the cancellation or violation of the provisions, or any part thereof, of any policy of insurance for the Airport, or that shall cause a hazardous condition so as to increase the risks normally attendant upon operations permitted by this Agreement. If AIRLINE shall do or permit to be done any act not permitted under this Agreement, or fail to do any act required under this Agreement, regardless of whether such act shall constitute a breach of this Agreement, which act or failure, in and of itself, causes an increase in AUTHORITY's insurance premiums, AIRLINE shall immediately remedy such actions and/or pay the increase in premiums, upon notice from AUTHORITY to do so.

E. AIRLINE shall not maintain or operate in the Terminal Complex or elsewhere at the Airport a cafeteria, restaurant, bar, or cocktail lounge for the purpose of selling food and beverages to the public or to AIRLINE's employees and passengers, except as may be permitted under 5.01O, above.

F. AUTHORITY may, at its sole option, install or cause to be installed advertising and revenue generating devices, including vending machines, in Common Use Premises provided, however, that such installations shall not unreasonably interfere with AIRLINE's operations authorized hereunder or substantially diminish the square footage contained in Airline Premises. AUTHORITY may also, at its sole option, install pay telephones and business center amenities in any part of the Terminal Complex excluding airline clubs and VIP rooms. Such installations shall not unreasonably interfere with AIRLINE's operations authorized hereunder or substantially diminish the square footage contained in Airline Premises. AUTHORITY shall be entitled to reasonable access upon Airline Premises to install or service such telephones and business center amenities. Income generated by such telephones and business center amenities shall be accounted for in the same manner as other non-airline revenues of the Airport System.

G. AUTHORITY desires to enhance its common use capabilities throughout the Terminal Complex to maximize use and efficiency of its facilities. In this regard, AUTHORITY will evaluate installing a Common Use Passenger Processing System (CUPPS) in various areas of the Terminal Complex to facilitate the handling and processing of passengers in the Terminal Complex. AUTHORITY intends to discuss and coordinate with AIRLINE prior to any installation of CUPPS hardware/software in AIRLINE's Airline Premises. However, if both the AUTHORITY and AIRLINE agree on the installation of CUPPS hardware/software, AUTHORITY shall be entitled to reasonable access upon Airline Premises to install such CUPPS hardware/software. Such installations shall not unreasonably interfere with AIRLINE's operations authorized hereunder.

H. The rights and privileges granted AIRLINE pursuant to this Article 5 shall be subject to any and all reasonable and nondiscriminatory Rules and Regulations and Operating Directives established by AUTHORITY, as may be amended from time to time, and to the provisions of Article 7.

I. Any and all rights and privileges not specifically granted to AIRLINE for its use of and operations at the Airport pursuant to this Agreement are hereby reserved for and to AUTHORITY.

## **ARTICLE 6: OPERATION AND MAINTENANCE OF THE AIRPORT**

6.01 Designation of Operation and Maintenance Responsibilities. In addition to the obligations of AIRLINE and AUTHORITY set forth in this Article 6, responsibilities for maintenance, cleaning, and operation of the Airport shall be as set forth in Exhibit D, attached hereto and made a part hereof.

6.02 AUTHORITY Obligations.

A. AUTHORITY shall, with reasonable diligence, prudently develop, improve, and at all times maintain and operate the Airport in a first class manner consistent with airports of similar size with qualified personnel and keep the Airport in an orderly, clean, neat and sanitary condition, and good repair, unless such maintenance, operation, or repair shall be AIRLINE's obligation pursuant to Section 6.03 and Exhibit D.

B. AUTHORITY shall, to the extent it is legally able so to do, use reasonable efforts to keep the Airport and its aerial approaches free from ground obstruction for the safe and proper use thereof by AIRLINE.

C. AUTHORITY shall not be liable to AIRLINE for temporary failure to furnish all or any of such services to be provided in accordance with this Section 6.02 and Exhibit D when such failure is due to mechanical breakdown not caused by AUTHORITY's negligence or any other cause beyond the reasonable control of AUTHORITY.

D. AUTHORITY shall maintain (i) loading bridges; (ii) preconditioned air systems; (iii) associated 400 Hertz units; (iv) inbound and outbound baggage handling systems; (v) lightning detection systems; and (vi) other systems that may be acquired by AUTHORITY in the future.

E. AUTHORITY shall, in the operation of the Airport, comply with all local, state and federal laws, rules and regulations.

6.03 AIRLINE Obligations.

A. AIRLINE shall, at all times, preserve and keep Airline Premises in an orderly, clean, neat, and sanitary condition, free from trash and debris resulting from AIRLINE's operations, provided,

however, this requirement shall not be construed to mean AIRLINE shall have janitorial responsibilities designated to be those of AUTHORITY pursuant to Exhibit D.

B. AIRLINE shall keep, at its own expense, its Terminal Aircraft Aprons or Cargo Aircraft Aprons free of fuel, oil, debris, and other foreign objects.

C. AIRLINE shall operate and maintain at its own expense any improvements and/or equipment installed by AIRLINE for the exclusive use of AIRLINE.

D. Should AIRLINE fail to perform its material obligations hereunder, AUTHORITY shall have the right to enter the Airline Premises and perform such activities; provided, however, other than in a case of emergency, AUTHORITY shall give AIRLINE reasonable advance written notice of non-compliance, not to exceed ten (10) days, prior to the exercise of this right; provided, however, that if the nature of the cure is such that it cannot be reasonably effectuated within ten (10) days, AIRLINE shall have an additional period with AUTHORITY approval (or, in the alternative, with an AUTHORITY approved schedule) reasonably necessary to effectuate such cure. If such right is exercised, AIRLINE shall pay AUTHORITY, upon receipt of invoice, the cost of such services plus ten percent (10%). Nonpayment of such invoice shall be deemed a default of this Agreement, pursuant to Section 12.01B.

## ARTICLE 7: RENTALS, FEES, AND CHARGES

AIRLINE shall pay AUTHORITY rentals for use of Airline Premises, and fees and charges for the other rights, licenses, and privileges granted hereunder during the Term of this Agreement. The rentals, fees, and charges payable by all Signatory Airlines for the Airfield and, with respect to the Terminal Complex, the rentals, fees, and charges payable by Signatory Airlines leasing space in the Terminal Complex, shall be equal to the Signatory Airline's share of the Net Requirement in each respective area of the Airport, all as set forth in Exhibit F.

7.01 Landing Fees. AIRLINE shall pay monthly to AUTHORITY fees for Chargeable Landings for the preceding month. AIRLINE's Landing Fees shall be determined as the product of the Landing Fee rate for the period, calculated in accordance with Exhibit F, attached hereto, and AIRLINE's total landed weight for the month. AIRLINE's landed weight for the month shall be determined as the sum of the products obtained by multiplying the Maximum Gross Landed Weight of each type of AIRLINE's aircraft by the number of Chargeable Landings of each said aircraft during such month.

7.02 Terminal Complex Rentals.

A. For the Term of this Agreement, AIRLINE's Terminal Complex rentals shall be determined as the sum of AIRLINE's rentals for Exclusive Use Premises, Preferential Use and Common Use Premises. AIRLINE's rental payment for Exclusive Use Premises and Preferential Use Premises shall be determined as the sum of the products obtained by multiplying the rental rate for the period, calculated in accordance with Exhibit F, by the amount of the corresponding type of space leased by AIRLINE as Exclusive Use Premises and Preferential Use Premises as set forth in Exhibits B and C.

B. Total Terminal Complex rentals for Common Use Premises shall be calculated as the product of the appropriate differential Terminal Complex rental rates for the period calculated in accordance with Exhibit F, and the amount of each category of Common Use Premises. AIRLINE's share of the total Terminal Complex rentals for Common Use Premises shall be determined in accordance with the Common Use Formula. Payment of Common Use Charges shall be the sum of (1) one-twelfth (1/12) of the 15 percent calculated in accordance with Exhibit F, section F.08; and (2) the Common Use Fee calculated in accordance with Exhibit F, section F.08, subsection I, multiplied by AIRLINE's actual Enplaned Passengers for the month.

C. For inclusion in the Common Use Formula, AIRLINE shall include in its monthly report of Enplaned Passengers and Deplaned Passengers the total number of Enplaned Passengers and Deplaned Passengers handled or otherwise accommodated by AIRLINE for other Air Transportation Companies not having an agreement with AUTHORITY that provides for the direct payment to AUTHORITY of appropriate charges for the use of Common Use Premises.

7.03 Extraordinary Service Charges. Throughout the Term of the Agreement, AIRLINE shall pay Extraordinary Service Charges, if applicable as evidenced by Extraordinary Service Charge authorizations executed by AIRLINE for such extraordinary additional equipment and services provided by AUTHORITY for AIRLINE's use. (e.g., Club room finishes, or any other systems or equipment that are unique or special to AIRLINE's operation). AIRLINE's charges for AUTHORITY purchased Terminal Complex equipment shall be as set forth in a separate agreement with AUTHORITY.

7.04 Aircraft Parking Charges. AIRLINE shall pay reasonable and non-discriminatory aircraft parking charges as set forth in Exhibit F for aircraft remotely parked for extended periods of time on the ramp and away from the Terminal Aircraft Aprons.

7.05 Other Fees and Charges.

A. AUTHORITY expressly reserves the right to assess and collect the following:

(1) Reasonable and non-discriminatory fees for services provided by AIRLINE for Air Transportation Companies that are not Signatory Airlines or for AIRLINE by Air Transportation Companies that are not Signatory Airlines pursuant to Paragraphs 5.01P and 5.01Q of this Agreement, if such services or concessions would otherwise be available from a concessionaire or licensee of AUTHORITY.

(2) Reasonable and non-discriminatory fees and charges for services or facilities not enumerated in this Agreement, but provided by AUTHORITY or its contractors and utilized by AIRLINE, including, but not limited to, special maintenance of Airline Premises, equipment, vehicle storage areas, Federal Inspection Services (FIS) facility fees, and remote ramp aircraft parking fee.

(3) Pro rata shares of any charges for the provision of any services or facilities which AUTHORITY is required or mandated to provide by any governmental entity (other than AUTHORITY acting within its proprietary capacity) having jurisdiction over the Airport.

B. AUTHORITY reserves the right to charge AIRLINE or its employees a reasonable and non-discriminatory fee based on AUTHORITY's cost of providing services and facilities for the employee parking area(s) provided at the Airport.

C. AIRLINE shall pay all applicable sales, use, intangible and ad valorem taxes of any kind, against Airline Premises, the real property and any improvements thereto or leasehold estate created herein, or which result from AIRLINE's occupancy or use of Airline Premises whether levied against AIRLINE or AUTHORITY. AIRLINE shall also pay any other taxes or assessments against Airline Premises or leasehold estate created herein. AIRLINE may reserve the right to contest such taxes and withhold payment of such taxes upon written notice to AUTHORITY of its intent to do so, so long as the nonpayment of such taxes does not result in a lien against the real property or any improvements thereon of a direct liability on the part of AUTHORITY. AUTHORITY agrees to immediately forward to AIRLINE any notices of such taxes and assessments due upon receipt of same.

D. AIRLINE shall pay Extraordinary Coverage Protection payments in the rates for rentals, fees, and charges at the Airport in any Fiscal Year in which the amount of Revenues less O&M Expenditures and the O&M Reserve Requirement is projected to be less than one hundred twenty-five percent (125%) of the Debt Service requirement. Any amounts which must be collected for such Extraordinary Coverage Protection payments will be allocated to Cost and Revenue Centers within the Airline Supported Areas on the basis of the Net Requirement of such Cost and Revenue Centers. Should Extraordinary Coverage Protection payments be made, AUTHORITY will refund to the Signatory Airlines such payments made by each Signatory Airline as soon as uncommitted funds become available in the Surplus Fund.

7.06 Information to be Supplied by AIRLINE.

A. Not later than ten (10) days after the end of each month, AIRLINE shall file with AUTHORITY separate written reports on forms provided by AUTHORITY and included as samples in Exhibit E, attached hereto, for activity conducted by AIRLINE during said month, and for activity handled by AIRLINE for each Air Transportation Company not having an agreement with AUTHORITY providing for its own submission of activity data to AUTHORITY. Such activity



reporting shall include, but not be limited to operations, revenue and non-revenue Enplaned Passengers, Deplaned Passengers, connecting passengers, through-passengers, and pounds of cargo, mail, and express shipments.

B. AUTHORITY shall have the right to rely on said activity reports in determining rentals and charges due hereunder. 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 7.07D.

C. AIRLINE shall at all times maintain and keep records reflecting the activity statistics of AIRLINE's activities at the Airport to be reported pursuant to Paragraph 7.06A. Such records shall be retained by AIRLINE for a period of three (3) years subsequent to the activities reported therein, or such other retention period as set forth in FAR Part 249, and upon prior written notice to AIRLINE shall be made available at Tampa, Florida for audit and/or examination by AUTHORITY or its duly authorized representative during all normal business hours. AIRLINE shall produce such books and records at Tampa, Florida within thirty (30) calendar days of AUTHORITY's notice to do so or pay all reasonable expenses, including but not limited to transportation, food, and lodging, necessary for an auditor selected by AUTHORITY to audit said books and records.

D. The cost of audit, with the exception of the aforementioned expenses, shall be borne by AUTHORITY; provided, however, the total cost of said audit shall be borne by AIRLINE if either or both of the following conditions exist:

(1) The audit reveals an underpayment of more than ten percent (10%) by category of rentals, fees, and charges due on an annual basis hereunder, as determined by said audit;

(2) AIRLINE has failed to maintain true and complete records in accordance with Paragraph 7.06C.

#### 7.07 Payments.

A. Payments of one-twelfth (1/12) of the total annual rentals for AIRLINE's Exclusive Use Premises and Preferential Use Premises shall be due in advance, without demand or invoice, on the first

day of each month. Said rentals and charges shall be deemed delinquent if payment is not received by the tenth (10) day of the month.

B. Payment of AIRLINE's Landing Fees and Common Use Charges shall be due fifteen (15) days from AUTHORITY's issuance of invoice, and shall be deemed delinquent if not received within ten (10) days of the due date.

C. Payment for all other fees and charges due hereunder, shall be due as of the due date stated on AUTHORITY's invoice. Said fees and charges shall be deemed delinquent if payment is not received within thirty (30) days of the stated date of such invoice.

D. AUTHORITY shall provide notice of any and all payment delinquencies, including payments of any deficiencies which may be due as a result of AUTHORITY's estimates of activity pursuant to Paragraph E below, or due to an audit performed pursuant to Paragraph 7.06C, herein; provided, however, interest at the rate of eighteen percent (18%) per annum shall accrue against any and all delinquent payment(s) from the due date until the date payments are received by AUTHORITY. This provision shall not preclude AUTHORITY from canceling this Agreement for default in the payment of rentals, fees, or charges, as provided for in Section 12.01B herein, or from exercising any other rights contained herein or provided by law.

E. In the event AIRLINE fails to submit its monthly activity reports as required in Paragraph 7.06A, AUTHORITY shall estimate the rentals, fees, and charges based upon the highest month of the previous twelve (12) month's activity reported by AIRLINE and issue an invoice to AIRLINE for same. If no activity data is available, AUTHORITY shall reasonably estimate such activity and invoice AIRLINE for same. AIRLINE shall be liable for any deficiencies in payments based on estimates made under this provision; payment for said deficiencies shall be deemed due as of the date such rental fee or charge was due and payable. If such estimate results in an overpayment by AIRLINE, AUTHORITY shall apply such overpayment as a credit against subsequent amounts due for such rentals, fees, and charges from AIRLINE; provided, however, AIRLINE shall not be entitled to any credit for interest on payments of such estimated amounts.

F. In the event AIRLINE's obligations with respect to Airline Premises or rights, licenses, or privileges granted hereunder shall commence or terminate on any date other than the first or last day of the month, 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.

G. All payments due and payable hereunder shall be paid in lawful money of the United States of America, without set off, by check or approved electronic transfer made payable to AUTHORITY and delivered to:

Via U.S. Mail

Accounts Receivable  
Hillsborough County  
Aviation Authority  
Tampa International Airport  
Tampa, FL 33622

Via Express Mail

Accounts Receivable  
Hillsborough County  
Aviation Authority  
Terminal Bldg, 3<sup>rd</sup> Floor Blue Side  
Tampa International Airport

7.08 Security for Performance.

A. Unless AIRLINE has provided regularly scheduled flights to and from the Airport during the eighteen (18) months prior to the effective date of this Agreement without the occurrence of any act or omission that would have been an event enumerated in Section 12.01 of this Agreement, if this Agreement had been in effect during that period, and any such act or omission remains uncured, AIRLINE shall provide AUTHORITY on the Effective Date of this Agreement with a contract bond, irrevocable letter of credit or other similar security acceptable to AUTHORITY (“Contract Security”) in an amount equal to the estimate of three (3) months’ rentals, fees and charges payable by AIRLINE (excluding PFC’s) pursuant to this Article 7, to guarantee the faithful performance by AIRLINE of its obligations under this Agreement and the payment of all rentals, fees and charges due hereunder. AIRLINE shall be obligated to maintain such Contract Security in effect until the expiration of eighteen (18) consecutive months during which period AIRLINE commits no event enumerated in Section 12.01 of this Agreement. Such Contract Security shall be in a form and with a company reasonably acceptable to AUTHORITY and licensed to do business in the State of Florida. In the event that any such Contract Security shall be for a period less than the full period required by this Paragraph 7.08A or if Contract Security shall be canceled, AIRLINE shall provide a renewal or replacement Contract Security for the remaining required period at least sixty (60) days prior to the date of such expiration or cancellation.

B. In the event AUTHORITY is required to draw down or collect against AIRLINE’s Contract Security for any reason, AIRLINE shall, within ten (10) business days after AUTHORITY’s written demand, take such action as may be necessary to replenish the existing Contract Security to its original amount (three months’ estimated rentals, fees, and charges) or to provide additional or supplemental Contract Security from another source so that the aggregate of all Contract Security is

equal to three months' estimated rentals, fees, and charges payable by AIRLINE pursuant to this Article 7.

C. Notwithstanding the above Paragraph 7.08A, AUTHORITY shall have the right in its sole discretion to waive such Contract Security requirements for a Signatory Airline which has not provided regularly scheduled flights at and from the Airport during the eighteen (18) months prior to the Effective Date of its Signatory Airline Agreement. Any such waiver by AUTHORITY shall be conditioned upon said Signatory Airline having provided regularly scheduled flights at six (6) other airports with activity levels and characteristics similar to the Airport during the most recent eighteen (18) month period, without committing any material default under the terms of the respective lease and use agreements at each of the six (6) facilities, and without a pattern of untimely payments for rentals, fees and charges. The burden shall be on AIRLINE to demonstrate to AUTHORITY its compliance with these requirements at the six (6) other airports.

D. In addition to the foregoing, to the extent permitted by applicable law, upon the occurrence of any AIRLINE act or omission that is an event enumerated in Section 12.01, or upon AIRLINE's election to assume this Agreement under Federal Bankruptcy Rules and Regulations and Federal Judgeship Act of 1984 or any successor statute, as such may be amended, supplemented, or replaced, AUTHORITY, by written notice to AIRLINE given at any time within ninety (90) days of the date such event becomes known to AUTHORITY, may impose or reimpose the requirements of Paragraph 7.08A on AIRLINE. In such event, AIRLINE shall provide AUTHORITY with the required Contract Security within ten (10) days from its receipt of such written notice and shall thereafter maintain such Contract Security in effect until the expiration of a period of eighteen (18) consecutive months during which AIRLINE commits no additional event enumerated in Section 12.01 or the termination of bankruptcy proceedings, whichever is later.

E. If AIRLINE shall fail to obtain and/or keep in force such Contract Security required hereunder, such failure shall be grounds for immediate cancellation of this Agreement pursuant to Section 12.01. AUTHORITY'S rights under this Section 7.08 shall be in addition to all other rights and remedies provided to AUTHORITY under this Agreement.

F. AIRLINE and AUTHORITY agree that this Agreement constitutes an 'unexpired lease' for the purposes of Section 365 of the United States Bankruptcy Code (Title 11 USC) subject to assumption or rejection, and subject to the terms and conditions of assumption or rejection, as provided in said Section 365. Furthermore, AIRLINE and AUTHORITY agree that any Contract Security

provided by AIRLINE are not 'property of the estate' for purposes of Section 541 of the United States Bankruptcy Code (Title 11 USC), it being understood that any Contract Security is property of the third party providing it (subject to AUTHORITY's ability to draw against the Contract Security) and that all PFCs collected by AIRLINE with respect to Enplaned Passengers at the Airport, are property of AUTHORITY.

7.09 No Further Charges. Except as provided in this Agreement, or as may be permitted by any governmental entity (other than AUTHORITY, acting within its proprietary capacity) having jurisdiction over the Airport, no further rentals, fees, or charges shall be charged against or collected from AIRLINE, its passengers, its shippers and receivers of freight, its suppliers of material, its contractors or furnisher of services, by AUTHORITY, acting in its capacity as Airport proprietor, for the premises, facilities, rights, licenses, and privileges granted to AIRLINE herein.

## **ARTICLE 8: CHANGES IN RATES FOR RENTALS, FEES, AND CHARGES**

### 8.01 Annual Rate Changes.

A. No later than sixty (60) days prior to the end of each Fiscal Year, AUTHORITY shall notify AIRLINE of the proposed schedule of rates for rentals, fees, and charges for the ensuing Fiscal Year. Said rates shall be determined and presented to AIRLINE substantially in conformance with the methods and format set forth in Exhibit F, attached hereto. In addition, AUTHORITY shall notify AIRLINE in writing of its intent to undertake Capital Expenditures not excluded from MII consideration pursuant to Section 9.02.

B. The Signatory Airlines through its AAC shall have the right to review and comment upon the proposed operating and capital budget. No later than thirty (30) days after the forwarding of the proposed schedule of rates for rentals, fees, and charges, AUTHORITY agrees to meet with the AAC at a mutually convenient time for the purpose of discussing such rentals, fees, and charges. In advance of said meeting, AUTHORITY shall make available to the AAC any reasonably requested additional information relating to the determination of the proposed rates. AUTHORITY agrees to fully consider the comments and recommendations of the Signatory Airlines prior to finalizing its schedule of rates for rentals, fees, and charges for the ensuing Fiscal Year.

C. Following said meeting, and prior to the end of the then current Fiscal Year, AUTHORITY shall notify AIRLINE of the rates for rentals, fees, and charges to be established for the ensuing Fiscal Year.

D. If calculation of the new rates for rentals, fees, and charges is not completed by AUTHORITY and the notice provided in Paragraph 8.01C is not given on or prior to the end of the then current Fiscal Year, the rates for rentals, fees, and charges then in effect shall continue to be paid by AIRLINE until such calculations are concluded and such notice is given. Upon the completion of such calculations and the giving of such notice, AUTHORITY shall determine the difference(s), if any, between the actual rentals, fees, and charges paid by AIRLINE to date for the then current Fiscal Year and the rates for rentals, fees, and charges that would have been paid by AIRLINE if said rates had been in effect beginning on the first day of the Fiscal Year. 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 AIRLINE or credited or refunded by AUTHORITY in the month immediately

following the calculation of the new Fiscal Year rates and the giving of written notice to AIRLINE by AUTHORITY.

8.02 Other Rate Changes. Rates for rentals, fees, and charges may be changed at any other time that unaudited monthly AUTHORITY financial data indicates that total rentals, fees, and charges payable pursuant to the then current rate schedules are reasonably estimated and anticipated by AUTHORITY to increase or decrease by more than ten percent (10%) from the total rentals, fees, and charges that would be payable based upon the use of the monthly financial data then available for said Fiscal Year. Rates for rentals, fees, and charges may also be changed whenever required by the terms and provisions of the Trust Agreement; provided, however, that Signatory Airlines' total rentals, fees, and charges payable to AUTHORITY shall be allocated to AIRLINE in accordance with this Agreement.

8.03 Incorporation of Exhibit F. Adjustments to rates for rentals, fees, and charges but not the methodology of calculating them shall apply without the necessity of formal amendment of this Agreement. Upon each adjustment pursuant to this Article 8, a revised Exhibit F, showing the calculation of adjusted rates for rentals, fees, and charges, shall be prepared by AUTHORITY and transmitted to AIRLINE. Said exhibit shall then be deemed part of this Agreement without formal amendment thereto.

8.04 Settlement. AUTHORITY shall use its best efforts such that within one hundred twenty (120) days following the close of each Fiscal Year, or as soon as 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 Exhibit F. AIRLINE shall have reasonable access to the records of AUTHORITY, and shall have the right to audit the financial data used in connection with such recalculation. Upon the determination of any difference(s) between the actual rentals, fees, and charges paid by Signatory Airlines during the preceding Fiscal Year and the rentals, fees, and charges that would have been paid by Signatory Airlines using said recalculated rates, AUTHORITY shall, in the event of overpayment, promptly refund to AIRLINE the amount of such overpayment within 30 days, and in the event of underpayment, invoice AIRLINE for the amount of such underpayment. Said invoiced amount shall be due within thirty (30) days of the invoice mailing date.

8.05 Use of Surplus Fund. AIRLINE agrees that amounts in the Surplus Fund at the end of each Fiscal Year, if available, shall be used for the following purposes and in the order of priority as determined by AUTHORITY: (i) for AUTHORITY to satisfy its obligations under the determination of any Settlement pursuant to Section 8.04; (ii) for transfer to the Revenue Fund, an amount equal to the Debt Service Coverage Rebate calculated in accordance with Exhibit F; and (iii) for improvements on, additions to, and acquisitions for the Airport System; (iv) for Debt Service on Bonds; (v) for the purchase and retirement of Bonds; and (vi) for any

lawful Airport System Purpose. If at the end of any Fiscal Year the balance in the Surplus Fund, after reduction for any unsatisfied or accrued commitments against the Surplus Fund, exceeds \$50,000,000, the AUTHORITY shall use such excess to purchase outstanding Bonds at a price not in excess of the Reasonable Price, and upon such purchase shall retire and cancel the Bonds so purchased. "Reasonable Price" shall mean a price that includes a premium equal to the call premium then in effect on the Bonds purchased; or, if no premium is then in effect, the next future call premium that will come into effect on the Bonds purchased. Amounts in the Surplus Fund identified for the retirement of Bonds will be transferred to the Redemption Account until utilized for Bond retirement. Investment earnings on amounts in the Redemption Account transferred from the Surplus Fund will be credited against the computation of Investment Service as presented in Article 1.37.

8.06 Revenue Sharing. At the end of each Fiscal Year, after determination of Settlement in Section 8.04, AUTHORITY will share with the passenger Signatory Airlines a portion of Net Remaining Revenues (Total Revenues less O&M Expenditures, O&M Reserve Requirement, and Debt Service), if available, calculated in accordance with Exhibit F. However, in the determination of annual Revenue Sharing, the AUTHORITY's annual share, subject to availability of Net Remaining Revenues, must be at least equal to \$20 million. In any Fiscal Year in which the AUTHORITY's share of annual Revenue Sharing is less than \$20 million, the Signatory Airline's share of annual Revenue Sharing will be reduced until the \$20 million is achieved, or the Signatory Airline's share is depleted. If the Signatory Airline's annual share of Revenue Sharing is reduced to satisfy the AUTHORITY's \$20 million annual minimum requirement for Revenue Sharing, AUTHORITY will refund to the Signatory Airlines such payments made as soon as uncommitted funds become available in the Surplus Fund. Also, in any Fiscal Year in which AUTHORITY's share of Revenue Sharing is greater than \$30 million (80% of Net Remaining Revenues of \$37.5 million), the Signatory Airlines' percentage of Revenue Sharing on Net Remaining Revenues in excess of \$37.5 million will be increased to twenty-five percent (25%), and the AUTHORITY's percentage will be reduced to seventy-five percent (75%). Availability of Revenue Sharing will be based on AUTHORITY's ability to satisfy its obligations and meet all Trust Agreement requirements in each Fiscal Year. Upon determination of each passenger Signatory Airline share allocated based on its share of Enplaned Passengers, AUTHORITY will promptly pay to AIRLINE the amount representing AIRLINE's share.

8.07 Debt Service Coverage Rebate.

A. When estimating the rates for rentals, fees, and charges for the ensuing Fiscal Year, as set forth in Section 8.01, AUTHORITY shall also estimate the amount of Debt Service Coverage Rebate from the current Fiscal Year that will be available to reduce estimated Signatory Airline rates for rentals, fees and charges in accordance with Exhibit F.



B. If, in any Fiscal Year, funds are unavailable to provide for the full amount of the Debt Service Coverage Rebate as calculated in accordance with Exhibit F, AUTHORITY will credit Signatory Airlines in the first subsequent Fiscal Year in which sufficient funds are available, the amount necessary so as to produce the full amount of Debt Service Coverage Rebate calculated for the subject Fiscal Year.

8.08 AUTHORITY Covenants.

A. AUTHORITY covenants that for purposes of assigning and allocating costs, it shall utilize generally accepted accounting practices utilized for airports operating as an enterprise fund, and include only those charges properly attributable to the Airport System.

B. AUTHORITY shall operate the Airport System in a manner so as to produce Revenues from concessionaires, tenants, and other users of the Airport System of a nature and amount which would be produced by a reasonably prudent operator of an airport system of substantially similar size, use, and activity, with due regard for the interests of the public, subject to existing leases.

C. AUTHORITY shall use Revenues of the Airport System in accordance with the provisions of the Trust Agreement and applicable law.

D. Should AUTHORITY transfer land from the Land Bank Cost Center to another Cost and Revenue Center, it shall do so at historical cost plus the cost of any improvements thereto.

E. AUTHORITY, to the extent authorized by the laws governing AUTHORITY along with all applicable tax laws, will use its best efforts to use tax-exempt sources for financing the Airport System.

F. All rates and charges shall be at reasonable and non-discriminatory rates based on AUTHORITY's cost, as defined in this Agreement, of the facility or service provided to and used by AIRLINE.

G. Indirect and general administrative costs shall be allocated in a reasonable, transparent cost allocation formula calculated consistently for all Cost Centers and Cost and Revenue Centers of the AUTHORITY.

## ARTICLE 9: CAPITAL EXPENDITURES

9.01 Need for Capital Expenditures. The parties hereto recognize that Capital Expenditures to preserve, protect, enhance, expand, or otherwise improve the Airport System, or part thereof, will be required during the Term of this Agreement. Any such Capital Expenditures to be paid for or financed with Revenues shall be subject to the provisions of Sections 9.02 and 9.03, below.

9.02 Expenditures Subject to Signatory Airline Consideration.

A. AUTHORITY shall notify AIRLINE in writing of its intent to undertake Capital Expenditures not excluded from MII consideration. AUTHORITY shall provide AIRLINE with the following information associated therewith:

(1) A description of the proposed Capital Expenditure(s), together with cost estimates, scheduling, and any preliminary drawings, if applicable;

(2) A statement of the need for the proposed Capital Expenditure(s), along with the planned benefits to be derived from such expenditures;

(3) AUTHORITY's preferred means of financing or paying the costs of the proposed Capital Expenditure(s); and

(4) The planned allocation of the costs thereof to the Airfield Cost and Revenue Center or the Terminal Complex Cost and Revenue Center and the projected impact on AIRLINE rates and charges.

B. Within twenty (20) days after AUTHORITY's delivery of said notice, AIRLINE may request in writing, a meeting with AUTHORITY for the purpose of discussing proposed Capital Expenditure(s). Should such a request be made, AUTHORITY shall meet with Signatory Airlines collectively within sixty (60) days of AUTHORITY's original notice. AUTHORITY agrees to consider comments and recommendations of the Signatory Airlines with respect to proposed Capital Expenditure(s).

C. Unless Signatory Airlines constituting a MII shall issue written disapprovals for a particular Capital Expenditure in the Airfield Cost and Revenue Center (for those Capital Expenditures

in the Airfield Cost and Revenue Center requiring MII consideration) within thirty (30) days of the date of the meeting, AUTHORITY may proceed with said Capital Expenditures. AUTHORITY may also proceed at any time with Capital Expenditures not requiring MII consideration, as set forth in Section 9.03, and with any other improvements or developments not defined as a Capital Expenditure herein.

D. In the event of a MII disapproval of a proposed Capital Expenditure subject to MII consideration, AUTHORITY shall have the option to convene a second meeting with the Signatory Airlines within forty five (45) days following the date of disapproval for the purpose of providing additional information relative to the proposed Capital Expenditure and to request reconsideration. A disapproval of a Capital Expenditure may be reversed by a MII at any time.

E. AUTHORITY may issue Bonds, Subordinated Indebtedness, or Other Indebtedness to finance any Capital Expenditures permitted by this Article 9. All costs associated with Capital Expenditures permitted by this Article 9, including but not limited to, O&M Expenditures (including appropriate reserves therefor) and Investment Service, except as may be limited by Sections 9.02 and 9.03, shall be included in the determination of rates for rentals, fees, and charges in accordance with Exhibit F.

9.03 Capital Expenditures Not Subject to Signatory Airline Consideration. The following Capital Expenditures shall be permitted to be undertaken by the AUTHORITY at any time and shall not be subject to consideration by the Signatory Airlines:

A. New development, planning or expansion projects in the Airfield Cost and Revenue Center that have a net project cost (i.e., net of any applicable federal and state assistance and PFCs) equal to or less than \$10.0 million.

B. Renovation projects in the Terminal Complex Cost and Revenue Center with net project cost equal to or less than \$10.0 million.

C. Renovation projects in the Terminal Complex Cost and Revenue Center with a net project cost exceeding \$10.0 million that have been approved in writing by at least one Signatory Airline leasing space in the Terminal Complex; provided, however, that recovery of the cost of any extraordinary finishes or equipment shall be treated as an Extraordinary Service Charge pursuant to Section 7.03.

D. New or expanded facilities in the Terminal Complex Cost and Revenue Center that have been approved in writing by at least one Signatory Airline leasing space in the Terminal Complex; provided, however, that recovery of the cost of any extraordinary finishes or equipment shall be treated as an Extraordinary Service Charge pursuant to Section 7.03.

E. Projects required by the FAA, the Department of Transportation or similar governmental authority, other than AUTHORITY, having jurisdiction over the Airport.

F. Projects to repair casualty damage to Airport property, which must be rebuilt or replaced in order for AUTHORITY to meet its obligations pursuant to this Agreement, the Trust Agreement, or agreements with other lessees at the Airport.

G. Special Purpose Facilities for which, in all cases, the tenant(s) or other user(s) thereof shall be required to pay directly or reimburse AUTHORITY for all costs, including finance costs, associated with such facilities during the Term of this Agreement.

H. Reasonable improvements or additions, including the associated costs therefor, necessary to settle lawful claims, satisfy judgments, or comply with judicial orders against AUTHORITY by reason of its ownership, operation, maintenance, or use of the Airport.

I. Expenditures of an emergency nature which, if not made within forty-eight (48) hours, would result in the closing of any portion of the Airport.

J. Projects undertaken in Cost Centers and Cost and Revenue Centers other than the Airfield Cost and Revenue Center and the Terminal Complex Cost and Revenue Center.

K. Expenditures with a unit cost less than \$100,000 for the cost of moveable equipment consisting of, but not limited to, fire fighting equipment, trucks, tractors and automotive equipment and other similar moveable equipment and for the purpose of paying the cost of rebuilding, reconstructing, altering, replacing and renewing the facilities of the Airport System, and construction and acquisition of improvements to capital assets of the Airport System in which the total costs allocated to the Airfield Cost and Revenue Center and Terminal Complex Cost and Revenue Center, combined, are less than \$1.5 million in any Fiscal Year during the Term of this Agreement.

9.04 Alterations and Improvements by AIRLINE

A. In accordance with Paragraph 5.01M AIRLINE may construct and install, at AIRLINE's sole expense, such improvements in its Exclusive Use Premises as AIRLINE deems to be necessary for its operations; provided, however, that the plans and specifications, location, and construction schedule for such improvements shall be approved by the Executive Director in writing prior to the commencement of any and all such construction or installation and that AIRLINE complies with the requirements of AUTHORITY's Tenant Work Permit Program. Said approval shall not be unreasonably withheld, conditioned or delayed. Provided further, that no reduction or abatement of rentals, fees, and charges shall be allowed for any interference with AIRLINE's operations by such construction.

B. Prior to the commencement of any improvements greater than \$50,000, AUTHORITY shall have the right to require that AIRLINE obtain, or cause to be obtained, a contract surety bond in a sum equal to the full amount of the construction contract awarded by AIRLINE for the improvements. Said bond shall name AUTHORITY and AIRLINE as obligees hereunder and shall be drawn in a form and from such company acceptable to AUTHORITY and licensed to do business in the State of Florida; shall guarantee the faithful performance of necessary construction and completion of improvements in accordance with approved final plans and detailed specifications; and shall protect AUTHORITY against any losses and liability, damages, expenses, claims, and judgments caused by or resulting from any failure to perform completely the work described. AUTHORITY reserves the right to require that AIRLINE acquires or causes to be acquired a payment bond with any contractor or contractors of AIRLINE, as principal, in the sum equal to the full amount of the construction contract awarded by AIRLINE for the improvements. Said bond shall name AUTHORITY and AIRLINE as obligees thereunder and 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. Any work associated with such construction or installation shall not unreasonably interfere with the operation of the Airport, or otherwise unreasonably interfere with the permitted activities of other Terminal Complex tenants and users. Upon completion of approved construction and within sixty (60) days of AIRLINE's receipt of a certificate of occupancy, a complete set of as-built drawings shall be delivered to the Executive Director in a media type and format acceptable for the permanent record of AUTHORITY.

C. AIRLINE shall furnish or 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

AUTHORITY endorsed thereon, in such amounts and in such manner as AUTHORITY may reasonably require. AUTHORITY may require additional insurance for any alterations or improvements approved hereunder, in such limits as AUTHORITY reasonably determines to be necessary.

D. Any construction or installation shall be at the sole risk of AIRLINE and shall be in accordance with the Tenant Work Permit Program and all applicable state and local codes and laws and subject to inspection by the Executive Director.

E. All improvements made to Airline Premises and additions and alterations thereto made by AIRLINE, except those financed by AUTHORITY, shall be and remain the property of AIRLINE until expiration of the Term of this Agreement. Upon termination or cancellation of this Agreement, said additions and alterations shall become the property of AUTHORITY or at AUTHORITY's option removed by AIRLINE; provided, however, that any trade fixtures, signs, equipment and other movable personal property of AIRLINE not permanently affixed to Airline Premises shall remain the property of AIRLINE, subject to the terms of Article 14.

## ARTICLE 10: DAMAGE OR DESTRUCTION

10.01 Partial Damage. If any part of Airline Premises, or adjacent facilities directly and substantially affecting the use of Airline Premises, shall be partially damaged by fire or other casualty, but said circumstances do not render Airline Premises untenable as reasonably determined by AUTHORITY, the same shall be repaired to usable condition with due diligence by AUTHORITY as hereinafter provided. No abatement of rentals shall accrue to AIRLINE so long as Airline Premises remain tenantable.

10.02 Substantial Damage. If any part of Airline Premises, or adjacent facilities directly and substantially affecting the use of Airline Premises, shall be so extensively damaged by fire or other casualty as to render any portion of said Airline Premises untenable but capable of being repaired, as reasonably determined by AUTHORITY, the same shall be repaired to usable condition with due diligence by AUTHORITY as hereinafter provided. If such repairs have not been commenced by AUTHORITY within 90 days of such damage, AIRLINE shall have the option to terminate its agreement related to those facilities so damaged. In such case, the rentals payable hereunder with respect to AIRLINE's affected Airline Premises shall be paid up to the time of such damage and shall thereafter be abated equitably in proportion as the part of the area rendered untenable bears to total Airline Premises until such time as such affected Airline Premises shall be restored adequately for AIRLINE's use. AUTHORITY shall use its best efforts to provide AIRLINE with alternate facilities acceptable to AIRLINE to continue its operation while repairs are being completed, at a rental rate not to exceed that provided for in this Agreement for comparable space.

10.03 Destruction.

A. If any part of Airline Premises, or adjacent facilities directly and substantially affecting the use of Airline Premises, shall be damaged by fire or other casualty, and is so extensively damaged as to render any portion of said Airline Premises not economically feasible to repair, as reasonably determined by AUTHORITY, AUTHORITY shall notify AIRLINE within a period of forty-five (45) days after the date of such damage of its decision whether to reconstruct or replace said space; provided, however, AUTHORITY shall be under no obligation to replace or reconstruct such premises. The rentals payable hereunder with respect to affected Airline Premises shall be paid up to the time of such damage and thereafter shall abate until such time as replacement or reconstructed space becomes available for use by AIRLINE.

B. In the event AUTHORITY elects to reconstruct or replace affected Airline Premises, AUTHORITY and AIRLINE will coordinate and agree on a reasonable schedule for reconstruction or replacement. AUTHORITY shall use its best efforts to provide AIRLINE with alternate facilities reasonably acceptable to AIRLINE to continue its operation while reconstruction or replacement is being completed at a rental rate not to exceed that provided for in this Agreement for comparable space.

C. In the event AUTHORITY elects to not reconstruct or replace affected Airline Premises, the agreement for the affected premises shall be terminated and AUTHORITY shall meet and consult with AIRLINE on ways and means to permanently provide AIRLINE with adequate replacement space for affected Airline Premises. In such event, AUTHORITY agrees to amend this Agreement to reflect related additions and deletions to Airline Premises.

10.04 Damage Caused By AIRLINE. Notwithstanding the provisions of this Article 10, in the event that due to the negligence or willful act or omission of AIRLINE, its employees, its agents, or licensees, Airline Premises shall be damaged or destroyed by fire, other casualty or otherwise, there shall be no abatement of rent during the repair or replacement of said Airline Premises. To the extent that the costs of repairs shall exceed the amount of any insurance proceeds payable to AUTHORITY by reason of such damage or destruction, AIRLINE shall pay the amount of such additional costs to AUTHORITY.

10.05 AUTHORITY's Responsibilities. AUTHORITY shall maintain adequate, reasonable and customary levels of insurance with no less restrictive coverage than that provided by standard extended coverage endorsements on the "all risk" form, for the full replacement costs thereof as determined from time to time by the AUTHORITY's insurance consultant; provided, however, that AUTHORITY's obligations to repair, reconstruct, or replace affected premises under the provisions of this Article 10 shall in any event be limited to restoring affected Airline Premises to substantially the same condition that existed at the date of damage or destruction, including any subsequent improvements made by AUTHORITY, and shall further be limited to the extent of insurance proceeds and other funds available to AUTHORITY for such repair, reconstruction, or replacement; provided further that AUTHORITY shall in no way be responsible for the restoration or replacement of any equipment, furnishings, property, real improvements, signs, or other items installed and/or owned by AIRLINE in accordance with this Agreement, unless such damage is caused by negligence or willful act or omission of AUTHORITY, its officials, agents, or employees acting within the course or scope of their employment.



## **ARTICLE 11: INDEMNIFICATION AND INSURANCE**

11.01 Indemnification. Except where, and to the extent, it is caused by the negligence of the agents, employees, contractors, officers or board of the AUTHORITY, AIRLINE agrees to protect, defend, reimburse, indemnify and hold AUTHORITY, its agents, employees, board members and elected officers and each of them, free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages (including actually incurred reasonable attorney's fees) and causes of action of every kind and character, whether or not meritorious, against or from AUTHORITY by reason of any damage to property (or the environment, including any contamination of Airport property such as the soil or storm water by fuel, gas, chemicals or other substances deemed by the Environmental Protection Agency (EPA) to be environmental contaminants at the time this Agreement is executed or as may be redefined by the appropriate regulatory agencies in the future), or bodily injury (including death) incurred or sustained by any party hereto, any agent or employee of any party hereto, and any third or other party whomsoever, or any governmental agency, arising out of or incident to or in connection with AIRLINE's performance under this Agreement, AIRLINE's use or occupancy of the Airline Premises, AIRLINE's negligent acts, omissions or operations hereunder or the performance, non-performance or purported performance of AIRLINE or any breach of the terms of this Agreement by AIRLINE. Provided, however, that upon the filing by anyone of a claim with the AUTHORITY for damages arising out of incidents for which AIRLINE herein agrees to indemnify and hold the AUTHORITY harmless, the AUTHORITY shall promptly notify AIRLINE of such claim and, in the event that AIRLINE does not settle or compromise such claim, then AIRLINE shall undertake the legal defense of such claim both on behalf of AIRLINE and on behalf of the AUTHORITY. It is specifically agreed, however, that the AUTHORITY, at its option and at its own expense, may participate in the legal defense of such claim. Any final judgment rendered against the AUTHORITY for any cause for which AIRLINE is liable hereunder shall be conclusive against AIRLINE as to liability and amount upon the expiration of the time for appeal therefrom. AIRLINE recognizes the broad nature of this indemnification and hold harmless clause, and voluntarily makes this covenant and expressly acknowledges the receipt of Ten Dollars (\$10.00) and such other good and valuable consideration provided by AUTHORITY in support of this indemnification in accordance with laws of the State of Florida. This clause shall survive the termination of this Agreement as to claims arising during the Term thereof. Compliance with the insurance requirements of this Article 11 shall not relieve AIRLINE of its liability or obligation to indemnify AUTHORITY as set forth in this Article 11.

11.02 Insurance.

A. During the Term of this Agreement, AIRLINE shall provide, pay for and maintain with companies, reasonably satisfactory to AUTHORITY, the types of insurance described herein. All insurance shall be issued by responsible insurance companies acceptable by the AUTHORITY or eligible to do business in the State of Florida.

B. All liability policies, except for Workers Compensation/Employers Liability, shall provide that AUTHORITY is an Additional Insured to the extent of AIRLINE's contractual obligations hereunder. The insurance coverage and limits required shall be evidenced by properly executed certificates of insurance. These certificates shall be manually signed by the authorized representative of the insurance company shown on the certificate. In addition, if reasonably requested, insurance policies shall be made available to AUTHORITY for review, but not for copying, at AIRLINE's offices, on a timely basis. The required policies of insurance shall be construed in accordance with the laws of the State of Florida.

C. If at any time AUTHORITY requests a written statement as to any impairments to the aggregate limit, AIRLINE shall promptly authorize and have delivered such statement to AUTHORITY. AIRLINE authorizes AUTHORITY and its insurance consultant to confirm with AIRLINE's insurance agents, brokers and insurance companies all information furnished AUTHORITY, as to its compliance with its insurance requirements.

D. All required insurance coverages of AIRLINE shall be primary to any insurance or self-insurance program of AUTHORITY.

E. The acceptance of delivery to AUTHORITY of any certificate of insurance evidencing the insurance coverages and limits required in this Agreement does not constitute approval or acceptance by AUTHORITY that the insurance requirements in this Agreement have been met.

F. No operations shall commence at the Airport unless and until the required certificates of insurance are in effect and approved by AUTHORITY.

G. The insurance coverages and limits required of AIRLINE under this Agreement are designed to meet the minimum requirements of AUTHORITY. They are not designed as a recommended insurance program for AIRLINE. AIRLINE is responsible for insuring its real and

personal property located at the Airport. AIRLINE, alone, shall be responsible for the sufficiency of its own insurance program. Should AIRLINE have any question concerning its exposures to loss under this Agreement, or the possible insurance coverages needed therefor, it should seek professional advice.

H. AIRLINE and AUTHORITY understand and agree that the minimum limits of the insurance herein required may from time to time become inadequate, and AIRLINE agrees that it will increase such minimum limits upon receipt of written notice. AIRLINE shall furnish AUTHORITY, within sixty (60) days of the effective date thereof, a certificate of insurance evidencing such insurance is in force.

I. AIRLINE's insurance companies or its authorized representative shall give AUTHORITY thirty (30) days prior written notice by regular mail of any cancellation, intent not to renew, or material reduction in any policy's coverage, except in the application of the Aggregate Limits Provisions. In the event of a reduction to the Aggregate Limit, it is agreed that immediate steps will be taken to have it reinstated. Said notices shall be sent to the addresses indicated in Section 18.22 of this Agreement.

J. Renewal Certificates of Insurance must be provided to AUTHORITY as soon as practical but in every instance prior to expiration of current coverages.

K. Should at any time AIRLINE not, in the opinion of AUTHORITY's insurance consultant, provide or maintain the insurance coverages required in this Agreement, AUTHORITY may terminate or suspend this Agreement.

L. The amounts and types of insurance shall conform to the following minimum requirements. The wording of all policies, forms and endorsements must be reasonably acceptable to AUTHORITY.

(1) Workers Compensation and Employer's Liability Insurance shall be maintained in force by AIRLINE during the Term of this Agreement for all employees engaged in the operations under this Agreement. The limits of coverage shall not be less than:

Workers' Compensation	Florida Statutory
Employer's Liability	\$1,000,000 Limit Each Accident
	\$1,000,000 Limit Disease Aggregate
	\$1,000,000 Limit Disease Each Employee

(2) Airline Liability Insurance/Comprehensive General Liability shall be maintained by AIRLINE for the life of this Agreement. Coverage shall include, but not be limited to, Premises and Operations, Personal Injury, Contractual Liability, Products and Completed Operations Coverage, Hangarkeepers and Liquor Liability . Coverage shall be applicable to the operation of all licensed and unlicensed motor vehicles and ground equipment operating within the Aircraft Operations Area (AOA) at the Airport. The limits of coverage shall not be less than:

Airline Liability:

Bodily & Personal Injury & Property Damage Liability	\$100,000,000 Combined Single Limit Each Occurrence & Aggregate
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Sublimits to be provided through the Airline Liability or separate policy.

Personal Injury (non-passengers)	\$25,000,000 Each Occurrence
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Liquor Liability Coverage -- for any facility of AIRLINE serving alcoholic beverages on the Airport in an amount not less than \$1,000,000 per occurrence.

Hangarkeepers Liability Coverage -- in an amount adequate to cover any non-owned property in the care, custody, and control of AIRLINE on the Airport, but in any event in an amount not less than \$5,000,000 per occurrence.

Motor Vehicle Liability Coverage -- to cover all licensed and unlicensed motor vehicles and ground equipment owned, non-owned, or hired by AIRLINE that are operated in the AOA. This coverage will be in an amount not less than \$5,000,000 per person and per occurrence.

(3) Aircraft Liability Insurance shall be maintained by AIRLINE during the Term of this Agreement for all owned, non-owned, leased or hired aircraft, including passenger coverage. The limits of coverage shall not be less than:

Bodily & Personal Injury & Property Damage Liability	\$100,000,000 Combined Single Limit Each Occurrence & Aggregate
Personal Injury (non-passengers)	\$25,000,000 Each Occurrence

(4) Business Automobile Liability Insurance shall be maintained by AIRLINE during the Term of this Agreement as to the ownership, maintenance, and use of all owned, non-owned, leased or hired vehicles. The limits of coverage shall not be less than:

Bodily & Personal Injury & Property Damage Liability	\$1,000,000 Combined Single Limit Each Occurrence & Aggregate
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(5) Umbrella Liability Insurance or Excess Liability Insurance may be used to reach the limits of liability required for the Airport Liability Policy, Aircraft Liability and the Business Automobile Policy.

## ARTICLE 12: CANCELLATION BY AUTHORITY

12.01 Events of Default. The events described below shall be deemed events of default by AIRLINE hereunder:

A. Upon the occurrence of any one of the following events of default, AUTHORITY may give fifteen (15) days written notice as provided in Section 12.03.

(1) The conduct of any business or performance of any acts at the Airport not specifically authorized herein or by other agreements between AUTHORITY and AIRLINE, and said business or acts do not cease within thirty (30) days of receipt of AUTHORITY's written notice to cease said business or acts.

(2) The failure to cure a default in the performance of any of the terms, covenants, and conditions required herein (except Contract Security requirements, insurance requirements, and payment of rentals, fees, and charges, all as provided for in Section 12.01B) within thirty (30) days of receipt of written notice by AUTHORITY to do so; or if by reason of the nature of such default, the same cannot be remedied within thirty (30) days following receipt by AIRLINE of written demand from AUTHORITY to do so, AIRLINE fails to commence the remedying of such default within said thirty (30) days following such written notice, or having so commenced, shall fail thereafter to continue with diligence the curing thereof. AIRLINE shall have the burden of proof to demonstrate (i) that the default cannot be cured within thirty (30) days, and (ii) that it is proceeding with diligence to cure said default, and that such default will be cured within a reasonable period of time.

B. Upon the occurrence of any one of the following events of default, AUTHORITY may immediately issue written notice of default.

(1) The failure by AIRLINE to pay any part of the rentals, fees, and charges due hereunder and the continued failure to pay said amounts in full within thirty (30) days of AUTHORITY's written notice of payments past due. Provided, however, if a dispute arises between AUTHORITY and AIRLINE with respect to any obligation or alleged obligation of AIRLINE to make payments to AUTHORITY, payments under protest by AIRLINE of the amount due shall not waive any of AIRLINE'S rights to contest the validity or amount of such

payment. In the event any court or other body having jurisdiction determines all or any part of the protested payment shall not be due, then AUTHORITY shall promptly reimburse AIRLINE any amount determined as not due plus interest on such amount at one and one-half percent (1-1/2%) per month.

(2) The failure by AIRLINE to provide and keep in force Contract Security in accordance with Section 7.09.

(3) The failure by AIRLINE to provide and keep in force insurance coverage in accordance with Section 11.02.

(4) The appointment of a trustee, custodian, or receiver of all or a substantial portion of AIRLINE's assets.

(5) The divestiture of AIRLINE's estate herein by operation of law, by dissolution, or by liquidation, (not including a merger or sale of assets).

(6) The insolvency of AIRLINE; or if AIRLINE shall take the benefit of any present or future insolvency statute, shall make a general assignment for the benefit of creditors, or shall seek a reorganization or the readjustment of its indebtedness under any law or statute of the United States or of any state thereof including the filing by AIRLINE of a voluntary petition of bankruptcy or the institution of proceedings against AIRLINE the adjudication of AIRLINE as a bankrupt pursuant thereto.

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

(8) The failure by AIRLINE to remit PFCs in accordance with Section 18.03.

(9) Failure by AIRLINE to make under-utilized PFC-funded Airline Premises available for use by other Air Transportation Companies in accordance with Section 16.04 of this Agreement.

12.02 Continuing Responsibilities of AIRLINE. Notwithstanding the occurrence of any event of default, AIRLINE shall remain liable to AUTHORITY for all rentals, fees, and charges payable hereunder and for all preceding breaches of any covenant of this Agreement. Furthermore, unless AUTHORITY elects to cancel this Agreement, AIRLINE shall remain liable for and promptly pay all rentals, fees, and charges accruing hereunder until termination of this Agreement as set forth in Article 3 or until this Agreement is canceled by AIRLINE pursuant to Article 13.

12.03 AUTHORITY's Remedies. Upon the occurrence of any event enumerated in Paragraphs 12.01A, or 12.01B, including applicable notice and cure periods, the following remedies shall be available to AUTHORITY:

A. AUTHORITY may exercise any remedy provided by law or in equity, including but not limited to the remedies hereinafter specified.

B. AUTHORITY may cancel this Agreement, effective upon the date specified in the notice of cancellation. For events enumerated in Paragraph 12.01A, such date shall be not less than fifteen (15) days from said notice. Upon such date, AIRLINE shall be deemed to have no further rights hereunder and AUTHORITY shall have the right to take immediate possession of AIRLINE's Airline Premises.

C. AUTHORITY may reenter the Airline Premises and may remove all AIRLINE persons and property from same upon the date of reentry specified in AUTHORITY's written notice of reentry to AIRLINE. For events enumerated in Paragraph 12.01A, reentry shall be not less than fifteen (15) days from the date of notice of reentry. Upon any removal of AIRLINE property by AUTHORITY hereunder, AIRLINE property may be stored at a public warehouse or elsewhere at AIRLINE's sole cost and expense.

D. AUTHORITY may relet Airline Premises and any improvements thereon or any part thereof at such rentals, fees, and charges and upon such other terms and conditions as AUTHORITY, in its sole discretion, may deem advisable, with the right to make alterations, repairs of improvements on said Airline Premises. In reletting the Airline Premises, AUTHORITY shall be obligated to make a good faith effort to obtain terms comparable than those contained herein and otherwise seek to mitigate any damages it may suffer as a result of AIRLINE's event of default.



E. In the event that AUTHORITY relets Airline Premises, rentals, fees, and charges received by AUTHORITY from such reletting shall be applied: (i) to the payment of any indebtedness other than rentals, fees, and charges due hereunder from AIRLINE to AUTHORITY; (ii) to the payment of any cost of such reletting; and (iii) to the payment of rentals, fees, and charges due and unpaid hereunder. The residue, if any, shall be held by AUTHORITY and applied in payment of future rentals, fees, and charges as the same may become due and payable hereunder. If that portion of such rentals, fees, and charges received from such reletting and applied to the payment of rentals, fees, and charges hereunder is less than the rentals, fees, and charges as would have been payable during applicable periods by AIRLINE hereunder, then AIRLINE shall pay such deficiency to AUTHORITY. AIRLINE shall also pay to AUTHORITY, as soon as ascertained, any reasonable costs and expenses incurred by AUTHORITY in such reletting not covered by the rentals, fees, and charges received from such reletting.

F. No reentry or reletting of Airline Premises by AUTHORITY shall be construed as an election on AUTHORITY'S part to cancel this Agreement unless a written notice of cancellation is given to AIRLINE.

G. AIRLINE shall pay to AUTHORITY all other costs, incurred by AUTHORITY in the exercise of any remedy in this Article 12, including, but not limited to, reasonable attorney fees, disbursements, court costs, and expert fees.

12.04 Remedies Under Federal Bankruptcy Laws. Notwithstanding the foregoing, upon the filing by or against AIRLINE of any proceeding under Federal bankruptcy laws, if AIRLINE has defaulted in the performance of any provision of this Agreement within the six (6) months preceding such filing, AUTHORITY shall have the right to cancel this Agreement, in addition to other remedies provided under provisions of the Federal Bankruptcy Rules and Regulations and Federal Judgeship Act of 1984, as such may be subsequently amended, supplemented, or replaced. Such cancellation shall be by written notice to AIRLINE within sixty (60) days from the date of AIRLINE's initial filing in bankruptcy court.

## **ARTICLE 13: CANCELLATION BY AIRLINE**

13.01 Events of Default. The events described below shall be deemed events of default by AUTHORITY hereunder:

A. AUTHORITY fails to keep, perform, or observe any material term, covenant, or condition herein contained, to be kept, performed, or observed by AUTHORITY and such failure continues for thirty (30) days after receipt of written notice from AIRLINE; or, if by its nature such default cannot be cured within such thirty (30) day period, AUTHORITY shall not commence to cure or remove such default within said thirty (30) days and to cure or remove the same as promptly as reasonably practicable; provided, however, AUTHORITY's performance under this Paragraph shall be subject to the provisions of Section 18.25 of this Agreement.

B. Airport is closed to flights in general or to the flights of AIRLINE, for reasons other than those circumstances within AIRLINE's control, and Airport fails to be reopened to such flights within sixty (60) consecutive days from such closure.

C. The Airport is permanently closed as an air carrier airport by act of any federal, state, or local government agency having competent jurisdiction; or AIRLINE is unable to use Airport for a period of at least forty-five (45) consecutive days due to any law or any order, rule or regulation of any governmental authority having jurisdiction over the operations of the Airport; or any court of competent jurisdiction issues an injunction preventing AUTHORITY or AIRLINE from using Airport for airport purposes, for reasons other than those circumstances within AIRLINE's control, and such injunction remains in force for a period of at least forty-five (45) consecutive days.

D. The United States Government or any authorized agency of the same (by executive order or otherwise) assumes the operation, control, or use of the Airport in such a manner as to substantially restrict AIRLINE from conducting its operations, if such restriction be continued for a period of sixty (60) consecutive days or more.

13.02 AIRLINE's Remedy. So long as AIRLINE is not in default as set forth in Section 12.01 of this Agreement, including but not limited to payments due to AUTHORITY hereunder, AIRLINE may cancel this Agreement upon the occurrence of an event of default, as set forth in Section 13.01. In such event, AIRLINE shall serve fifteen (15) day advance written notice of cancellation to AUTHORITY. All rentals, fees, and charges

payable by AIRLINE shall cease as of the date of such cancellation and AIRLINE shall surrender the Airline Premises in accordance with Article 14 hereof.

## **ARTICLE 14: SURRENDER OF AIRLINE PREMISES**

14.01 Surrender and Delivery. Upon termination or cancellation of this Agreement, AIRLINE shall promptly and peaceably surrender to AUTHORITY its Airline Premises and all improvements thereon to which AUTHORITY is entitled in good and fit condition, reasonable wear and tear as well as damage or repair which is the responsibility of AUTHORITY hereunder excepted; provided, however, nothing in this Section 14.01 shall be construed to modify the obligations of the parties set forth in Article 9, Article 10, and Article 11.

14.02 Removal of Property. Provided AIRLINE is not in default for payment of rentals, fees, and charges hereunder, AIRLINE shall have the right at any time during the Term of this Agreement to remove from the Airport its aircraft, tools, equipment, trade fixtures, and other personal property, title to which shall remain in AIRLINE, unless otherwise set forth in this Agreement, and shall remove such aircraft, tools, equipment, trade fixtures, and other personal property within fifteen (15) business days following termination of this Agreement, whether by expiration of time or otherwise, as provided herein, subject to any valid lien which AUTHORITY may have thereon for unpaid rentals, fees, and charges. AIRLINE shall not abandon any portion of its property at the Airport without the written consent of AUTHORITY. Any and all property not removed by AIRLINE within thirty (30) business days following the date of termination of this Agreement shall, at the option of AUTHORITY, (i) become the property of AUTHORITY at no cost to AUTHORITY; (ii) be stored by AUTHORITY, at no cost to AUTHORITY; or (iii) be sold at public or private sale at no cost to AUTHORITY. Except as may be agreed to otherwise by AUTHORITY and AIRLINE, all AUTHORITY property damaged by or as a result of the removal of AIRLINE's property shall be restored by AIRLINE to the condition existing before such damage at AIRLINE's expense.

14.03 Holding Over. In the event AIRLINE uses its Airline Premises without the written consent of AUTHORITY after this Agreement has been canceled or expires, AIRLINE shall be deemed a tenant at sufferance during the period of such use and shall pay the rate for rentals, fees, and charges established by AUTHORITY for Air Transportation Companies which are not Signatory Airlines during such period. In such event, AUTHORITY shall have the right to all remedies provided under applicable laws; provided, however, AUTHORITY's consent shall not be unreasonably withheld during any period of good faith lease negotiations between AIRLINE and AUTHORITY.

## **ARTICLE 15: ASSIGNMENT, SUBLETTING, AND HANDLING AGREEMENTS**

### 15.01 Assignment and Subletting by AIRLINE.

A. In the event that AIRLINE shall, directly or indirectly, assign, sell, hypothecate, or otherwise transfer this Agreement, or any portion of Airline Premises, without the prior written consent of AUTHORITY, AUTHORITY, in its sole discretion may terminate this Agreement upon thirty (30) days written notice; provided, however, AIRLINE may assign; (i) this Agreement to any person, firm or corporation with which AIRLINE may merge or consolidate or which may succeed to the business of AIRLINE; or (ii) all or a part of its rights, privileges and obligations hereunder to another air carrier but only subject to the mutual approval of AIRLINE and AUTHORITY after cooperative efforts to find such an assignee and provided that such assignment shall not result in compensation to AIRLINE for the rights, privileges and obligations hereunder so assigned.

B. AIRLINE shall not sublease Airline Premises without the prior written consent of AUTHORITY, which consent may be withheld if AUTHORITY has substantially similar space available, but unleased, or if AUTHORITY can make such space available for lease within a reasonable time, and, failing in this, such prior consent shall not be unreasonably withheld. Use of AIRLINE's Exclusive Use Premises or any part thereof, by anyone other than AIRLINE shall be deemed a sublease.

C. AIRLINE shall include with its request for permission to assign or sublease, a copy of the proposed assignment or sublease agreement. The assignment or sublease agreement submitted with AIRLINE's request shall include the following information: (i) the term; (ii) the area or space to be assigned or subleased; (iii) the sublease rentals to be charged; and (iv) the provision that assignee or sublessee must execute a separate agreement with AUTHORITY for operating at the Airport. Any other information reasonably requested by AUTHORITY pertaining to said sublease or assignment shall be promptly provided by AIRLINE. A fully executed copy of such sublease or assignment shall be submitted to AUTHORITY for final approval within sixty (60) days of the occupancy of Airline Premises, or any portion thereof, by the assignee or sublessee.

D. Nothing in this Article 15 shall be construed to release AIRLINE from its obligations under this Agreement, including but not limited to, the payment of rentals, fees, and charges provided herein.

15.02 Handling Agreements. In the event AIRLINE agrees to ground handle any portion of the operations of another Air Transportation Company, AIRLINE shall provide AUTHORITY advance written notice of such proposed activities, including a description of the type and extent of services to be provided. Consent shall not be unreasonably withheld. AIRLINE's handling of another Air Transportation Company from Airline Premises shall be subject to a fee equal to that which would otherwise be imposed by AUTHORITY for the use of available AUTHORITY space. Notwithstanding the foregoing, AIRLINE shall not ground handle any Air Transportation Company which does not have consent of AUTHORITY for the operation of its Air Transportation Business at the Airport, and a handling agreement between AIRLINE and the Air Transportation Company.

## **ARTICLE 16: AVAILABILITY OF ADEQUATE FACILITIES**

### 16.01 Declaration of Intent.

A. The parties acknowledge the objective of AUTHORITY to offer to all Air Transportation Companies desiring to serve Airport access to the Airport and to provide adequate gate positions and space in the Terminal Complex. Recognizing that physical and financial limitations may preclude timely expansion of the Terminal Complex and Terminal Aircraft Apron areas to meet the stated requests of AIRLINE and/or such other Air Transportation Companies ("Requesting Airlines") for additional facilities, AUTHORITY hereby states its intent to pursue the objective of achieving an optimum balance in the overall utilization of the Terminal Complex and Terminal Aircraft Apron areas to be achieved, if necessary, through sharing, from time to time, of gate positions and other passenger handling facilities.

B. It is the policy of AUTHORITY, to the extent practicable, to solve space problems in the following manner: first, through AUTHORITY's leasing of unleased premises in the Terminal Complex; second, through the use of AUTHORITY-approved subleases; third, through accommodation on Preferential Use Premises; fourth, through the expansion of the Terminal Complex, unless in the opinion of AUTHORITY, physical, financial, or time limitations make expansion impractical; fifth, through the reassignment of Preferential Use Premises; and sixth, through accommodation of Exclusive Use Premises.

### 16.02 Accommodation on Preferential Use Premises.

A. AIRLINE shall cooperate with AUTHORITY to accommodate the needs of a Requesting Airline by permitting such Requesting Airline to utilize AIRLINE's Preferential Use Premises for the time period(s) necessary to permit passenger loading and unloading operations in conjunction with the scheduled operations of such Requesting Airline at times when the use of such facilities shall not interfere with AIRLINE's planned operations or those of its approved sublessees, licensees, or permittees.

B. AUTHORITY will require Requesting Airlines to first coordinate directly with Signatory Airlines in writing for the joint use of such Preferential Use Premises, if AUTHORITY has no

available gates or other areas in the Terminal Complex to accommodate the needs of said Requesting Airline.

C. AIRLINE's accommodation of a Requesting Airline shall be subject to a written agreement between AIRLINE and Requesting Airline, approved in writing by AUTHORITY prior to the effective date thereof and Requesting Airline entering into an agreement with AUTHORITY to operate at the Airport. The proffering of a handling agreement by AIRLINE shall be deemed a reasonable effort for the purpose of this Paragraph 16.02C.

D. In determining if AIRLINE shall be required to accommodate a Requesting Airline, AUTHORITY shall consider AIRLINE's capabilities, capacity, facilities, and personnel therefor, after taking into account AIRLINE's own requirements and contractual obligations, the compatibility of said Requesting Airline's proposed operations with those of AIRLINE, and the need for labor harmony. AUTHORITY shall not require AIRLINE to accommodate a Requesting Airline if AUTHORITY has unassigned gates which can reasonably accommodate the needs of said Requesting Airline.

E. Provided, however, AIRLINE shall not be required to accommodate such other Air Transportation Companies pursuant to Paragraph 16.02D if all of AIRLINE's gate positions are occupied by AIRLINE's flights or flights of other Air Transportation Companies already being accommodated by AIRLINE for schedule, weather, or mechanical reasons at the time of said flight needing to be accommodated. For purposes of this provision, the overnight parking of AIRLINE's aircraft at a gate position or parking of AIRLINE's aircraft at a gate position other than between one (1) hour before arrival or one (1) hour after scheduled departure of AIRLINE's aircraft shall not be deemed occupation of said gate position. If AIRLINE accommodates such other Air Transportation Companies then said other Air Transportation Companies shall be required to vacate AIRLINE's gate position at least sixty (60) minutes prior to AIRLINE's next scheduled flight arrival at said gate position. The accommodated carrier shall pay AIRLINE's reasonable costs incurred in removing AIRLINE's aircraft from the gate positions.

F. Subject to the provisions of Sections 15.01 and 15.02, nothing contained in this Article shall prevent or prohibit AIRLINE from electing to enter into an agreement with other Scheduled Air Carriers authorized to operate into and out of the Airport and desiring the joint use of its Preferential Use Premises as provided in Article 15 herein.



G. AIRLINE shall cooperate with AUTHORITY to accommodate other Air Transportation Companies from time to time, as deemed necessary by AUTHORITY for situations including, but not limited to unscheduled flights, including charters, diversions due to weather, and other circumstances not otherwise accommodated or handled by a Signatory Airline.

H. During the period of use of AIRLINE's facilities by an Air Transportation Company pursuant to this Article 16, AIRLINE shall be relieved of its obligation under this Agreement to indemnify and save harmless AUTHORITY, its officers, directors, employees, or agents with regard to any claim for property damage or personal injury arising out of or in connection with said accommodated Air Transportation Company's use of its Preferential Use Premises, unless such damage or injury is caused by AIRLINE, its officers, directors, employees or agents who have come upon its Preferential Use Premises in connection with AIRLINE's occupancy hereunder. AIRLINE shall require such accommodated Air Transportation Companies to agree in writing to indemnify AUTHORITY and AIRLINE in the manner and to the extent required of AIRLINE, pursuant to Article 11 hereof.

#### 16.03 Reassignment of Preferential Use Premises.

A. AUTHORITY shall provide at least one preferentially assigned gate to each Signatory Airline operating at least three flights per weekday. AUTHORITY reserves the right to reassign one or more of an AIRLINE's preferentially assigned gates to another Signatory Airline(s) if: (1) AIRLINE's scheduled average for any individual gate utilization falls below three (3) flights per gate per weekday (including flights of other Air Transportation Companies accommodated by AIRLINE); (2) AUTHORITY determines that there is a reasonable need for the preferential use of such gate(s) by another Signatory Airline(s); and (3) the new entrant Signatory Airline meets the required three (3) flights per gate per weekday minimum. Prior to such reassignment becoming effective, AIRLINE shall have a 90-day period to adjust its schedule to three or more flights per gate per week day so as not to be subject to such reassignment. In the event of reassignment AIRLINE will be entitled to reimbursement for the cost of providing tenant improvements that are comparable to the level of tenant improvements in AIRLINE's current Airline Premises for similar facilities, similar tenant improvements and relocation costs. The costs associated with extraordinary tenant improvements will not be reimbursed by AUTHORITY. When determining specific Preferential Use Premises to be reassigned, AUTHORITY shall not specify facilities that will disrupt the continuity and staffing of AIRLINE's operation.

B. In order to optimize passenger flow, use of the facility, and minimize future capital construction, AUTHORITY reserves the right to reassign aircraft parking positions and associated

Preferential Use Premises and Exclusive Use Premises in an Airside Building. Should any reassignment occur AIRLINE will be assigned new space comparable in size quality and finish. Prior to any relocation AUTHORITY and AIRLINE will meet and agree on the amount of reimbursement due AIRLINE for the cost of providing tenant improvements that are comparable to the level of tenant improvements in AIRLINE's current Airline Premises for similar facilities and relocation costs. The costs associated with extraordinary tenant improvements will not be reimbursed by AUTHORITY.

16.04 Accommodation on Exclusive Ticket Counter and Baggage Makeup.

A. AIRLINE shall cooperate with AUTHORITY to accommodate the needs of a Requesting Airline by permitting such Requesting Airline to utilize AIRLINE's exclusive ticket counter and baggage makeup for the time period(s) necessary to permit the Requesting Airline to operate its Air Transportation Business in conjunction with the scheduled operations of such Requesting Airline at times when the use of such facilities shall not interfere with AIRLINE's planned operations or those of its approved sublessees, licensees, or permittees.

B. AUTHORITY will require Requesting Airlines to first coordinate directly with Signatory Airlines in writing for the use of such exclusive ticket counter and baggage makeup, if AUTHORITY has no available space in the Terminal Complex to accommodate the needs of said Requesting Airline.

C. AIRLINE's accommodation of a Requesting Airline shall be subject to a written agreement between AIRLINE and Requesting Airline, approved in writing by AUTHORITY prior to the effective date thereof and Requesting Airline entering into an agreement with AUTHORITY to operate at the Airport.

D. In determining if AIRLINE shall be required to accommodate a Requesting Airline, AUTHORITY shall consider AIRLINE's capabilities, capacity, facilities, and personnel therefor, after taking into account AIRLINE's own requirements and contractual obligations, the compatibility of said Requesting Airline's proposed operations with those of AIRLINE, and the need for labor harmony. AUTHORITY shall not require AIRLINE to accommodate a Requesting Airline if AUTHORITY has unleased premises which can reasonably accommodate the needs of said Requesting Airline.

E. During the period of use of AIRLINE's facilities by an Air Transportation Company pursuant to this Article 16, AIRLINE shall be relieved of its obligation under this Agreement to

indemnify and save harmless AUTHORITY, its officers, directors, employees, or agents with regard to any claim for property damage or personal injury arising out of or in connection with said accommodated Air Transportation Company's use of its exclusive ticket counter and baggage makeup, unless such damage or injury is caused by AIRLINE, its officers, directors, employees or agents who have come upon its exclusive ticket counter and baggage makeup in connection with AIRLINE's occupancy hereunder. AIRLINE shall require such accommodated Air Transportation Companies to agree in writing to indemnify AUTHORITY and AIRLINE in the manner and to the extent required of AIRLINE, pursuant to Article 11 hereof.

16.05 Regional/Commuter Operations.

A. To the extent practical, aircraft that are capable of connecting to a loading bridge must use a Terminal Aircraft Apron equipped with a loading bridge for the enplaning and deplaning of passengers.

B. Aircraft that are not capable of connecting to a loading bridge will use those areas of the Terminal Aircraft Aprons designated by AUTHORITY and will be accessed from the ramp level through commuter facilities unless otherwise approved by AUTHORITY.

## ARTICLE 17: GOVERNMENT INCLUSION

17.01 Government Agreements. This Agreement shall be subordinate to the provisions of any existing or future agreements between AUTHORITY and the United States Government or other governmental authority, relative to the operation or maintenance of the Airport, 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. AUTHORITY agrees to provide AIRLINE written advance notice of any provisions which would adversely modify the material terms of this Agreement.

17.02 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 Airport or any part thereof during time of war or national emergency. Such rights shall supersede any provisions of this Agreement inconsistent with the operations of the Airport by the United States of America.

### 17.03 Nondiscrimination

A. 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, creed, sex, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of Airline Premises, (ii) in the construction of any improvements on, over, or under Airline Premises and the furnishing of services thereon, no person on the grounds of race, color, creed, sex, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination, and (iii) AIRLINE shall use the Airline Premises in compliance with all other requirements imposed by or pursuant to 14 CFR 152 and Title VI of the Civil Rights Act of 1964 and 49 CFR, Subtitle A, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Title and Regulations may be amended.

B. AIRLINE acknowledges that the provisions of 49 CFR, Part 23, Disadvantaged Business Enterprises (DBE), as said regulations may be amended, and such other similar regulations may be enacted, may be applicable to the activities of AIRLINE under the terms of this Agreement, unless exempted by said regulations, and AIRLINE hereby agrees to comply with the regulatory agencies, in

reference thereto. These requirements may include, but not be limited to, compliance with DBE 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 DBEs.

C. In the event of breach of any of the above nondiscrimination covenants which is not cured 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.

17.04 Security. AIRLINE, its officers, employees, agents, and those under its control, shall comply with security measures required of AIRLINE or AUTHORITY by the FAA or contained in any Airport master security plan approved by the FAA to include an Airport Tenant Security Program as outlined in FAR Part 107 respective to AIRLINE's Exclusive Use Premises. If AIRLINE, its officers, employees, agents, or those under its control shall fail or refuse to comply with said measures and such non-compliance results in a monetary penalty being assessed against AUTHORITY, then, in addition to the provisions of Section 11.01, AIRLINE shall be responsible and shall reimburse AUTHORITY in the full amount of any such monetary penalty or other damages.

17.05 Environmental.

A. General Conditions.

(1) Notwithstanding any other provisions in this AGREEMENT, and in addition to any and all other requirements of this AGREEMENT or any other covenants, representations or warranties of AIRLINE, AIRLINE hereby expressly covenants, warrants and represents to AUTHORITY, in connection with AIRLINE's operations at the airport the following :

(2) AIRLINE is knowledgeable of all applicable federal, state, and local environmental laws, ordinances, rules, regulations and orders, which apply to AIRLINE's operations at the airport and acknowledges that such environmental laws, ordinances, rules, regulations and orders change from time-to-time, and AIRLINE agrees to keep informed of any such future changes.

(3) AIRLINE agrees to comply with all applicable federal, state, and local environmental laws, ordinances, rules, regulations, and orders which apply to AIRLINE's

operations. AIRLINE agrees to hold harmless and indemnify AUTHORITY for any violation by AIRLINE of such applicable federal, state, and local environmental laws, ordinances, rules, regulations and orders and for any non-compliance by AIRLINE with any permits issued to AIRLINE pursuant to such environmental laws, which hold harmless and indemnity shall include, but not be limited to, enforcement actions to assess, abate, remediate, undertake corrective measures or monitor environmental conditions and for any monetary penalties, costs, expenses, or damages, including natural resource damages, imposed against AIRLINE, its employees, invitees, suppliers, or service providers or AUTHORITY by reason of AIRLINE's violation or non-compliance, to the extent such program complies with applicable law.

(4) AIRLINE agrees to cooperate with any investigation, audit or inquiry by AUTHORITY or any governmental agency, regarding possible violation of any environmental law or regulation upon the Airport.

(5) AIRLINE agrees that all remedies of AUTHORITY as provided herein with regard to violation of any federal, state or local environmental laws, ordinances, rules, regulations or orders shall be deemed cumulative in nature and shall survive termination of this Agreement.

(6) AIRLINE agrees that any notice of violation, notice of non-compliance, or other enforcement action shall be provided to AUTHORITY within twenty-four (24) hours of receipt by AIRLINE or AIRLINE's agent. Any violation or notice of violation or non-compliance with federal, state, or local environmental law or ordinance shall be deemed a default under this Agreement. Such default may be cured within ten (10) days of receipt of notice of default from AUTHORITY, or such longer period as may be required to affect a cure provided AIRLINE commences a cure within said ten (10) days and thereafter diligently prosecutes the cure to completion. Any such default which is not cured shall be grounds for termination of this Agreement.

(7) In entering this Agreement, AUTHORITY expressly relies on the covenants, representations, and warranties of AIRLINE as stated herein.

B. Stormwater.

(1) Notwithstanding any other provisions or terms of this Agreement, AIRLINE acknowledges that certain properties within the Airport, or on AUTHORITY owned land, are subject to stormwater rules and regulations. AIRLINE agrees to observe and abide by such stormwater rules and regulations as may be applicable to AUTHORITY's property and uses thereof. (2) AIRLINE acknowledges that any stormwater discharge permit issued to the AUTHORITY may name AIRLINE as a co-permittee. AUTHORITY shall notify AIRLINE prior to commencing National Pollutant Discharge Elimination System (NPDES) permit renewal discussions or negotiations. AUTHORITY and AIRLINE both acknowledge that close cooperation is necessary to insure compliance with any stormwater discharge permit terms and conditions, as well as to insure safety and to minimize cost of compliance. AIRLINE acknowledges further that it may be necessary to undertake such actions to minimize the exposure of stormwater to "significant materials" generated, stored, handled or otherwise used by AIRLINE, as such term may be defined by applicable stormwater rules and regulations, by implementing and maintaining "best management practices" as that term may be defined in applicable stormwater rules and regulations.

(3) AUTHORITY will provide AIRLINE with written notice of any stormwater discharge permit requirements applicable to AIRLINE and with which AIRLINE will be obligated to comply from time-to-time, including, but not limited to: certification of non-stormwater discharges; collection of stormwater samples; preparation of stormwater pollution prevention or similar plans; implementation of best management practices; and maintenance of necessary records. Such written notice shall include applicable deadlines. AIRLINE agrees that within ten (10) days of receipt of such written notice, it shall notify AUTHORITY in writing if it disputes any of the stormwater permit requirements it is being directed to undertake. If AIRLINE does not provide such timely notice, AIRLINE will be deemed to assent to undertake such stormwater permit requirements. In that event, AIRLINE agrees to undertake, at its sole expense, unless otherwise agreed to in writing between AUTHORITY and AIRLINE, those stormwater permit requirements for which it has received written notice from AUTHORITY, and AIRLINE agrees that it will hold harmless and indemnify AUTHORITY for any violations or non-compliance with any such permit requirements.

C. Solid and Hazardous Waste.

(1) If AIRLINE is deemed to be a generator of hazardous waste, as defined by federal, state or local law, AIRLINE shall obtain a generator identification number from the EPA and the appropriate generator permit and shall comply with all federal, state and local laws, and any rules and regulations promulgated thereunder, including but not limited to, insuring that the transportation, storage, handling and disposal of such hazardous wastes are conducted in full compliance with applicable law, in accordance with the applicable program.

(2) AIRLINE agrees to provide AUTHORITY, upon request, copies of all hazardous waste permit application documentation, permits, monitoring reports, transportation, responses, storage and disposal plans and material safety data sheets, within ten (10) days of any such requests by AUTHORITY.



## ARTICLE 18: GENERAL PROVISIONS

### 18.01 Subordination to Trust Agreement.

A. This Agreement and all rights granted to AIRLINE hereunder are expressly subordinated and subject to the lien, covenants (including the rate covenants), and provisions of the pledges, transfer, hypothecation, or assignment made by AUTHORITY in the Trust Agreement. AUTHORITY and AIRLINE agree that to the extent required by the Trust Agreement or law, the holders of the Bonds or their designated representatives shall have the right to exercise any and all rights of AUTHORITY hereunder.

B. AUTHORITY shall notify AIRLINE in advance of any amendments or supplements to the Trust Agreement that would materially alter the terms and provisions of this Agreement or materially impact the levels of rentals, fees, and charges paid by AIRLINE (herein referred to as Material Amendments).

C. For any Material Amendments or supplements desired solely by AUTHORITY for its own purposes, AUTHORITY and AIRLINE shall use their best efforts to agree on the implementation. However, in the event AUTHORITY and AIRLINE cannot agree on the implementation of any Material Amendments or supplements desired solely by AUTHORITY for its own purposes, AIRLINE, in addition to cancellation rights provided elsewhere in this Agreement, shall have the right to cancel this Agreement upon thirty (30) days advance written notice.

D. With respect to property leased by AUTHORITY to AIRLINE hereunder which was or is to be acquired by AUTHORITY with proceeds of Bonds, the interest on which is, or is intended to be, excludable from the gross income of the holders of such Bonds for federal income tax purposes, the parties hereby covenant to protect the tax-exempt status of the Bonds.

E. AIRLINE agrees to execute all instruments, certificates, or other documents reasonably requested by AUTHORITY to assist AUTHORITY and bond counsel in determining and assuring that Bonds are issued in compliance with applicable rules and regulations of the Internal Revenue Service and the Securities and Exchange Commission and AIRLINE shall provide whatever additional relevant information is reasonably requested by AUTHORITY initially or on an ongoing basis in connection with complying with any of those rules and regulations.

18.02 Nonwaiver. No waiver of default by either party of any of the terms, covenants, or conditions of this Agreement to be performed, kept, and observed by the other party shall be construed to be or act as a waiver of any subsequent default of any of the terms, covenants, and conditions to be performed, kept, and observed by the other party and shall not be deemed a waiver of any right on the part of the other party to cancel this Agreement as provided herein.

18.03 Passenger Facility Charge. AUTHORITY reserves the right to assess and collect PFC's subject to the terms and conditions set forth in the Aviation Safety and Capacity Expansion Act of 1990, Section 9110 (the "PFC Act") and implementing regulations as may be supplemented or amended from time to time. AIRLINE shall collect and pay all PFC's for which it is responsible under the provisions of 14 CFR Part 158. Failure by AIRLINE to remit PFCs within the time frame required by 14 CFR Part 158 shall be grounds for immediate cancellation of this Agreement pursuant to Section 12.01B.

18.04 Rights Non-Exclusive. Notwithstanding anything herein contained that may be or appear to the contrary, the rights, privileges, and licenses granted under this Agreement, are "non-exclusive" and AUTHORITY reserves the right to grant similar privileges to others.

18.05 Quiet Enjoyment.

A. AUTHORITY agrees that, so long as AIRLINE's payment of rentals, fees, and charges is timely and AIRLINE keeps all covenants and agreements contained herein, AIRLINE shall peaceably have and enjoy its Airline Premises and all rights, privileges, and licenses of the Airport, its appurtenances and facilities granted herein, subject to the terms and conditions herein contained.

B. Consistent with the nature of AIRLINE's business, AIRLINE agrees that occupancy of its Airline Premises will be lawful and quiet and that it will not knowingly use or permit the use of Airline Premises in any way that would violate the terms of this Agreement, create a nuisance, or disturb other tenants or the general public. AIRLINE shall be responsible for the activity of its officers, employees, agents, and others under its control with respect to this provision.

18.06 Performance. The parties expressly agree that time is of the essence in this Agreement. Failure by a party to complete performance within the time specified, or within a reasonable time if no time is specified herein, shall relieve the other party, without liability, of any obligation to accept such performance.

18.07 Avigation Rights. AUTHORITY reserves unto itself, its successors, and assigns for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Airport, including Airline Premises, for navigation or flight in the said airspace for landing on, taking off from, or operating at the Airport.

18.08 Rules and Regulations and Operational Directives.

A. AIRLINE, its officers, employees, agents, and others under its control shall observe and obey all laws, regulations, and orders of the federal, state, county, municipal governments and AUTHORITY (acting in its governmental capacity) which may be applicable to AIRLINE'S operations at the Airport.

B. AUTHORITY, acting in its governmental capacity, may from time to time adopt, amend, or revise the Airport's Rules and Regulations and Operating Directives governing the conduct of operations at the Airport, for reasons of safety, health, preservation of the property, or for the maintenance of the good and orderly appearance of the Airport. AIRLINE, its officers, employees, agents, and others under its control shall faithfully comply with and observe such reasonable and non-discriminatory Rules and Regulations and Operating Directives, except as they may conflict with the terms and provisions of this Agreement, or the regulations of another governmental authority having appropriate jurisdiction. AUTHORITY shall notify AIRLINE in advance of any amendments or supplements to such Rules and Regulations and Operating Directives that would materially alter the terms of this Agreement adversely.

C. AIRLINE shall be strictly liable and responsible for obtaining, maintaining current, and fully complying with, any and all permits, licenses, and other governmental authorizations, however designated, as may be required at any time throughout the entire Term of this Agreement by any federal, state, or local governmental entity or any court of law having jurisdiction over AIRLINE or AIRLINE's operations and activities.

18.09 Inspection. AIRLINE shall allow AUTHORITY's authorized representatives access to Airline Premises for the purpose of examining and inspecting said premises; for purposes necessary, incidental to, or connected with the performance of its obligations under this Agreement; or, in the exercise of its governmental functions. Except in the case of an emergency, AUTHORITY shall conduct such inspections during reasonable business hours, after reasonable prior notice to AIRLINE and in the presence of AIRLINE's representative.

18.10 No Individual Liability. No member, officer, agent, director, or employee of AUTHORITY or 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 its or their execution or attempted execution.

18.11 Relationship of Parties. Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship between the parties hereto. It is understood and agreed that neither the method of computation of rentals, fees, and charges, nor any other provisions contained herein, nor any acts of the parties hereto, creates a relationship other than the relationship of landlord and tenant.

18.12 Capacity to Execute. The individuals executing this Agreement personally warrant that they have full authority to execute this Agreement on behalf of the entity for whom they are acting herein.

18.13 Savings. 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 AUTHORITY by reason of the preparation of this Agreement by AUTHORITY.

18.14 Successors and Assigns Bound. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

18.15 Incorporation of Exhibits. All exhibits and attachments referred to in this Agreement are intended to be and are hereby specifically made a part of this Agreement.

18.16 Titles. Paragraph titles are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope or extent of any provision of this Agreement.

18.17 Severability. In the event that any covenant, condition, or provision of this Agreement is held to be invalid by any court of competent jurisdiction, the invalidity of such covenant, condition, or provision shall not materially prejudice either AUTHORITY or AIRLINE in their respective rights and obligations contained in the valid covenants, conditions, or provisions of this Agreement.

18.18 Amendments. Except as provided in Sections 4.01 and 8.03, no amendment, modification or alteration of the terms of this Agreement shall be binding unless the same be in writing, dated subsequent to the date hereof, and duly executed by the parties hereto.

18.19 Most Favored Nation. AUTHORITY covenants and agrees not to enter into any basic airline use and lease agreement with any Air Transportation Company which (i) makes substantially similar use of the Airport, (ii) operates substantially similar aircraft, and (iii) utilizes substantially similar facilities to that of AIRLINE, which contains more favorable terms than this Agreement, or to grant to any such Air Transportation Company rights or privileges with respect to the Airport which are not afforded to AIRLINE hereunder unless substantially the same terms, rights, privileges, and facilities are concurrently made available to AIRLINE.

18.20 Other Agreements. Other than as set forth herein, nothing contained in this Agreement shall be deemed or construed to nullify, restrict, or modify in any manner the provisions of any other lease or contract between AUTHORITY and AIRLINE authorizing the use of the Airport, its facilities, and appurtenances.

18.21 Approvals.

A. Unless otherwise stated, whenever this Agreement calls for approval by AUTHORITY, such approval shall be evidenced by the written approval of the Executive Director.

B. Any approval required by either party to this Agreement shall not be unreasonably withheld, conditioned or delayed.

18.22 Notice.

A. All notices, requests, consents, and approvals served or given under this Agreement shall be served or given in writing with proof of delivery. If intended for AUTHORITY, notices shall be delivered to:

Executive Director  
Hillsborough County Aviation Authority  
Tampa International Airport  
P. O. Box 22287  
Tampa, FL 33622

or to such other address as may be designated by AUTHORITY by written notice to AIRLINE.

B. Notices to AIRLINE shall be delivered to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or to such other address as may be designated by AIRLINE by written notice to AUTHORITY.

18.23 Agent For Service. It is expressly understood and agreed that if AIRLINE is not a resident of the State of Florida, or is an association or partnership without a member or partner resident of said state, AIRLINE shall appoint an agent for the purpose of service of process in any court action between it and AUTHORITY arising out of or based upon this Agreement. AIRLINE shall immediately, within ten (10) days of execution of this Agreement, notify AUTHORITY, in writing, of the name and address of said agent. Such service shall be made as provided by the laws of the State of Florida for service upon a non-resident engaging in business in the State. It is further expressly agreed, covenanted, and stipulated that, if for any reason, such service of process is not possible, as an alternative method of service of process, AIRLINE may be personally served out of the State of Florida by the registered mailing of such service at the address set forth in Section 18.22.

18.24 Governing Law and Legal Forum. This Agreement is to be read and construed in accordance with the laws of the State of Florida. All litigation concerning this Agreement by either party shall be instituted in Hillsborough County, Florida.

18.25 Force Majeure. Except as herein provided, neither AUTHORITY nor 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, weather conditions, riots, rebellion, or sabotage, or any other circumstances for which it is not responsible or which are not within its control.

18.26 Entire Agreement. It is understood and agreed that this instrument contains the entire agreement between the parties hereto. It is further understood and agreed by AIRLINE that AUTHORITY and AUTHORITY's agents have made no representations or promises with respect to this Agreement or the making or entry into this Agreement, except as in this Agreement expressly set forth, and that no claim or liability or cause for termination shall be asserted by AIRLINE against AUTHORITY for, and AUTHORITY shall not be liable by reason of, the breach of any representations or promises not expressly stated in this Agreement.

**(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)**

IN WITNESS WHEREOF, the parties hereto have set their hands and corporate seals on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

ATTEST:

HILLSBOROUGH COUNTY AVIATION AUTHORITY

\_\_\_\_\_  
Joseph F. Diaco, MD, Secretary

BY: \_\_\_\_\_  
Alfred S. Austin, Chairman

Address: P. O. Box 22287  
Tampa, FL 33622

Address: P. O. Box 22287  
Tampa, FL 33622

Signed, sealed, and delivered  
in the presence of:

\_\_\_\_\_  
Witness Signature

LEGAL FORM APPROVED:

\_\_\_\_\_  
Print Name

By: \_\_\_\_\_  
Elita Cobbs McMillon, Assistant General Counsel

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Print Name

HILLSBOROUGH COUNTY AVIATION AUTHORITY  
STATE OF FLORIDA  
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by Alfred S. Austin in the capacity of Chairperson, and by Joseph F. Diaco, MD in the capacity of Secretary, of the Board of Directors, Hillsborough County Aviation Authority, a public body corporate under the laws of the state of Florida, on its behalf. They are personally known to me and they did not take an oath.

(Stamp or seal of Notary)

\_\_\_\_\_  
Signature of Notary

\_\_\_\_\_  
Type or print name of Notary

\_\_\_\_\_  
Date of Commission Expiration (if not on stamp or seal)



AIRLINE

Signed in the presence of:

By: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Address

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Print Name

AIRLINE

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledge before me this \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_, by \_\_\_\_\_ in the capacity of \_\_\_\_\_,  
(Individual's Name) (Individual's Title)  
at \_\_\_\_\_ a \_\_\_\_\_  
(Name of organization or company, if any) (Corporation/Partnership/Sole Proprietor/Other)  
on its behalf. \_\_\_\_\_ and has produced  
(He is/She is) (personally known to me / not personally known to me)

the following document of identification \_\_\_\_\_.

(Stamp or seal of Notary)

\_\_\_\_\_  
Signature of Notary

\_\_\_\_\_  
Type or Print Name of Notary

\_\_\_\_\_  
Date of Commission Expiration (if not on stamp or seal)