DALLAS LOVE FIELD AIRPORT

AIRLINE USE AND LEASE AGREEMENT

between

THE CITY OF DALLAS, TEXAS

and

[AIRLINE]

Effective Date: _____, 2025

Commencement Date: October 1, 2028

TABLE OF CONTENTS

ARTICLE 1 DEFINITIONS; INTERPRETATION 1

Section 1.1 Definitions 1
Section 1.2 Interpretation 11
Section 1.3 Incorporation of Exhibits 11

ARTICLE 2 TERM 12

Section 2.1 Term; Commencement Date 12
Section 2.2 Surrender of Airline Premises 12
Section 2.3 Removal of Airline Property 12
Section 2.4 Holding Over 13

ARTICLE 3 USE OF THE AIRPORT 13

Section 3.1 Airline's Rights and Privileges 13
Section 3.2 Affiliates and Handling Arrangements 15
Section 3.3 Concession Services Rights Reserved by City 16
Section 3.4 Personnel Parking 17
Section 3.5 Noise Abatement and Noise Curfew 18
Section 3.6 Additional Restrictions and Obligations of Airline 18
Section 3.7 Airport Security 19

ARTICLE 4 AIRLINE PREMISES 20

Section 4.1 Exclusive Use Premises 20
Section 4.2 Preferential Use Premises 20
Section 4.3 Common Use Space 20
Section 4.4 City's Right of Entry 21
Section 4.5 Addition and Deletion of Space, Rights, Licenses, or Privileges 21
Section 4.6 AS-IS CONDITION OF AIRLINE PREMISES 21
Section 4.7 Recapture of Preferential Use Premises 22
Section 4.8 Accommodation in Preferential Use Premises 23
Section 4.9 Procedures for Accommodation in Preferential Use Premises 24
Section 4.10 Gate Use Protocols 26
Section 4.11 Temporary Relocation or Reassignment 27
Section 4.12 Gate Capacity 27

ARTICLE 5 AIRLINE RENTALS, FEES, AND CHARGES 29

Section 5.1 Calculation of Airline Rentals, Fees, and Charges 29
Section 5.2 Landing Fees 29
Section 5.3 Calculation of Landing Fee Rate 29
Section 5.4 Terminal Building Rentals 30
Section 5.5 Calculation of Terminal Building Rental Rates 30
Section 5.6 Apron Fees 31
Section 5.7 Calculation of Apron Fee Rate 31
Section 5.8 Calculation of Net Deficit in Terminal Roadways Cost Center 32
Section 5.9 Common Use Charges 32
Section 5.10 City Equipment Charges 33

Section 5.11 Per Turn Fees 33
Section 5.12 Other Rentals, Fees, and Charges 33
Section 5.13 Application of Revenues 34
Section 5.14 Revenue Sharing 34
Section 5.15 Subordination to Indenture 35
Section 5.16 Annual Budget 35
Section 5.17 Midyear Adjustments 36
Section 5.18 Year-End Settlement 37

ARTICLE 6 PAYMENT OF RENTALS, FEES, AND CHARGES 37

Section 6.1 Time of Payment 37
Section 6.2 Interest on Overdue Payments 38
Section 6.3 Method of Payment 38
Section 6.4 Airline Books and Records 38
Section 6.5 Passenger Facility Charges 38
Section 6.6 Payment Security 39

ARTICLE 7 AIRLINE ACTIVITY REPORT 40

Section 7.1 Form of Airline Activity Report 40
Section 7.2 Failure to Submit Airline Activity Report 41

ARTICLE 8 CAPITAL IMPROVEMENTS 41

Section 8.1 Generally 41
Section 8.2 Pre-Approval of Love Field Expansion Airport Program 41
Section 8.3 Additional Capital Improvements 44
Section 8.4 Process for MII Review 45
Section 8.5 Deferral by MII 45
Section 8.6 Exempt Projects 46
Section 8.7 MII Review Triggered by Increased Costs 47

ARTICLE 9 MAINTENANCE RESPONSIBILITIES 48

Section 9.1 Designation of Maintenance Responsibilities 48
Section 9.2 City Obligations 48
Section 9.3 Airline Obligations 48
Section 9.4 Delegation of City Responsibility to Airline 49
Section 9.5 Airline Improvements 49
Section 9.6 City Improvements to Airline Premises 51
Section 9.7 Visual Artists Rights Act 51
Section 9.8 Performance by City Upon Failure of Airline to Maintain 51

ARTICLE 10 DAMAGE OR DESTRUCTION 52

Section 10.1 Partial Damage 52
Section 10.2 Extensive Damage 52
Section 10.3 Complete Destruction 52
Section 10.4 Damage Caused by Airline 53
Section 10.5 City's Responsibilities 53
Section 10.6 Limits of City's Obligations Defined 53

ARTICLE 11 DEFAULT AND TERMINATION 53

Section 11.1 Events of Default by Airline 53
Section 11.2 Remedies Available to the City 55
Section 11.3 Non-Exclusive Remedies 55
Section 11.4 No Waiver 55

ARTICLE 12 ASSIGNMENT AND SUBLETTING 56

Section 12.1 Assignment and Subletting 56

ARTICLE 13 COMPLIANCE WITH LAWS 57

Section 13.1 Compliance with Applicable Laws 57
Section 13.2 Compliance with Airport Rules and Regulations 57
Section 13.3 Payment of Taxes 57
Section 13.4 Subordination to Federal Agreements 57
Section 13.5 Federally Required Provisions 58
Section 13.6 Americans with Disabilities Act and Air Carrier Access Act 58

ARTICLE 14 INDEMNIFICATION 58

Section 14.1 Indemnification by Airline 58

ARTICLE 15 INSURANCE 60

Section 15.1 Insurance Requirements 60
Section 15.2 No Waiver of Responsibility or Liability 61

ARTICLE 16 ENVIRONMENTAL MATTERS 61

Section 16.1 Compliance with Environmental Laws 61
Section 16.2 Storm Water 63
Section 16.3 Environmental Indemnification 63
Section 16.4 Limitation of Airline's Liability 64
Section 16.5 Previous Premises 64
Section 16.6 Survival of Environmental Provisions 65

ARTICLE 17 MISCELLANEOUS PROVISIONS 65

Section 17.1 Avigation Rights 65
Section 17.2 Right to Develop Airport 65
Section 17.3 Right to Lease to United States Government 65
Section 17.4 Consents and Approvals 65
Section 17.5 Notices 65
Section 17.6 Force Majeure 66
Section 17.7 Non-Waiver of Rights 66
Section 17.8 Remedies to Be Non-Exclusive 66
Section 17.9 Non-Exclusive Rights 66
Section 17.10 Headings 66
Section 17.11 Severability 67
Section 17.12 Successors and Assigns 67
Section 17.13 Relationship of Parties 67
Section 17.14 No Third-Party Beneficiaries 67

Section 17.15 Conflict of Interest 67
Section 17.16 Gift to Public Servant 68
Section 17.17 Governing Law; Venue 69
Section 17.18 Counterparts 69
Section 17.19 No Partnership, Joint Venture, or Joint Enterprise 69
Section 17.20 Brokerage 69
Section 17.21 Quiet Enjoyment 69
Section 17.22 Notice of Contract Claim 69
Section 17.23 Entire Agreement; Amendment 70
Section 17.24 Compliance with Certain State Law Requirements 70

PREAMBLE

This Airline Use and Lease Agreement (this "***Agreement***") is made by and between the City of Dallas, Texas, a municipal corporation (hereinafter defined and referred to as the "***City***") and [Airline], a _____ corporation (hereinafter defined and referred to as "***Airline***") (the City and Airline each, a "***Party***" and collectively, the "***Parties***") as of _____, 2025 (the "***Effective Date***").

RECITALS:

WHEREAS, the City is the owner and operator of Dallas Love Field Airport (the "***Airport***"), which is located in the City of Dallas, Dallas County, Texas; and

WHEREAS, Airline is engaged in the business of commercial air transportation of persons, property, cargo, or mail and is certificated or otherwise authorized by the United States Government to engage in such business; and

WHEREAS, Airline has requested the City grant it certain rights, privileges, and services in connection with the use of the Airport and its facilities in the conduct of Airline's Air Transportation Business (defined below); and

WHEREAS, the City is willing to lease certain space to Airline and to grant Airline such other rights, privileges, and services upon the terms and conditions and for the consideration hereinafter stated, beginning on the Commencement Date (defined below); and

WHEREAS, on _____, 2025, by Resolution No. _-_____, the Dallas City Council approved this Agreement.

NOW, THEREFORE, for and in consideration of Airline's use of the Airport and the Airline Premises (defined below), the mutual covenants contained herein, and the rentals, fees, and charges to be paid by Airline hereunder, it is agreed and understood by and between the City and Airline as follows:

ARTICLE 1
DEFINITIONS; INTERPRETATION

Section 1.1 Definitions

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

"***AAAC***" means the airport/airline affairs committee at the Airport which includes representatives from each of the Signatory Airlines.

"***Accommodating Airline***" has the meaning given to it in Section 4.8.

"***ADA***" has the meaning given to it in Section 13.6.

"***Administrative Cost Center***" means the Cost Center that includes all direct and indirect costs for all administrative functions of the Airport System. The Administrative Cost Center's costs shall be allocated to the direct Cost Centers then in effect, in the same proportions that the O&M Expenses in those Cost Centers bear to the total O&M Expenses charged to all those other Cost Centers.

"***Affiliate***" means an Air Carrier that operates at the Airport for the benefit of a Signatory Airline and (1) operates under the same trade name and under the same or essentially the same livery as such Signatory Airline; or (2) is owned by, a subsidiary of, or under common control of, the same corporate parent of, such Signatory Airline; or (3) if operating under its own livery, is not selling any seats on an aircraft in its own name and all seats on such aircraft are being sold in the name of such Signatory Airline. For purposes of this Agreement, an Air Carrier shall only be deemed an Affiliate of a Signatory Airline while operating at the Airport on behalf of that Signatory Airline.

"***Aggregate Airline Cost Per Enplaned Passenger***" has the meaning given to it in Section 5.14(b).

"***Agreement***" has the meaning given to it in the preamble to this Agreement.

"***Air Carrier***" means a legal entity operating an Air Transportation Business from time to time at the Airport from the Terminal Building.

"***Air Transportation Business***" means the business operated by an Air Carrier to and from the Airport for the commercial transportation by air of persons, property, cargo, mail, or any combination thereof.

"***Airfield***" means those areas of the Airport that provide for the landing, taking off, taxiing, and parking of aircraft, and all facilities, equipment and improvements now or hereafter located thereon, including the runways, taxiways, apron areas (except the Apron Area and other leased apron areas), and facilities at the Airport for the purpose of controlling and assisting arrivals, departures, and operations of aircraft using the Airport, security fences, service roads, signals, beacons, wind indicators, flood lights, landing lights, boundary lights, construction lights, radio

and electronic aids or other aids to operations, navigation, or ground control of aircraft as all such areas, facilities, equipment, and improvements may be modified, improved, or enlarged from time to time by the City. The Airfield as of the Effective Date is generally depicted in **Exhibit A**, *Airport Layout and Cost Center Plan*, for illustrative purposes.

"***Airline***" has the meaning given to it in the preamble to this Agreement.

"***Airline Activity Report***" has the meaning given to it in Section 7.1.

"***Airline Event of Default***" has the meaning given to it in Section 11.1.

"***Airline Improvements***" has the meaning given to it in Section 9.5.

"***Airline LEAP Project***" has the meaning given to it in Section 8.2.

"***Airline Parties***" means Airline, its Affiliates, and each of their officers, volunteers, representatives, agents, employees, contractors, subcontractors, licensees, subtenants, invitees, or suppliers.

"Airline Premises" means those areas in the Terminal Building and Apron Area assigned to Airline as Exclusive Use Premises, Preferential Use Premises, and Common Use Space, as defined herein, and as shown on **Exhibit B**, *Common Use Space*, and **Exhibit C**, *Airline Premises*, attached hereto; provided, however, that, in the case of Common Use Space, such areas will only constitute "Airline Premises" for the period of time during which Airline has the right to use such areas.

"***Airline Rate-Based Project Costs***" means the Project Costs of a Capital Improvement allocable to one or more of the Airline-Supported Cost Centers and directly included in the calculation of Airline rentals, fees, and charges payable under ARTICLE 5.

"***Airline Rented Space***" means the total amount of square feet in the Terminal Building leased or assigned to an Air Carrier as Preferential Use Premises or Exclusive Use Premises or designated as Common Use Space.

"***Airline-Supported Cost Centers***" means the Terminal Building Cost Center, the Apron Area Cost Center, and the Airfield Cost Center.

"***Airport***" means the Dallas Love Field Airport in the City of Dallas, Texas, as generally depicted in **Exhibit A** attached hereto and made a part hereof, as it now exists or may be modified or expanded from time to time in the future.

"***Airport Director***" means the Director of Aviation for the City of Dallas or their designee.

"***Airport Rules and Regulations***" means the rules and regulations governing the conduct and operation of the Airport promulgated from time to time by the City or the Airport Director, including without limitation the City's duly adopted and generally applicable policies, operating directives, standard procedures, and the Airport Security Plan, in each case as such may be in force and amended from time to time.

"Airport Security Plan" means the security plan submitted by the City pursuant to Applicable Laws, and approved by the Transportation Security Administration, as amended from time to time.

"***Airport System***" means all airport, heliport, helistop, vertiport, and aviation facilities, or any interest therein, now or from time to time hereafter owned, operated, or controlled in whole or in part by the City, together with all properties, facilities, and services thereof, and all additions, extensions, replacements, and improvements thereto, and all services provided or to be provided by the City in connection therewith. The Airport System currently includes the Airport, Dallas Executive Airport, and the City's downtown heliport.

"***Amortization***" means the amount required to recover the Project Costs of a Capital Improvement not financed by Bonds over the useful life of such Capital Improvement assigned to such Capital Improvement by the Airport Director based on generally accepted accounting principles at the City's Cost of Capital. Capital Improvements with Project Costs totaling less than One Hundred Thousand Dollars ($100,000) shall be expensed in a single Fiscal Year and not be subject to Amortization and shall be recovered as O&M Expenses in the applicable Cost Center.

"***Annual Airfield Requirement***" has the meaning given to it in Section 5.3.

"***Annual Apron Area Requirement***" has the meaning given to it in Section 5.7.

"***Annual Average Terminal Building Rental Rate***" has the meaning given to it in Section 5.5.

"***Annual Budget***" has the meaning given to it in Section 5.16.

"***Annual Common Use Space Requirement***" has the meaning given to it in Section 5.9.

"***Annual Landing Fee Rate***" has the meaning given to it in Section 5.3.

"***Annual Terminal Building Requirement***" has the meaning given to it in Section 5.5.

"***Applicable Laws***" means any and all applicable present and future laws, rules, regulations, ordinances, orders, directives, notices, Grant Assurances, limitations, restrictions, or prohibitions of any federal, State, or local Governmental Agency lawfully exercising authority over the Airport or the activities and operations of Airline that have the force and effect of law, as they may be amended from time to time, whether foreseen or unforeseen, ordinary as well as extraordinary, including as illustration only and without implied limitation, those relating to (i) health, sanitation, and safety; (ii) the environment, including without limitation all Environmental Laws; (iii) access for persons with disabilities, including without limitation the applicable provisions of the ADA; (iv) airport security, including without limitation the regulations of the Transportation Security Administration, 49 CFR Parts 1540, 1542, 1544 *et seq*.; and (v) the Airport Rules and Regulations.

"***Apron Area***" means the aircraft apron pavement and associated hydrant fueling system serving the Terminal Building, including aircraft parking positions, RON parking, and associated taxilanes. The Apron Area as of the Effective Date is generally depicted in **Exhibit A** for illustrative purposes.

"***Apron Fees***" has the meaning given to it in Section 5.6.

"***Aviation Development Fund***" means the City's Aviation Development Fund, which may be used by the City for the Airport System for any lawful purpose for which airport revenue may be used. The Aviation Development Fund is referred to as the "Aviation Capital Fund" in the Indenture.

"***Bonds***" means all bonds, notes, or other financing instrument, or obligation of the City or the City acting through the Love Field Airport Modernization Corporation and secured by a pledge of revenues or net revenues of the Airport System, on either a senior or subordinate basis, issued pursuant to the Indenture. The term "Bonds" does not include other bonds, such as Special Purpose Facility revenue bonds, that are not secured by general Airport System revenues, which may be issued to finance Capital Improvements at or related to the Airport System.

"***Capital Improvement***" means a capital expenditure that is made to acquire, purchase, or construct a single item or project to improve, maintain, preserve, enhance, or develop the Airport.

"***Certificated Maximum Gross Landing Weight***" or "***CMGLW***" means the maximum gross certificated landed weight, in one thousand (1,000) pound units, for each aircraft operated by an Air Carrier at the Airport, as set forth in the FAA-approved operations specifications manual for such aircraft. For all Landing Fee computations, said figure shall be rounded up to the nearest one thousand (1,000) pound unit.

"***City***" means the City of Dallas, Texas.

"***City Attorney***" means the City Attorney for the City of Dallas, Texas or their designee.

"***City Equipment Charges***" has the meaning given to it in Section 5.10.

"***City Manager***" means the City Manager for the City of Dallas, Texas or their designee.

"***Commencement Date***" has the meaning given to it in Section 2.1.

"***Common Use Charges***" has the meaning given to it in Section 5.9.

"***Common Use Gate***" means a Gate that is not a Preferential Use Gate and is designated by the City to be used in common by Air Carriers operating at the Airport, subject to the terms and conditions of this Agreement and the Gate Use Protocols.

"***Common Use Space***" means the space depicted on **Exhibit B** as Common Use Space or Common Use Gates, as such space may be amended by the City from time to time, and which may be assigned to Airline from time to time in accordance with this Agreement.

"***Construction Cost Index***" means the *Engineering News-Record* (ENR) Construction Cost Index for the Dallas Area, or such comparable substitute index used by the City in its reasonable discretion if such index is no longer published or otherwise available.

"***Cost Centers***" means those areas (and functional activities thereon) grouped together for purposes of accounting for the direct and indirect costs, revenues, and expenses of the Airport System in order to, among other things, calculate Airline rentals, fees, and charges hereunder, as such areas now exist or may hereafter be modified or expanded, and as such areas are shown for illustrative purposes in **Exhibit A**. The Cost Centers consist of the following: Administrative Cost Center, Airfield Cost Center, Apron Area Cost Center, Other Buildings and Areas Cost Center, Parking and Ground Transportation Area Cost Center, Terminal Building Cost Center, and Terminal Roadways Cost Center.

"***Cost of Capital***" means, for a Capital Improvement financed other than with Bonds, the current Revenue Bond Index (of 22-year+, "A" rated bonds) published daily in the *Wall Street Journal* (or successor publication thereto), as of the end of the Fiscal Year in which the Capital Improvement is placed into service.

"***Customer Facility Charge***" or "***CFC***" means a charge imposed on the customer of a rental car company on behalf of the City in accordance with Sections 5-28 and 5-29 of the Dallas City Code, as may be superseded, replaced, or amended from time to time.

"***Debt Service***" means with respect to any outstanding or contemplated Bonds, the amount of principal and interest on such Bonds accrued and expected to accrue during the Fiscal Year, excluding interest payable from capitalized interest.

"***Debt Service Coverage Requirement***" means twenty five percent (25%) of Debt Service or, if greater, the amount required by the Indenture.

"***Debt Service Reserve Fund***" means the fund or funds so designated and required pursuant to the Indenture.

"***Department of Aviation***" or "***DOA***" means the Department of Aviation of the City of Dallas or any successor agency.

"***Department of Transportation***" or "***DOT***" means the United States Department of Transportation or any successor federal agency or agencies.

"Deplaned Passenger" shall mean any Air Carrier revenue passenger disembarking a Revenue Aircraft Arrival, including any such passenger that shall subsequently board another aircraft of the same or a different Air Carrier or the same aircraft, if previously operating under a different flight number.

"***Effective Date***" means the date identified in the preamble to this Agreement.

"***Emergency Repair and Replacement Reserve Fund***" means the City's Emergency Repair and Replacement Fund, which shall be maintained and used in accordance with this Agreement and the Indenture.

"Enplaned Passenger" means any revenue passenger boarding an Air Carrier aircraft, including any such passenger that previously disembarked from another aircraft of the same or a

different Air Carrier or from the same aircraft, if previously operating under a different flight number.

"***Environmental Laws***" means any and all applicable federal, State, and local statutes, ordinances, regulations, and rules relating to environmental quality, health, safety, contamination and clean-up, as they currently exist or may exist in the future, including, as illustration and without limitation, the Clean Air Act, 42 U.S.C. § 7401, *et seq.*; the Clean Water Act, 33 U.S.C. § 1251, *et seq.*, and the Water Quality Act of 1987; the Federal Insecticide, Fungicide, and Rodenticide Act ("***FIFRA***"), 7 U.S.C. § 136, *et seq.*; the Noise Control Act, 42 U.S.C. § 4901 *et seq.*; the Resource Conservation and Recovery Act ("***RCRA***"), 42 U.S.C. § 6901, *et seq.*, as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. § 300f, *et seq.*; the Comprehensive Environmental Response, Compensation and Liability Act ("***CERCLA***"), 42 U.S.C. § 9601, *et seq.*, as amended by the Superfund Amendments and Reauthorization Act ("***SARA***"); the Emergency Planning and Community Right to Know Act, 42 U.S.C. § 11001, *et seq.*; the Hazardous Material Transportation Act, 49 U.S.C. § 9601, *et seq.*; the Toxic Substance Control Act ("***TSCA***"), 15 U.S.C. § 2601, *et seq.*; all State environmental protection and environmental clean-up statutes, with implementing rules, regulations, and requirements, and all local laws, regulations, and ordinances insofar as they are equivalent or similar to the federal laws recited above or purport to regulate Hazardous Materials, and judicial case law interpreting the requirements applicable to each of the foregoing.

"Environmental Permits" means any and all permits, licenses, approvals, authorizations, consents, or registrations required by applicable Environmental Laws, whether federal, State, or local, which pertain to the production, use, treatment, generation, transportation, processing, handling, disposal, or storage of Hazardous Materials.

"***Exclusive Use Premises***" means the space, if any, depicted on **Exhibit C** as Airline's Exclusive Use Premises.

"***Exempt Project***" has the meaning given to it in Section 8.6.

"***Federal Aviation Administration***" or "***FAA***" means the United States Department of Transportation Federal Aviation Administration or any successor federal agency or agencies.

"***Final Recapture Notice***" has the meaning given to it in Section 4.7(b).

"***Fiscal Year***" means the City's fiscal year which, as of the Effective Date, is the twelve-month period commencing October 1st of each calendar year and ending September 30th of the following calendar year, or such other fiscal year as the City may adopt in the future.

"***Force Majeure Event***" means strikes, boycotts, labor disputes, embargoes, shortages of energy or materials, acts of God, acts of the public enemy, acts of terrorism, weather conditions, riots, rebellion, or sabotage, or other similar circumstances for which a Party is not responsible or which are not within its control.

"***Gate***" means those portions inside and adjacent to the Terminal Building consisting of an aircraft parking position, associated Terminal Building holdroom, Apron Area, loading bridge, and other appurtenant space. Gates can consist of either Common Use Gates or Preferential Use Gates.

"***Gate Use Protocols***" has the meaning given to it in Section 4.10(a).

"***Gate Utilization Threshold for Accommodation***" has the meaning given to it in Section 4.8(c).

"***Gate Utilization Threshold for Recapture***" has the meaning given to it in Section 4.7.

"***Governmental Agency***" means any federal, State, county, or City governmental body with jurisdiction over the Airport or the Parties hereto.

"***Grant Assurances***" has the meaning given to it in Section 13.4.

"***Hazardous Materials***" means any and all (a) substances, products, by-products, waste, or other materials of any nature or kind whatsoever which is or becomes listed, regulated, or addressed under any Environmental Laws, and (b) any materials, substances, products, by-products, waste, or other materials of any nature or kind whatsoever whose presence in and of itself or in combination with other materials, substances, products, by-products, or waste may give rise to liability under any Environmental Law or any statutory or common law theory based on negligence, trespass, intentional tort, nuisance, strict or absolute liability, or under any reported decisions of any State or federal court; and (c) any substance, product, by-product, waste, or any other material which may be hazardous or harmful to the air, water, soil, environment or affect industrial hygiene, occupational, health, safety, and/or general welfare conditions, including, without limitation, fuel, petroleum-based and/or asbestos-based materials, products, by-products, or waste, radioactive materials or waste, lead or lead-containing materials, urea formaldehyde foam insulation, methyl tert-butyl ether (MTBE), perfluoroalkyl and polyfluoroalkyl substances, and polychlorinated biphenyls.

"***Hazardous Material Release***" shall include any depositing, discharging, disposing, dumping, emitting, emptying, escaping, injecting, leaking, leaching, migrating, placing, pouring, pumping, releasing, seeping, and spilling of any Hazardous Material into the air or into or on any land, sediment or waters, except any release in compliance with Environmental Laws or specifically authorized by a current and valid permit issued under Environmental Laws with which Airline is in compliance at the time of such release, but not including within the exception any such release in respect of which the State of Texas has determined that application of the State of Texas' Hazardous Material removal and remedial action rules might be necessary in order to protect public health, safety or welfare, or the environment.

"***Indemnified Party***" means the City, its successors, and assigns, and each of its officers, officials, representatives, employees, agents, and volunteers.

"***Indenture***" means the Amended and Restated Indenture of Trust, dated as of September 1, 2021, as such may be amended, supplemented, or replaced from time to time, and any resolution, ordinance, credit agreement, or indenture, or combination thereof, adopted or authorized by the Dallas City Council authorizing the issuance of Bonds or other obligations for the Airport System and securing such obligations by a pledge of revenues or net revenues of the Airport System, or any resolution, ordinance, credit agreement, or indenture supplemental thereto.

"***Initial Recapture Notice***" has the meaning given to it in Section 4.7(b).

"***Landing Fees***" has the meaning given to it in Section 5.2.

"***LEAP Advisory Committee***" has the meaning given to it in Section 8.2(c)(vii).

"***Losses***" means any losses, liabilities, penalties, damages of whatever nature, causes of action, suits, claims, demands, judgments, injunctive relief, awards and settlements, damages, court costs and expert fees, reasonable attorneys' fees, or other expenses including, without limitation, payments of claims of liability resulting from any injury or death of any person or damage to or destruction of any property.

"***Love Field Airport Modernization Corporation***" or "***LFAMC***" means the not-for-profit local government corporation organized under Chapter 431, Subchapter D, Texas Transportation Code, and existing under the laws of the State and authorized by the City to perform certain functions on behalf of the City, including issue Bonds. If LFAMC no longer exists, LFAMC means the City when referred to herein.

"***Love Field Expansion Airport Program***" or "***LEAP***" has the meaning given to it in Section 8.2.

"***Majority-in-Interest***" or "***MII***" means, except as otherwise provided in Section 2.1(b), the Signatory Airlines that together account for (1) greater than fifty percent (50%) of the total rentals, fees, and charges paid by all Signatory Airlines and their Affiliates at the Airport in accordance with this Agreement during the immediately preceding Fiscal Year; and (2) greater than fifty percent (50%) of the number of Signatory Airlines operating at the Airport at the time at which MII consultation is required hereunder.

"***Material Airline LEAP Project Change***" means a change in scope to an Airline LEAP Project that triggers MII review pursuant to Section 8.4. Such changes are specified in **Exhibit H-2** for each of the Airline LEAP Projects.

"***Non-Signatory Airline***" means an Air Carrier operating at the Airport that has not executed a Signatory Airline Use and Lease Agreement and is required to pay all rentals, fees, and charges at the Non-Signatory Airline rates established hereunder, which include a twenty-five percent (25%) premium over the rates established hereunder for Signatory Airline rentals, fees, and charges, as set forth in ARTICLE 5 and illustrated in **Exhibit D**.

"***Operation and Maintenance Expenses***" or "***O&M Expenses***" means the expenses of the City to operate, maintain, and administer the Airport System, including without limitation the performance by the City of any of its obligations related thereto as set forth in this Agreement.

"***Operation and Maintenance Reserve Fund***" or "***O&M Reserve Fund***" means the City's O&M Reserve Fund which shall be maintained and used in accordance with this Agreement and the Indenture.

"***Other Buildings and Areas***" means the buildings and ground areas of the Airport other than the Terminal Building, Airfield, and Apron Area leased or available for use by or lease to Airport tenants and users, and any other buildings and ground areas of the Airport System, including the Dallas Executive Airport, and the City's downtown heliport, as they now exist or as

they may be modified or expanded from time to time. The Other Buildings and Areas at the Airport as of the Effective Date are generally depicted in **Exhibit A** for illustrative purposes.

"***Other LEAP Projects***" has the meaning given to it in Section 8.2.

"***Parking and Ground Transportation Area***" means the public automobile parking structures and surface parking areas accommodating public automobile parking and ground transportation vehicle staging at the Airport, as they now exist or as they may be modified or expanded from time to time. The Parking and Ground Transportation Area as of the Effective Date is generally depicted in **Exhibit A** for illustrative purposes.

"***Party***" or "***Parties***" has the meaning given to it in the preamble to this Agreement.

"***Passenger Facility Charge***" or "***PFC***" means a charge collected by Airline and other Air Carriers on behalf of the City in accordance with Section 6.5 and pursuant to the authority granted by 49 U.S.C. § 40117 and 14 CFR Part 158, as such authority may be amended from time to time.

"***Payment Security***" has the meaning given to it in Section 6.6.

"***Per Turn Fees***" has the meaning given to it in ARTICLE 5.

"***PFC Act***" has the meaning given to it in Section 6.5.

"***PFC Assurances***" has the meaning given to it in Section 6.5.

"***PFC Regulations***" has the meaning given to it in Section 6.5.

"***PFC Revenues***" has the meaning given to it in Section 6.5.

"***Pre-Approved LEAP Amount***" has the meaning given to it in Section 8.2(c).

"***Preferential Use Gate***" means a Gate preferentially assigned to Airline or another Signatory Airline on which Airline or such Signatory Airline, as applicable, shall have scheduling priority above other Air Carriers, subject to the terms and conditions of this Agreement and the Gate Use Protocols.

"***Preferential Use Premises***" means the space, if any, including the Preferential Use Gate(s), depicted on **Exhibit C** as Airline's Preferential Use Premises.

"***Prior Use and Lease Agreement***" means the Airport Use and Lease Agreement dated October 1, 2008 between the City and certain Air Carriers.

"***Project Costs***" means capitalized expenditures associated with a Capital Improvement including direct construction costs and allocated soft costs, including contingencies.

"***Related Terminal Area***" has the meaning given to it in Section 4.7(c).

"***Requesting Airline***" has the meaning given to it in Section 4.8(a).

"***Required Deposits***" means deposits required to establish, maintain, or replenish (1) funds or accounts required by the Indenture, including without limitation to the O&M Reserve Fund, Debt Service Reserve Fund, and Emergency Repair and Replacement Fund; and (2) the Aviation Development Fund as set forth in Section 5.13.

"***Revenue Aircraft Arrival***" means an Air Carrier aircraft arrival at the Airport including, without limitation, training flights, scheduled trips and charters, sightseeing, or other trips for which revenue is received, except that if an aircraft on a scheduled flight departs from and is required to return to the Airport without any intervening landing because of mechanical, meteorological, or other precautionary reasons, such arrival shall not be considered a Revenue Aircraft Arrival.

"***Revenues***" means all income accrued by the City in accordance with generally accepted accounting principles, 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, as set forth in the Indenture, provided that revenues derived from Special Purpose Facilities, PFC Revenues, CFCs, grants-in-aid, restricted land sale proceeds, insurance proceeds, and the interest earned therefrom are excluded from the calculation of Revenues.

"***Signatory Airline***" means an Air Carrier that has both executed an agreement with the City substantially similar to this Agreement ("***Signatory Airline Use and Lease Agreement***") and which is currently operating scheduled flights at the Airport.

"***State***" means the State of Texas.

"***Term***" has the meaning given to it in Section 2.1.

"***Terminal Building Rentals***" has the meaning given to it in Section 5.4.

"***Terminal Building***" means the passenger terminal complex including all associated concourses and facilities (but not the Apron Area or the Terminal Roadways) as they now exist or as they may be modified or expanded from time to time. The Terminal Building as of the Effective Date is generally depicted in **Exhibit A** for illustrative purposes.

"***Terminal Concourse Project***" means the Airline LEAP Project identified as the Terminal Concourse Project, Project Number T2, in **Exhibit H-2**.

"***Terminal Roadways***" means the terminal access roadway (Cedar Springs Road) and the terminal loop roadways and curbsides serving the Terminal Building, as they now exist or as they may be modified or expanded from time to time. The Terminal Roadways as of the Effective Date are generally depicted in **Exhibit A** for illustrative purposes.

"***Total Landed Weight***" means, for an Air Carrier, the aggregate CMGLW of each of its aircraft that made a Revenue Aircraft Arrival during a given period.

"***Turn***" means an inbound and outbound flight operation at a Gate by an Air Carrier at the Airport, which may include remaining at a Gate overnight or being towed to a remote parking position between inbound and outbound operations.

Section 1.2 Interpretation

(a) Words used in this Agreement in the present tense include the future as well as the present.

(b) Words used in the masculine gender include the feminine and neuter.

(c) The singular number includes the plural and the plural includes the singular.

(d) The word "person" means a business or corporation as well as a natural person.

(e) All references in the text of this Agreement to articles, sections, and exhibits pertain to articles, sections, and exhibits of this Agreement, unless otherwise specified.

Section 1.3 Incorporation of Exhibits

(a) The following Exhibits are hereby incorporated and made a part of this Agreement:

Exhibit	**Title**
Exhibit A	Airport Layout and Cost Center Plan
Exhibit B	Common Use Space
Exhibit C	Airline Premises
Exhibit D	Illustrative Calculation of Airline Rentals, Fees, and Charges
Exhibit E	Designation of Airline's Affiliates
Exhibit F	Form of Affiliate Operating Agreement
Exhibit G	Form of Airline Activity Report
Exhibit H-1	MII Ballot with Airline LEAP Projects as Approved
Exhibit H-2	Overview of Love Field Expansion Airport Program
Exhibit I	LEAP Advisory Committee
Exhibit J	Maintenance Responsibilities
Exhibit K	Insurance Requirements
Exhibit L	Required Federal Provisions
Exhibit M	Periods of Use

(b) Any changes to Exhibits that occur from time to time consistent with the terms of this Agreement shall be reflected in revised Exhibits provided by the City to Airline. Such Exhibits shall be deemed to be effective without requiring a formal amendment to this Agreement.

ARTICLE 2
TERM

Section 2.1 Term; Commencement Date

(a) The term ("***Term***") of this Agreement shall commence on October 1, 2028 (the "***Commencement Date***") and shall terminate on September 30, 2040, unless sooner terminated as provided herein.

(b) Notwithstanding Section 2.1(a), this Agreement shall have no force and effect and shall be considered *void ab initio* unless all of the following conditions have been met prior to the Effective Date:

(i) The City has submitted the Capital Improvements listed in the attached **Exhibit H-1** for MII review pursuant to the Prior Use and Lease Agreement; and

(ii) An MII (as defined in the Prior Use and Lease Agreement) has either:

(A) Approved such submittal in writing no later than thirty (30) days after the submittal by the City referenced in Section 2.1(b)(i); or

(B) Failed to provide a written response to the City disapproving such submittal and thirty (30) days have elapsed since the submittal by the City referenced in Section 2.1(b)(i).

(iii) For purposes of this Section 2.1(b) only, "Majority-in-Interest" or "MII" shall have the meaning given to it in Section 1.39 of the Prior Use and Lease Agreement.

Section 2.2 Surrender of Airline Premises

Upon expiration or early termination of this Agreement, Airline shall surrender the Airline Premises to the City in substantially the same condition as such Airline Premises were in at the time of the original occupancy by Airline, or, if improved, in substantially the same condition as of the completion date of the last improvement authorized by the City pursuant to this Agreement or the Prior Use and Lease Agreement and made by Airline or the City to the Airline Premises, in each case excepting reasonable wear and tear (subject to, as applicable, ARTICLE 10).

Section 2.3 Removal of Airline Property

(a) Except as otherwise provided in this Article, all equipment, trade fixtures, and other personal property installed or placed by Airline in the Airline Premises or on or about the Airport, and which can be removed without structural damage to the Airline Premises or any other City-owned property, shall remain the property of Airline unless otherwise provided in subsequent written agreements between Airline and the City, and Airline shall have the right at any time during

the Term and prior to its expiration or early termination to remove any and all of said property from the Airport provided Airline is not in default in its payments hereunder (beyond all applicable notices and opportunity to cure periods). Airline agrees to repair or pay for all damage, if any, resulting from such removal. All City property damaged by or as a result of the removal of Airline's property shall be restored at Airline's expense to the same condition as or better condition than it was prior to such damage.

(b) Any and all property not removed by Airline within thirty (30) days after the expiration or early termination of this Agreement and the cessation of operations from all or a portion of the Airline Premises is deemed to be abandoned property. Airline hereby authorizes the City to remove and dispose of its abandoned property. Airline agrees to reimburse the City for the cost of removing and disposing of its abandoned property.

Section 2.4 Holding Over

(a) If Airline, at the request of or without objection by the City, shall continue to occupy the Airline Premises and conduct its Air Transportation Business beyond the Term of this Agreement, such holding over shall not constitute a renewal of this Agreement, but shall be considered a month-to-month tenancy only. The month-to-month tenancy shall be subject to all terms and conditions of this Agreement. No such holding over shall be deemed to operate as a renewal or extension of the Term. Such month-to-month tenancy may be terminated by the City or Airline by giving thirty (30) days prior written notice of said termination to the other Party at any time.

(b) If Airline shall hold over in any portion of the Airline Premises after the termination of this Agreement and the City objects or does not consent to such holdover, Airline shall occupy such portion of the Airline Premises as a tenant at will. The City may relocate Airline in such case without compliance with the provisions of ARTICLE 4 hereof. During such tenancy, Airline shall pay to the City Non-Signatory Airline rates for Airline rentals, fees, and charges. If Airline fails to vacate the Airline Premises within sixty (60) days after written notice of termination from the City, Airline shall pay the City one hundred fifty percent (150%) of Airline rentals, fees, and charges for each period beginning more than sixty (60) days after such notice, and the City reserves the right to determine Airline rentals, fees, and charges according to any methodology permitted under Applicable Laws.

ARTICLE 3
USE OF THE AIRPORT

Section 3.1 Airline's Rights and Privileges

(a) Subject to the terms and conditions of this Agreement and Applicable Laws, Airline shall be entitled to the use of the Airport, in common with others so authorized by the City, for the operation of Airline's Air Transportation Business and all activities reasonably necessary to conduct such operations including but not limited to:

(i) The right to use, in common with, and subject to the rights of others so authorized, the public areas and public facilities of the Terminal Building, Apron Area, and Terminal Roadways;

(ii) The landing, taking off, flying over, taxiing, towing, and conditioning of Airline's aircraft and, in areas designated by the City, the extended parking, servicing, deicing, loading or unloading, storage, or maintenance of Airline's aircraft and support equipment;

(iii) 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;

(iv) 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;

(v) The purchase at the Airport or elsewhere, of fuels, lubricants, and any other supplies and services, from any person or company, subject to the City's right to require that each provider of services and/or supplies to Airline secures a permit from the City to conduct such activity at the Airport, pays required fees, and abides by all Applicable Laws, including Airport Rules and Regulations;

(vi) The loading and unloading of persons, property, cargo, parcels and mail by motor vehicles or other means of conveyance approved by the City on the Airline Premises or such other locations as may be designated by the Airport Director;

(vii) The installation and operation of identifying signs on Airline's Preferential Use Premises, the type, location, and design of such signs to be subject to the prior written approval of the Airport Director;

(viii) The installation and operation of food and beverage vending machines at Airline's sole cost and expense for use by Airline's employees in its non-public Exclusive Use Premises, the type, kind, and locations subject to the prior written approval of the Airport Director;

(ix) The operation of break rooms for Airline's employees (or other personnel if on the Airport to perform authorized work on Airline's behalf), and the serving of food and beverages in such employee break rooms if provided to such employees free or if pursuant to the limited exception in Section 3.1(a)(viii) for vending machines;

(x) The installation, maintenance, and operation of such radio, communication, meteorological, and aerial navigation equipment and facilities, including baggage tracking devices, in, on, and about the Airline Premises as may be necessary or convenient in the opinion of the Airline for its operations; provided that the location and operation (including frequency) of such equipment and facilities shall be subject to the approval of the City and shall not interfere with any radio, communication, meteorological, and aerial navigation equipment and facilities of the City;

(xi) The installation of personal property, including furniture, furnishings, supplies, machinery, and equipment, in Airline's Exclusive Use and Preferential Use Premises as Airline may deem necessary or prudent for the operation of its Air Transportation Business; provided, however, that installation of personal property in public portions of Airline's Preferential Use Premises shall be subject to the City's prior written approval and right to determine and provide common furniture, fixtures, and equipment throughout the public portions of the Terminal Building;

(xii) The construction of modifications, finishes, and improvements in Airline's Exclusive Use and Preferential Use Premises as Airline may deem necessary or prudent for the operation of its Air Transportation Business, subject to the provisions of Section 9.4;

(xiii) The operation of an airline club or VIP lounge for Airline's passengers if Airline has leased Exclusive Use Premises under this Agreement designated by the City for such purpose, provided that the City reserves the right to charge a concession fee if Airline sells food and beverages in such airline club or VIP lounge, such concession fee to be consistent with the fees charged to concessionaires at the Airport for similar services and provided further that the operation by Airline of an airline club or VIP lounge that serves customers other than Airline's passengers shall be subject to a separate lease agreement; and

(xiv) To have the right of ingress to, and egress from, the Airport, including without limitation, the Airline Premises, and such right shall extend to Airline's employees, agents, passengers, business invitees, suppliers of materials and providers of service, and their equipment, vehicles, machinery, and other property, subject to Airport Rules and Regulations.

(b) Nothing herein shall be construed as authorizing Airline to conduct a business separate and apart from the conduct of its Air Transportation Business. Any and all rights not explicitly granted herein to Airline for its use and operation of the Airport shall be reserved for and to the City.

Section 3.2 Affiliates and Handling Arrangements

(a) For so long as Airline conducts an Air Transportation Business at the Airport in accordance with this Agreement, subject to the requirements of this Section, Airline may utilize one or more Affiliates and allow such Affiliates to conduct its Air Transportation Business at the Airport.

(b) Upon execution of this Agreement, Airline shall provide the City with a completed **Exhibit E** designating its Affiliates and Airline or its Affiliate will provide the City a certificate of insurance demonstrating such Affiliate carries insurance coverage naming the City as an additional insured in accordance with ARTICLE 15 of this Agreement. In addition, at any time during the Term, and at least thirty (30) days' prior to such Affiliate commencing operations at the Airport on behalf of Airline, Airline shall provide the City an updated **Exhibit E** designating such Affiliate and Airline or its Affiliate will provide the City a certificate of insurance demonstrating such Affiliate carries insurance coverage naming the City as an additional insured in accordance with

ARTICLE 15 of this Agreement. Airline shall provide at least thirty (30) days' prior written notice to the City and an updated **Exhibit E** any time an Air Carrier previously designated as an Affiliate by Airline ceases to operate as Airline's Affiliate at the Airport.

(c) Each Affiliate of Airline shall (i) be independently liable for all charges incurred related to its operation at the Airport (in addition to Airline's liability stated below), (ii) maintain certain minimum levels of insurance coverage, (iii) indemnify and hold the Indemnified Parties harmless of any and all damages incurred as a result of its operations at the Airport as set forth in Section 14.1 hereof and (iv) agree to abide by all Applicable Laws. The Affiliate of Airline will be required to execute an Affiliate Operating Agreement in substantially the same form as **Exhibit F** memorializing the above.

(d) Airline shall be unconditionally responsible for the payment of all rentals, fees, and charges, including Passenger Facility Charges, due under this Agreement by its Affiliate. In addition, Airline shall fully indemnify the City for all conduct and omissions of its Affiliates to the fullest extent as is provided in Section 14.1 of this Agreement.

(e) Except as expressly provided herein, the privileges granted hereunder to Airline shall also apply to any Affiliate of Airline. Airline's Affiliates shall pay rentals, fees, and charges at Signatory Airline rates in accordance with this Agreement. For purposes of MII hereunder, the activity of Airline's Affiliates on behalf of Airline shall be considered to be part of Airline's activity, and such Affiliates shall not be entitled to a separate MII vote or participation rights.

(f) Airline may provide ground handling services (including below and above the wing services) to, or receive such ground handling services from, its Affiliates, or to or from other Air Carriers, provided that Airline shall be required to pay fees to the City applicable to third-party service providers if Airline provides ground handling services to another Air Carrier that is not Airline's Affiliate.

(g) Airline may contract with third-party service providers to provide Airline or its Affiliates with ground handling services, provided that Airline shall provide the City prior written notice of such arrangements and ensure that such service providers comply with applicable requirements of the City for such service providers, including entering into a written agreement with the City and paying any applicable fees.

Section 3.3 Concession Services Rights Reserved by City

(a) Except as otherwise provided herein, the City reserves the exclusive right to itself, its agents, and its concessionaires and franchisees to operate all concession services (including, but not limited to, food/beverage and news/gift concessions, specialty retail shops and carts, vending machines, pay telephones, advertising displays, baggage lockers, and baggage carts) at the Airport and in the Terminal Building, including the Airline Premises and areas accessible by the public such as holdrooms, loading bridges, and baggage claim areas, and to retain the revenue therefrom; provided, however, that: (i) the City agrees that no concession services shall be located or operated by the City or its nominees in Airline's Exclusive Use Premises or in Airline's Preferential Use Premises or on Airline-owned equipment without Airline's prior consent (except Airline agrees the City shall have the right to install, maintain, and operate digital signage and

television screens within Preferential Use Premises which may display advertising, provided such advertising does not create a nuisance or otherwise annoy or disturb passengers); (ii) the City shall not exercise such right in a manner that will materially impede passenger ingress or egress or Airline's business operations; and (iii) with respect to any advertising within Airline's Preferential Use Premises, the City shall not allow the placement of advertising of competing transportation services or competing co-branded products (e.g., credit cards). Airline shall not sell advertising space but shall have the right, subject to the Airport Director's approval which shall not be unreasonably withheld, within Airline's Exclusive Use Premises and Airline's Preferential Use Premises and on Airline-owned equipment located therein, to place advertising displays of Airline's air transportation services and co-branded products (e.g., credit cards).

(b) The City shall operate all concessions and provide such other services (with reasonable due consideration to requests made by Airline) for scheduled airline passenger operations at the Airport as it deems necessary or appropriate. Nothing herein shall limit or preclude the City from operating whatever concessions or providing whatever services it may desire at any and all airports and other facilities owned by the City.

(c) The distribution, serving, or sale of food and/or beverages (including alcoholic beverages) meant to be consumed aboard Airline's aircraft by Airline or its in-flight catering provider shall be limited to Airline's passengers while on Airline's aircraft, unless otherwise set forth in this Agreement or agreed in writing by the Airport Director. The provisions of this section notwithstanding, all distribution of alcoholic beverages shall comply with all Applicable Laws.

(d) Airline shall be allowed to provide water, non-alcoholic beverages, and typical on-board snacks (such as peanuts, snack mix, crackers, pretzels, cookies, etc.) in passenger holdrooms at no cost to Airline's passengers in the event of originating flights with delays, diverted flights, or originating flights that have returned to the Gate. All such food and/or beverages shall be on-board snacks brought from an aircraft or typical on-board snacks from an airline provisioning supply source, or otherwise shall be purchased only from the City's food and beverage concessionaires operating at the Airport or others that pay permit fees to the City or used from Airline's provisional flight supplies, provided, however, that in the event the City's food and beverage concessionaires have closed for the day or due to some other circumstance, or otherwise cannot promptly provide sufficient quantities, and Airline is experiencing delays, diversions, or originating flights returning to Gates, Airline may seek delivery of food and non-alcoholic beverages from non-City sources. Otherwise, distribution of food and/or beverages at no cost to Airline's passengers by Airline shall be permitted only with advance written approval of the Airport Director in their sole discretion.

(e) Except as allowed herein or approved in writing by the Airport Director, all other serving, distribution, or sale of food or beverages by Airline at the Airport is prohibited.

Section 3.4 Personnel Parking

The City may develop or cause to be developed an area or areas at the Airport as common parking facilities for all Air Carriers' employees or other authorized personnel (which means, for Airline, persons working at the Airport on a part-time or full-time basis on behalf of Airline) and other Airport tenants. Use of such facilities is subject to the payment of such parking fees as established from time to time by the City. Such facilities shall be located in an area designated by

the Airport Director. Airline shall, at the request of the Airport Director, provide verification that it is permitting only such authorized personnel to use such City-designated facilities.

Section 3.5 Noise Abatement and Noise Curfew

Airline acknowledges that the City has established a voluntary noise curfew in order to reduce the level of aircraft-generated noise in noise-sensitive neighborhoods around the Airport. Airline agrees that, except in the case of an emergency or irregular operational or weather-related delays, Airline shall use good faith efforts to (1) adhere to such voluntary noise curfew by avoiding scheduled aircraft departures or arrivals during the hours of 11:00 P.M. and 6:00 A.M local time; (2) control and reduce as much as is safe and practicable the noise emanating from operations of Airline at the Airport; (3) conduct all of its operations and activities in a manner having due regard for aircraft-generated noise levels in neighborhoods in close proximity to the Airport; and (4) cooperate with and support City in its efforts to reduce noise from the Airport's operations. The City shall send Airline and each other Signatory Airline a monthly report if such Signatory Airline has operated any flights in the previous month that do not adhere to the voluntary noise curfew. Airline reserves its right to contest any noise policy or regulation of the City which Airline believes to be in violation of Applicable Laws.

Section 3.6 Additional Restrictions and Obligations of Airline

(a) Airline or any Airline Party shall not do any of the following:

(i) Anything that may interfere with the effectiveness or accessibility of the drainage and sewage system, electrical system, air conditioning system, fire protection system, sprinkler system, alarm system, fire hydrants, and hoses, if any, installed or located on or within the premises of the Airport.

(ii) Anything that may invalidate or conflict with any fire or other casualty insurance policies covering the Airport or any part thereof.

(iii) Keep or store, at any time, flammable or combustible liquids except in storage facilities in accordance with all Applicable Laws, including the Uniform Fire Code and the Uniform Building Code.

(iv) Anything that may be in conflict with the provisions of 14 CFR Part 139, Airport Certification, or the Airport Certification Manual, as may be amended from time to time, or jeopardize the operating certificate of the Airport.

(v) Anything that may be in conflict with the provisions of 49 CFR Part 1542, Airport Security, as may be amended from time to time, or the Airport Security Plan for the Airport.

(vi) Permit any amusement machine, vending machine, public pay telephone, facsimile machine, copy machine, or other machine operated by coins, tokens, or credit cards to be installed or maintained in any publicly accessible area without the express written determination of the Airport Director. Airline or its nominee may, however, install, maintain, and operate vending machines in Airline's Exclusive Use Premises not accessible

to the public for the purpose of providing and making available foods, beverages, and sundry food items only to Airline's employees.

(vii) Provide commercial ground transportation services to any person upon payment of any fee or charge. Airline shall not be in violation of this Section 3.6(a)(vii) if providing limited ground transportation free of any fee or charge to any passenger as a result of irregular operations or to Airline's employees.

(viii) Perform aircraft engine run-ups, except at locations and during time periods approved in writing in advance by the Airport Director or in accordance with Airport established processes and procedures.

(ix) Perform non-routine maintenance on aircraft except at areas designated by the Airport Director for such purposes.

(x) Enter into activities at the Airport that compete with the City in the City's development of any revenues from Airport passengers, tenants, and other users. Should Airline engage in non-Air Transportation Business activities not specifically permitted in this Agreement, the City may levy a reasonable fee on such activities.

Section 3.7 Airport Security

(a) *Generally*. Airline and its Airline Parties shall comply with (i) the provisions of the Airport Security Plan, and (ii) applicable regulations of the TSA, as they exist from time to time. If Airline or any Airline Party shall fail or refuse to comply with said measures and such non-compliance results in a monetary penalty being assessed against the City, then, in addition to any other terms of this Agreement, Airline shall be responsible and shall reimburse the City in the full amount of any such monetary fine, charge, penalty, or other damages imposed pursuant to Applicable Laws. Without limiting the foregoing, with respect to its Exclusive Use Premises and Preferential Use Premises (except when same is in use by a Requesting Airline), as well as any Common Use Space while in use by Airline or any Airline Parties, Airline shall, pursuant to the Airport Security Plan, be responsible for the monitoring and control of doorways and other access ways to the air operations areas and be liable to the City for any fine, penalty, or charge imposed by TSA resulting from security violations with respect thereto.

(b) *Badging*.

(i) Any Airline Party that requires unescorted access to the SIDA must first obtain a badge provided by the City. Each person prior to receiving a badge will be subject to a fingerprint-based criminal history records checks ("***CHRC***") and Security Threat Assessment ("***STA***"). A new or renewed badge will not be issued to an individual until the results of the CHRC and STA are completed and indicate that the applicant has not been convicted of a disqualifying criminal offense. If the CHRC or STA discloses a disqualifying criminal offense, the individual's badge application will be rejected. The costs of the CHRC and STA for each Airline Party will be paid by Airline. These costs are subject to change without notice. The City reserves the right to collect all costs related to badging at the time badging service is provided. All badged Airline Parties shall comply with the Airport Rules and Regulations regarding the use and display of badges. The City reserves the right to

require renewal of the badges of Airline Parties at any time. If an Airline Party fails to comply with renewal requirements as directed by the City, the existing badge privileges of that Airline Party may be suspended at the discretion of the Airport Director.

(ii) In order to work on Airport property, an Airline Party must have a valid and active badge allowing access to that person's work area. An Airline Party who has their badge privileges revoked or suspended may not be escorted on any location within Airport property where a badge is required pursuant to the Airport Security Plan even when the Airport Security Plan otherwise would permit escorted access.

(iii) Airline will be assessed a reasonable charge for each badge that is lost, stolen, unaccounted for, or not returned to the City at the time of badge expiration, employee termination (including the circumstances described in Section 3.7(b)(iv)), termination of this Agreement, or upon written request by the City. This charge will be paid by Airline within fifteen (15) days from the date of invoice.

(iv) If any Airline Party to whom a badge has been issued in connection with Airline's Air Transportation Business at the Airport is terminated or terminates its relationship with the Airline for any reason, including contractors of Airline or an Airline Party whose agreement relevant to Airline's Air Transportation Business at the Airport terminates or expires, the City must be notified immediately, and the Airline Party's badge must be returned to the City promptly.

ARTICLE 4
AIRLINE PREMISES

Section 4.1 Exclusive Use Premises

The City grants to Airline, subject to the terms and conditions of this Agreement, including without limitation ARTICLE 4 and the City's Gate Use Protocols, the exclusive right to use the Exclusive Use Premises (if any) identified in **Exhibit C**.

Section 4.2 Preferential Use Premises

The City grants to Airline, subject to the terms and conditions of this Agreement, including without limitation ARTICLE 4 and the City's Gate Use Protocols, the right to use, on a preferential basis, the Preferential Use Premises (if any) identified in **Exhibit C**.

Section 4.3 Common Use Space

The City grants to Airline, subject to the terms and conditions of this Agreement, including without limitation ARTICLE 4 and the City's Gate Use Protocols, the right to use, on a common use basis, the Common Use Space identified in **Exhibit B**; provided, however, that the City shall at all times have exclusive control and management of the Common Use Space in accordance with the terms of this Agreement.

Section 4.4 City's Right of Entry

Authorized representative(s) of the City shall have the right to enter the Airline Premises, including the non-public areas of Airline's Preferential Use Premises and Exclusive Use Premises, at any and all reasonable times for the purpose of inspection, including inspecting compliance with applicable Environmental Laws, and inspection of all City-owned equipment for compliance with manufacturer's specifications regarding servicing and preventive maintenance, or for any other purpose incident to the performance of the City's obligations hereunder or in the exercise of any of its governmental functions. The City shall not unduly interfere with Airline's operations and, except in the event of an emergency, shall provide Airline reasonable notice of at least twenty-four (24) hours prior to entering the non-public areas of Airline's Preferential Use Premises or Exclusive Use Premises. Airline shall have the right to have an Airline employee accompany the City's representative(s) when entering the non-public areas of Airline's Preferential Use Premises or Exclusive Use Premises (or if the City's entry onto public areas of Airline's Preferential Use Premises or Exclusive Use Premises could reasonably adversely interfere with Airline's operations), provided that the City is not required to unreasonably delay inspections or sampling for Airline to be present.

Section 4.5 Addition and Deletion of Space, Rights, Licenses, or Privileges

The City and Airline may, from time to time, by mutual agreement, add additional space or spaces to, or delete space or spaces from, the Airline Premises of Airline or may, subject to the provisions of this ARTICLE 4, add rights, licenses, or privileges, or delete rights, licenses, or privileges, granted to Airline hereunder, or any two Air Carriers may exchange space in the following manner: Airline shall submit to the Airport Director a written request for the addition or deletion of rights, licenses, privileges, or space, which shall describe with particularity (a) the rights, licenses, privileges, or space which Airline wishes to add or delete; (b) the Terminal Building Rentals, if applicable; and (c) the date on which Airline wishes such addition or deletion to be effective. Subject to mutual agreement, and if the Airport Director approves such addition or deletion in their reasonable discretion, they shall so notify Airline in writing, and the addition or deletion shall be effective on the date specified in the Airport Director's written approval. **Exhibit C** shall be revised accordingly to reflect any such addition or deletion. All space added to the Airline Premises or rights, licenses, or privileges added pursuant to this Section shall be subject to all the terms, conditions, and other provisions of this Agreement and Airline shall pay to the City all rentals, fees, and charges applicable to such additional space, rights, licenses, or privileges in accordance with the provisions of this Agreement.

Section 4.6 AS-IS CONDITION OF AIRLINE PREMISES

THE CITY MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION OF THE AIRLINE PREMISES OR THAT THE AIRLINE PREMISES SHALL BE SUITABLE FOR AIRLINE'S PURPOSES OR NEEDS. THE CITY SHALL NOT BE RESPONSIBLE FOR ANY PATENT OR LATENT DEFECT AND AIRLINE SHALL NOT, UNDER ANY CIRCUMSTANCES, WITHHOLD ANY AIRLINE RENTALS, FEES, AND CHARGES OR OTHER AMOUNTS PAYABLE TO THE CITY HEREUNDER ON ACCOUNT OF ANY DEFECT IN THE AIRLINE PREMISES. BY ITS ENTRY ONTO THE AIRLINE PREMISES, WHETHER PURSUANT TO THIS AGREEMENT OR UNDER THE PRIOR USE

AND LEASE AGREEMENT, SUBJECT TO AIRLINE'S RIGHT TO INSPECT ANY LEASED PREMISES CONSTRUCTED DURING THE TERM PRIOR TO SUCH ENTRY, AIRLINE ACCEPTS THE AIRLINE PREMISES IN THEIR "AS-IS" CONDITION AND HEREBY WAIVES ALL CLAIMS ARISING ON OR AFTER THE COMMENCEMENT DATE (OR THE DATE UPON WHICH AIRLINE ACCEPTED SUCH AIRLINE PREMISES UNDER THE PRIOR USE AND LEASE AGREEMENT) RELATING TO THE CONDITION OF THE AIRLINE PREMISES.

Section 4.7 Recapture of Preferential Use Premises

(a) The City may recapture a Preferential Use Gate and convert such Gate to a Common Use Gate at any time during the Term if the Signatory Airline assigned such Preferential Use Gate does not maintain a minimum average daily utilization of their Preferential Use Gate(s) of seven (7) Turns per Gate per day as calculated as an average across all of such Signatory Airline's Preferential Use Gates on a rolling, six- (6) month basis (the "***Gate Utilization Threshold for Recapture***"). The calculation of the Gate Utilization Threshold for Recapture shall exclude any dates when a Force Majeure Event longer than seven (7) continuous days materially affected the ability of Airline and at least one other Air Carrier to operate for the duration of such Force Majeure Event, in which case the Gate Utilization Threshold for Recapture shall be calculated using the remaining dates within the rolling six- (6) month period.

(b) If the City seeks to recapture one or more of Airline's Preferential Use Gates under this Section 4.7 because Airline has not met the Gate Utilization Threshold for Recapture, the City shall provide Airline with a written notice ("***Initial Recapture Notice***") of the City's intent to recapture such Gate(s). Airline shall have a thirty- (30) day period after the date of the Initial Recapture Notice to adjust its schedule in such a manner as is reasonably anticipated to cause Airline to meet or exceed the Gate Utilization Threshold for Recapture. If (i) Airline fails to adjust its schedule in such manner during such thirty- (30) day period, or (ii) Airline adjusts its schedule during such thirty- (30) day period but Airline's actual utilization still does not meet or exceed the Gate Utilization Threshold for Recapture within one hundred twenty (120) days after the Initial Recapture Notice, the Airport Director will send Airline a written notice (the "***Final Recapture Notice***") terminating Airline's assignment of the portion of the Airline Premises subject to recapture as of the date specified in the Final Recapture Notice. At such time, if Airline has been assigned more than one Preferential Use Gate, the City shall have the right to recapture up to the number of Airline's Preferential Use Gates that would cause Airline to meet or exceed the Gate Utilization Threshold for Recapture on its remaining Preferential Use Gates. When determining specific Airline Premises subject to recapture, the City will use reasonable efforts to not reassign facilities that will disrupt the continuity and staffing of Airline's operations, including Airline's operations at Common Use Gates. Any recaptured or reassigned portion of the Airline Premises will consist of the applicable Gate(s) and any Related Terminal Area (as defined below). In the case of the recapture of less than all of the Gates within the Airline Premises, the City shall designate which Gate(s) shall be subject to such reassignment after consulting with Airline.

(c) For purposes of this Article, "***Related Terminal Area***" means that portion of the Airline Premises reasonably necessary to conduct airline operations at a particular Gate and shall include, without limitation, loading bridges, holdrooms, check-in counters, airline ticket office and baggage service office space, and rights of access to terminal passenger facilities, in each case

associated with such Gate and representing, to the extent practicable and as reasonably determined by the City after consultation with Airline, approximately a pro rata portion of the space devoted to each such use prior to any reassignment by the City.

(d) If any Preferential Use Gate is recaptured by the City pursuant to this Section 4.7, such Gate shall remain a Common Use Gate for the remainder of the Term.

(e) If Airline's Preferential Use Gate is recaptured by the City pursuant to this Section 4.7, Airline shall be permitted to keep its proprietary equipment at such Gate if Airline continues to operate at such Gate, provided that, if another Air Carrier is authorized to use such Gate, (i) such proprietary equipment does not interfere with such other Air Carrier's use of the Gate during any authorized Periods of Use; (ii) Airline's branding and identifying signage at the Gate must be removed during such other Air Carrier's authorized Periods of Use on the Gate; and (iii) if Airline's proprietary equipment interferes with such other Air Carrier's use of the Gate, the City may provide Airline with thirty (30) days prior notice at any time that Airline's proprietary equipment must be removed at Airline's sole cost and expense and Airline must begin using mobile and/or common use equipment for its operations at such Gate. The cost of acquisition or installation by the City of any such mobile and/or common use equipment will be allocated to the Terminal Cost Center.

Section 4.8 Accommodation in Preferential Use Premises

(a) If an Air Carrier, including any Air Carrier seeking to expand its service or an Air Carrier seeking initiation of service at the Airport (a "***Requesting Airline***"), is in need of space or facilities at the Airport which cannot be met by use of then-unassigned premises (including Common Use Space), if any, the City shall, upon receipt of a written notification by the Requesting Airline that provides details concerning the intended additional air service, assess the request and, if the Airport Director determines that space or facilities are needed to accommodate passengers or aircraft, then, subject to the provisions of this Article and the other terms and conditions of this Agreement, the Airport Director may grant such Requesting Airline the right of temporary or shared use of a designated portion of Airline's Preferential Use Premises, including the use of related loading bridges and Related Terminal Areas (except Airline's Exclusive Use Premises) as may be required (in such case, Airline shall be referred to as the "***Accommodating Airline***"). The Airport Director, the Requesting Airline, and the Accommodating Airline will discuss in good faith the extent to which the intended additional air service could reasonably be accommodated in proximate location to the Requesting Airline's existing Airline Premises, if any.

(b) The Gate Use Protocols (defined below) shall set forth "***Periods of Use***" that define the periods of time during which Airline has priority of use for a scheduled flight on a Preferential Use Gate assigned to Airline in a given scheduling period, such priority for Periods of Use to be subject to Airline's timely schedule submission in accordance with the Gate Use Protocols and Airline's compliance with the terms and conditions of this Agreement. Accommodation and scheduling of a Requesting Airline on Airline's Preferential Use Gate(s) outside such Periods of Use shall be the City's sole right to determine, such accommodation to be subject to the other provisions of this Article regarding forced accommodation of a Requesting Airline by Airline, including without limitation Section 4.10(b)(iv).

(c) Notwithstanding anything herein, if at the time the City seeks to accommodate a Requesting Airline, Airline meets or exceeds an average of ten (10) Turns per Gate per day on any of Airline's Preferential Use Gates as calculated on a rolling, six- (6) month basis (the "***Gate Utilization Threshold for Accommodation***"), Airline shall not be required to accommodate a Requesting Airline on that Preferential Use Gate, including outside of Airline's Periods of Use for that Preferential Use Gate.

Section 4.9 Procedures for Accommodation in Preferential Use Premises

(a) In the event the Airport Director determines that a Requesting Airline's needs require granting such Requesting Airline the right to share the Preferential Use Premises of one or more Signatory Airlines, the following procedures shall apply:

(i) The City shall first attempt to accommodate a Requesting Airline at Common Use Gates before scheduling a Requesting Airline's arrivals or departures at a Preferential Use Gate. If a Requesting Airline cannot be accommodated on a Common Use Gate, the City shall notify the Requesting Airline if it cannot be accommodated on a Common Use Gate. Upon receipt of such notice, the Requesting Airline shall make commercially reasonable efforts to seek voluntary accommodation from another Air Carrier. If agreement to such voluntary accommodation cannot be reached within ten (10) days after notice from the City, the Requesting Airline may ask that the City seek forced accommodation for the Requesting Airline on a Preferential Use Gate.

(ii) If voluntary accommodation cannot be reached, the Airport Director shall serve written notice to all Signatory Airlines of the determination made according to this Article that forced accommodation is necessary, including notice of the City's intention to make a further determination, in not less than ten (10) days, as to how the Requesting Airline will be accommodated. In such case, the City shall have the right, upon reasonable notice and consultation with the Accommodating Airline, to schedule, at the Accommodating Airline's Preferential Use Gate(s), arrivals and/or departures by a Requesting Airline in accordance with the Gate Use Protocols, provided, further, that:

(A) The Accommodating Airline, in collaboration with the City, may select the specific Preferential Use Gate at which such accommodation will occur. The City in collaboration with the Accommodating Airline may direct the use of a different Preferential Use Gate if the City determines that a different selection is warranted under the particular circumstances.

(B) The Accommodating Airline shall allow and provide for use of its facilities (but not Airline-owned equipment unless agreed to with Requesting Airline) at the Preferential Use Gate as may be required for the Requesting Airline's efficient use of the Preferential Use Gate.

(C) After the duration of the accommodation, the Requesting Airline shall leave the Preferential Use Gate in as good condition as when the Requesting Airline commenced use of such Preferential Use Gate, including the removal of any proprietary

technology, signage, or tools (including but not limited to boarding pass scanners, stanchions, bag sizers, etc.), reasonable wear and tear excepted.

(D) The Requesting Airline must enter into a written operating agreement with the City to be eligible to share a Gate and therein agree to abide by all Airport Rules and Regulations, including those related to gate use and assignment. The Requesting Airline shall provide the Accommodating Airline with evidence of all required coverages therein and name the Accommodating Airline as an additional insured thereunder with respect to all Periods of Use authorized by the City.

(E) The City may grant the Requesting Airline the right of shared or temporary use of all or a designated portion of the Accommodating Airline's Preferential Use Premises, as well as rights of ingress and egress, the right to use the preferentially assigned aircraft parking positions that are a part thereof, and the right to use related loading bridges and other appurtenant equipment which are necessary for the effective use of such premises, provided that the Requesting Airline shall agree to pay to the City applicable Per Turn Fees for each such use of such premises.

(F) In the event the Airport Director makes a determination that a Requesting Airline shall have the right to share the Preferential Use Premises of one or more Signatory Airlines, the Airport Director shall serve written notice to such Signatory Airline(s) of that determination no less than thirty (30) calendar days prior to the implementation of such shared usage or such other amount of time set forth in the Gate Use Protocols.

(b) In no event shall the Requesting Airline be required to make any payment to Airline for use of the subject facilities pursuant to the terms and conditions of this Section 4.8, provided, however, that Airline may request that the Requesting Airline enter into a written agreement with Airline to indemnify Airline for its operations at Airline's Preferential Use Gate, subject to the City's approval of such agreement, but provided, further, however, that if Airline and the Requesting Airline fail to reach agreement on a written agreement and obtain the City's approval within thirty (30) days of Airline's request to the Requesting Airline for such an agreement, Airline must use the form of indemnification and insurance agreement provided by the City . Any such agreement shall not (i) require that Requesting Airline pay fees to Airline for its normal operations at the Gate except to the extent Requesting Airline uses Airline's personal property; (ii) impose any obligations on Airline or the Requesting Airline that exceed the obligations imposed by this Agreement, or (iii) provide less protection of Airline's interests than Airline provides for the City hereunder.

(c) Subject to the terms and conditions of this Article, Airline agrees to abide by all Applicable Laws and the Gate Use Protocols, and further agrees to make reasonable efforts to facilitate the temporary or shared accommodation of the Requesting Airline's scheduled operations, including the use of assigned loading bridges and other portions of Airline's Preferential Use Premises as may be reasonably necessary to accommodate the Requesting Airline on an ongoing basis.

Section 4.10 Gate Use Protocols

(a) The City shall promulgate gate use protocols ("***Gate Use Protocols***") after consultation with the AAAC prior to the Commencement Date that establish priorities for the use of Common Use Gates and accommodation of an Air Carrier on another Air Carrier's Preferential Use Gates as well as set forth procedures for Airline's schedule submissions and Gate scheduling. The City may amend such Gate Use Protocols from time to time after consultation with the AAAC. The Gate Use Protocols shall be subject and subordinate to this Agreement; in the event of a conflict between this Agreement and the Gate Use Protocols, the provisions of this Agreement shall prevail. Notwithstanding the foregoing, the Gate Use Protocols shall include the provisions related to Periods of Use in **Exhibit M** unless the City and each of the Signatory Airlines agree in writing to revise **Exhibit M**, in which case **Exhibit M** shall be superseded and replaced by the agreed-upon revised **Exhibit M** without formal need for amendment to this Agreement.

(b) In addition to the other provisions of this ARTICLE 4, the Gate Use Protocols shall be consistent with, subject and subordinate to, and include procedures implementing, the following:

(i) The City shall prioritize the use of Common Use Gates by Air Carriers not assigned a Preferential Use Gate.

(ii) Airline, other Signatory Airlines, and other Air Carriers seeking to operate at the Airport shall be required to submit proposed schedules for upcoming scheduling periods to the City, who shall review such schedule submissions prior to the beginning of each scheduling period, assign Periods of Use for Gates, and apply the priorities of use in the Gate Use Protocols in the event of conflicting requests when assigning Common Use Gates and requiring accommodation of a Requesting Airline on a Signatory Airline's Preferential Use Gate for such scheduling period. The Gate Use Protocols will incorporate the following priorities of use in the event of such conflicting requests, listed in order of priority from highest priority to lowest priority:

(A) For a Preferential Use Gate only, service by the Signatory Airline proposed for Periods of Use during the applicable scheduling period on such Preferential Use Gate;

(B) Historical service by an Air Carrier on a Common Use Gate that was previously assigned as a Preferential Use Gate to such Air Carrier under its current Signatory Airline Use and Lease Agreement and was recaptured and converted to a Common Use Gate during the Term, provided that "historical service" shall mean service to/from the same airport and continually scheduled with no more than thirty (30) minutes' difference in departure and/or arrival time on such Gate for at least six (6) months (or, for seasonal service, for at least two (2) seasonal periods) prior to the date of such recapture;

(C) Service by an Air Carrier without any Preferential Use Gates;

(D) Service by an Air Carrier with one (1) Preferential Use Gate;

(E) Service by an Air Carrier with between one (1) and four (4) Preferential Use Gates;

(F) Service by an Air Carrier with more than four (4) Preferential Use Gates.

(iii) If applying the priorities in Section 4.10(b)(ii) would still result in a scheduling conflict, existing service (i.e., service to/from the same airport and continually scheduled with no more than thirty (30) minutes' difference in departure and/or arrival time during the prior scheduling period) by an Air Carrier shall have priority over new service by another Air Carrier if the existing service is operated by an Air Carrier with four (4) or fewer Preferential Use Gates.

(iv) Accommodation of service operated by a Requesting Airline on a Signatory Airline's Preferential Use Gate may not be terminated unless and until (A) such Requesting Airline ceases such service; or (B) the Accommodating Airline timely submits a schedule in accordance with in Section 4.10(b)(ii) and the Gate Use Protocols to the City with proposed service that would conflict with the accommodated service. In the case of (B), the Requesting Airline shall still have the right to continue operating the accommodated service for a minimum of three (3) months from the date on which the accommodated service began, even if this means the Accommodating Airline may not initiate its proposed conflicting service at the beginning of the applicable scheduling period for which the service was proposed.

Section 4.11 Temporary Relocation or Reassignment

Airline acknowledges and agrees that at various times, Airline may be required, upon no less than sixty (60) days' written notice from the Airport Director, to temporarily relocate to, and operate out of, space different from that shown in **Exhibit C** to facilitate the construction of projects or installation of fixtures and equipment. Such temporary relocation shall be at the cost of the requesting party or, if applicable and as determined by the Airport Director, a project cost. If Airline is required to temporarily relocate to, and operate out of, different space, Airline's **Exhibit C** will be temporarily modified to reflect such transition change in square footage and space location in writing. All commercially reasonable efforts will be made to relocate Airline in such case to space of a comparable size and finish. If Airline did not request the transition move, Airline shall not pay for more square footage than what Airline has leased as Exclusive Use Premises or has been assigned as Preferential Use Premises under this Agreement during the transition period.

Section 4.12 Gate Capacity

(a) The City will use good faith efforts to maintain the maximum number of available Gates and aircraft parking positions at the Terminal Building allowed by law, including to account for increased aircraft size. If any Apron Area, Terminal Building, or landside project adversely affects the number of Gates available at the Terminal Building at any time during the Term, the City may assign Gates or hardstand positions on a temporary basis at its reasonable discretion after consultation with the affected Air Carrier(s). If aircraft size at any Gate adversely affects the number of Gates available at the Terminal Building at any time during the Term, the City may

assign Gates or hardstand positions on a temporary basis at its reasonable discretion after consultation with the affected Air Carrier(s).

(b) The Parties acknowledge that, as of the Effective Date, federal law limits the number of Gates at the Airport. In the event that the City determines, in its sole and absolute discretion to seek, support, or not oppose, a change to federal law eliminating such Gate limits, Airline agrees that it will not take any action to oppose or hinder (or support an opposition to) such change.

(c) If federal law changes in any manner that allows additional Gates at the Airport (a "***Gate Limit Change***"), the City shall be entitled to undertake Capital Improvements to expand Gate capacity without requiring MII review pursuant to ARTICLE 8, through the construction of either four (4), eight (8), or twelve (12) additional Gates ("***Additional Gates***") provided the Airline Rate-Based Project Costs for such Capital Improvements do not exceed Fifty Million Dollars ($50,000,000) per Gate (which amount shall be adjusted on January 1st of each calendar year following the Effective Date based on the percentage increase, if any, in the Construction Cost Index since the previous January 1st). The City shall provide written notice to each of the Signatory Airlines of the amount of each such increase not later than March 30th of each year following the Effective Date. Any other Capital Improvements to expand Gate capacity shall be subject to MII review pursuant to ARTICLE 8, if and to the extent MII review is required for such Capital Improvements under ARTICLE 8.

(d) At any time after a Gate Limit Change becomes effective, the City may from time to time provide written notice to the Signatory Airlines of the total number of Additional Gates (i.e., four (4), eight (8), or twelve (12)) the City intends to construct during the Term. Within three hundred sixty-five (365) days of receipt of such notice, Airline shall provide written notice to the City of how many Additional Gates Airline shall accept from the allocation offered to Airline by the City in such written notice, which allocation shall be made as follows:

(i) The City shall offer Airline the option to expand its Preferential Use Premises during the remainder of the Term by the assignment of Additional Gates according to the following schedule: If the City constructs four (4) Additional Gates, the City shall offer Airline three (3) of those Additional Gates. If the City constructs eight (8) Additional Gates, the City shall offer Airline five (5) of those Additional Gates. If the City constructs twelve (12) Additional Gates, the City shall offer Airline eight (8) of those Additional Gates.

(ii) To the extent Airline accepts such allocation, Airline's right to use any such Additional Gates assigned to Airline as Preferential Use Gates shall be subject to the same terms, provisions, and conditions as are applicable to the other portions of Airline's Preferential Use Premises.

(e) If the City intends to construct Additional Gates capable of use by widebody aircraft, the City shall ensure such widebody-capable Additional Gates do not result in materially adverse impacts to the operations of narrowbody aircraft at the Airport.

ARTICLE 5
AIRLINE RENTALS, FEES, AND CHARGES

Section 5.1 Calculation of Airline Rentals, Fees, and Charges

In consideration for use of the Airline Premises, facilities, rights, and privileges granted hereunder and for the undertakings of the City, Airline agrees to pay the City during the Term of this Agreement, without deduction or set-off, certain rentals, fees, and other charges as set forth in and as calculated in accordance with this ARTICLE 5. Illustrative calculations showing how Airline rentals, fees, and charges shall be calculated under the methodology set forth in this ARTICLE 5 are attached as **Exhibit D**.

Section 5.2 Landing Fees

Airline shall pay the City, for its use of the Airfield, fees ("***Landing Fees***") on a monthly basis calculated based on Airline's Total Landed Weight at the Annual Landing Fee Rate established by the City in accordance with Section 5.3.

Section 5.3 Calculation of Landing Fee Rate

(a) Each Fiscal Year, the City shall calculate the Annual Landing Fee Rate by dividing the Annual Airfield Requirement by the Total Landed Weight for such Fiscal Year of all Signatory Airlines.

(b) The "***Annual Airfield Requirement***" shall be calculated as the sum of the following budgetary items for the Fiscal Year:

(i) First, by adding together the total costs allocable to the Airfield, which are:

(A) Ninety percent (90%) of the direct and indirect O&M Expenses allocable to the Airfield; *plus*

(B) Debt Service allocable to the Airfield; *plus*

(C) Required Deposits allocable to the Airfield; *plus*

(D) Amortization of Capital Improvements in the Airfield.

(ii) Then, by subtracting from the sum calculated in Section 5.3(b)(i), the amount of Revenues allocable to the Airfield, which are:

(A) General aviation fuel flowage fees;

(B) General aviation landing fees; and

(C) Non-Signatory Airline Landing Fees.

(D) The portion of the net Revenues generated by the Parking and Ground Transportation Area Cost Center allocable to the Airfield in accordance with Section 5.14(a)(i).

Section 5.4 Terminal Building Rentals

Airline shall pay the City, for its use of the Exclusive Use Premises and the Preferential Use Premises (except the Apron Area) at the Terminal Building, rentals ("***Terminal Building Rentals***") on a monthly basis calculated on a square footage basis at the rates established by the City in accordance with Section 5.5.

Section 5.5 Calculation of Terminal Building Rental Rates

(a) Each Fiscal Year, the City shall calculate the rates for Terminal Building Rentals by dividing the Annual Terminal Building Requirement by the Airline Rented Space to determine an Annual Average Terminal Building Rental Rate. The City shall then establish a schedule of rates for Terminal Building Rentals by type of space, the weighted average of which shall equate to the required Annual Average Terminal Building Rental Rate, using the weighting criteria for the following types of space:

Tier	Type of Space	Weight
I	Ticket Counter/Airline Ticket /Queuing/Holdrooms	1.00
II	Baggage Claim/Other Offices	0.75
III	Operations and Other Support/Baggage Make-Up	0.50
IV	Stairwells/Canopy (Unenclosed)	0.25

(b) The "***Annual Terminal Building Requirement***" shall be calculated as the sum of the following budgetary items for the Fiscal Year:

(i) First, by adding together the total costs allocable to the Terminal Building, which are:

(A) Direct and indirect O&M Expenses allocable to the Terminal Building; *plus*

(B) Debt Service allocable to the Terminal Building; *plus*

(C) Required Deposits allocable to the Terminal Building; *plus*

(D) Amortization of Capital Improvements in the Terminal Building; *plus*

(E) Fifty percent (50%) of the net deficit in the Terminal Roadways Cost Center as set forth in Section 5.8.

(ii) Then, by subtracting from the sum calculated in Section 5.5(b)(i), the amount of Revenues allocable to the Terminal Building, which are:

(A) Seventy-five percent (75%) of the Revenues generated by concessionaires in the Terminal Building (including, but not limited to, food and beverage, news and gifts, specialty retail, advertising, and other miscellaneous concessions and services);

(B) Revenues generated by tenants or licensees of Terminal Building space other than Air Carriers or concessionaires;

(C) City Equipment Charges;

(D) Per Turn Fees; and

(E) Non-Signatory Airline Common Use Charges.

(F) The portion of the net Revenues generated by the Parking and Ground Transportation Area Cost Center allocable to the Terminal Building in accordance with Section 5.14(a)(i).

Section 5.6 Apron Fees

Airline shall pay the City, for its use of the Apron Area in the Preferential Use Premises at the Terminal Building, fees ("***Apron Fees***") on a monthly basis calculated at the Annual Apron Fee rate established by the City in accordance with Section 5.7.

Section 5.7 Calculation of Apron Fee Rate

(a) Each Fiscal Year, the City shall calculate the Annual Apron Fee rate by dividing the Annual Apron Area Requirement by the total number of aircraft parking positions in the Apron Area assigned as Preferential Use Premises to Signatory Airlines at the Airport.

(b) The "***Annual Apron Area Requirement***" shall be calculated as the sum of the following budgetary items for the Fiscal Year:

(i) First, by adding together the total costs allocable to the Apron Area, which are:

(A) Direct and indirect O&M Expenses allocable to the Apron Area, which shall be defined to be ten percent (10%) of such O&M Expenses allocable to the Airfield; *plus*

(B) Debt Service allocable to the Apron Area; *plus*

(C) Required Deposits allocable to the Apron Area; *plus*

(D) Amortization of Capital Improvements in the Apron Area.

Section 5.8 Calculation of Net Deficit in Terminal Roadways Cost Center

(a) Each Fiscal Year, the City shall calculate the net deficit in the Terminal Roadways Cost Center by adding together the following budgetary items for the Fiscal Year:

(i) Direct and indirect O&M Expenses allocable to the Terminal Roadways Cost Center; *plus*

(ii) Debt Service allocable to the Terminal Roadways; *plus*

(iii) Required Deposits allocable to the Terminal Roadways; *plus*

(iv) Amortization of Capital Improvements in the Terminal Roadways.

(b) Fifty percent (50%) of the net deficit in the Terminal Roadways Cost Center shall be allocated to each of the Terminal Building Cost Center and the Parking and Ground Transportation Area Cost Center.

Section 5.9 Common Use Charges

(a) Airline shall pay the City, for its shared use of Common Use Space, charges ("***Common Use Charges***") on a monthly basis which shall be calculated in accordance with this Section 5.9.

(b) As illustrated in **Exhibit D**, Common Use Charges for Signatory Airlines shall be calculated and charged as follows: First, an "***Annual Common Use Space Requirement***" shall be calculated by multiplying the total square feet of Common Use Space by the Annual Average Terminal Building Rental Rate. Then, twenty percent (20%) of the Annual Common Use Space Requirement shall be charged on an equal basis among all Signatory Airlines with more than one percent (1%) of the total Enplaned Passengers at the Airport and the remaining eighty percent (80%) of the Annual Common Use Space Requirement shall be charged on a pro rata basis to all Signatory Airlines (including those with one percent (1%) or less of the total Enplaned Passengers at the Airport) according to the ratio of the number of a Signatory Airline's Enplaned Passengers at the Airport (including those of their Affiliates) to the total number of Enplaned Passengers of all Signatory Airlines (including those of their Affiliates).

(c) As illustrated in **Exhibit D**, Common Use Charges for Non-Signatory Airlines shall be calculated and charged as follows: First, by dividing the Annual Common Use Space Requirement by the total number of Enplaned Passengers of all Signatory Airlines (including those of their Affiliates), then multiplying that number by one hundred twenty-five percent (125%) to establish a per Enplaned Passenger fee for Common Use Charges for Non-Signatory Airlines. Non-Signatory Airlines shall then be charged such fee for each of its Enplaned Passengers on a monthly basis. The total amount of Non-Signatory Common Use Charges shall be applied as a credit to the Terminal Building Cost Center.

Section 5.10 City Equipment Charges

Airline shall pay the City, for its use of City-owned equipment (including in Common Use Space) charges ("***City Equipment Charges***"). City Equipment Charges shall be reasonably calculated and determined by the City each Fiscal Year, including by assessing City Equipment Charges on a per Enplaned Passenger basis, per unit basis, or per use basis, provided that City Equipment Charges shall not be subject to the formula set forth in Section 5.9 apportioning a fixed and variable component for Signatory Airline Common Use Charges.

Section 5.11 Per Turn Fees

(a) Airline shall pay the City, for its use of Common Use Gates or as a Requesting Airline accommodated on a Preferential Use Gate, fees ("***Per Turn Fees***") calculated on a per Turn basis at the rates calculated and established by the City each Fiscal Year in accordance with this Section 5.11. The City may establish, and Airline shall pay the City, additional Per Turn Fees for the per Turn use of other facilities at the Airport by an Air Carrier, including without limitation the per Turn use of a ticket counter that is not part of the Air Carrier's Preferential Use Premises, consistent with this Section 5.11.

(b) Per Turn Fees for each type of space shall be calculated by taking the portion of the Annual Terminal Building Requirement or Annual Apron Area Requirement allocable to such type of space and first dividing that amount by three hundred sixty-five (365) days, then dividing that first quotient by the lesser of (i) the average number of Turns per Gate at the Airport per day in such Fiscal Year; or (ii) seven (7) Turns, and then finally, dividing that second quotient by the number of Preferential Use Gates assigned to Signatory Airlines at the Airport.

Section 5.12 Other Rentals, Fees, and Charges

(a) The City expressly reserves the right to assess and collect the following:

(i) Reasonable and non-discriminatory fees and charges for services, concessions, or facilities not enumerated in this Agreement but provided by the City or its contractors and used by Airline, including, but not limited to, special maintenance of Airline Premises, equipment, vehicle storage areas, and Federal Inspection Services (FIS) facility fees;

(ii) Pro rata shares of any charges for the provision of any services or facilities which the City is required or mandated to provide by any Governmental Agency (other than the City acting within its proprietary capacity) having jurisdiction over the Airport;

(iii) Reasonable and non-discriminatory fees for parking, to be charged to Airline for use of the personnel parking facilities described in Section 3.4. If Airline is invoiced by the City for parking fees and payment is not made in accordance with ARTICLE 6, parking privileges may be terminated; and

(iv) Fees to reimburse the City for the fully allocated cost of time and materials pertaining to any reimbursable work performed on behalf of Airline by the City plus a fifteen percent (15%) administrative fee.

Section 5.13 Application of Revenues

(a) Subject to the terms of this Agreement, including Section 5.15, Revenues shall be applied in the following order of priority:

(i) To pay O&M Expenses;

(ii) To the O&M Reserve Fund, in the amount required to maintain such O&M Reserve Fund at a balance equal to three (3) months' (or twenty-five percent (25%)) of annual O&M Expenses in the current Fiscal Year's operating budget for the Airport System;

(iii) To make Required Deposit other than to the O&M Reserve Fund, Debt Service Reserve Fund, Emergency Repair and Replacement Fund, or Aviation Development Fund;

(iv) To pay Debt Service;

(v) To the Debt Service Reserve Fund, in the amount required to maintain such Debt Service Reserve Fund at a balance equal to the Debt Service Coverage Requirement;

(vi) To the Emergency Repair and Replacement Fund, in the amount required to maintain such Emergency Repair and Replacement Fund at a balance of Five Million Dollars ($5,000,000); then

(vii) To the Aviation Development Fund, in the amount required to maintain such Aviation Development Fund at a balance at all times equal to no less than three hundred sixty-five (365) days of annual O&M Expenses and Debt Service in the current Fiscal Year operating budget for the Airport System.

(viii) Remaining Revenues generated by the Parking and Ground Transportation Area Cost Center, Terminal Building Cost Center, and Other Buildings and Areas Cost Center shall be applied as set forth in Section 5.14 each Fiscal Year.

Section 5.14 Revenue Sharing

(a) The total amount of Revenues remaining in a given Fiscal Year, if any, after the payment of the amounts set forth in Section 5.13(a)(i) through Section 5.13(a)(vii) in each Cost Center shall be applied as follows:

(i) Seventy-five percent (75%) of the net Revenues generated by the Parking and Ground Transportation Area Cost Center shall be applied to offset the Annual Terminal Building Requirement and the Annual Airfield Requirement, with the amount allocable in each Fiscal Year to either the Annual Terminal Building Requirement or the Annual Airfield Requirement to be determined by the City in its reasonable discretion after consultation with the AAAC.

(ii) Seventy-five percent (75%) of the Revenues generated by concessionaires in the Terminal Building shall be applied by the City to offset the Annual Terminal Building Requirement as set forth in Section 5.5(b)(ii)(A).

(iii) Twenty-five percent (25%) of the net Revenues generated by the Parking and Ground Transportation Area Cost Center and twenty-five percent (25%) of the Revenues generated by concessionaires in the Terminal Building and one hundred percent (100%) of the net Revenues generated by the Other Buildings and Areas Cost Center shall be deposited in the Aviation Development Fund.

(b) Notwithstanding the other provisions of this ARTICLE 5, the City shall not apply remaining Revenues to offset the Annual Terminal Building Requirement and the Annual Airfield Requirement as set forth in Section 5.14(a)(i) and Section 5.14(a)(ii) if applying such Revenues would result in an Aggregate Airline Cost Per Enplaned Passenger for any Fiscal Year below Seven Dollars ($7.00). In such case, remaining Revenues above the amount that would cause the Aggregate Airline Cost Per Enplaned Passenger to reach such floor shall instead be deposited to the Aviation Development Fund. For purposes of this ARTICLE 5, "***Aggregate Airline Cost Per Enplaned Passenger***" means the total amount of Terminal Building Rentals, Apron Fees, Per Turn Fees, Common Use Charges, and Landing Fees payable by all Air Carriers in a given Fiscal Year divided by the total number of Enplaned Passengers for such Fiscal Year.

Section 5.15 Subordination to Indenture

(a) This Agreement and all rights of Airline hereunder are expressly subordinated and subject to the lien and provisions of any pledge, transfer, hypothecation, or assignment made (at any time) by the City to secure Bond financing. This Agreement is subject and subordinate to the terms, covenants, and conditions of the Indenture authorizing the issuance of Bonds by the City. The City may amend or modify the Indenture or make any change thereto that does not materially adversely affect Airline rights under this Agreement. Conflicts between this Agreement and the Indenture shall be resolved in favor of the Indenture.

(b) All definitional terms that are not specifically defined herein have the meanings set forth in the Indenture.

Section 5.16 Annual Budget

(a) Prior to the beginning of each Fiscal Year, the City shall consult with the AAAC on a proposed operating and capital budget for the Airport System (***"Annual Budget"***).

(b) The City shall adopt an Annual Budget after such consultations and provide a copy to Airline together with the calculation of Airline rentals, fees, and charges that shall be effective from and after the beginning of the Fiscal Year for which such Annual Budget is adopted.

(c) At least one hundred eighty (180) days prior to the beginning of each Fiscal Year, Airline shall provide the City with its projected Total Landed Weight and estimated Enplaned Passengers for the ensuing Fiscal Year.

(d) At least one hundred fifty (150) days prior to the beginning of each Fiscal Year, the City shall provide to Airline a proposed Annual Budget for the Airport System in reasonable detail for the ensuing Fiscal Year, to include at minimum the following for such Fiscal Year:

(i) Estimated O&M Expenses, by Cost Center, including the proposed allocation of administrative and indirect costs;

(ii) Debt Service, if any, and Required Fund Deposits;

(iii) Amortization charges;

(iv) City Equipment Charges;

(v) Estimated Revenues from sources other than Airline rentals, fees, and charges payable by Signatory Airlines and Non-Signatory Airlines;

(vi) Estimated Project Costs of Capital Improvements to be expensed in such Fiscal Year and an overview of the City's rolling five- (5) year Airport Capital Improvement Program; and

(vii) A preliminary calculation of the Landing Fee, Terminal Building Rental, Apron Fee, Common Use Charges, and Per Turn Fee rates.

(e) Within a reasonable time, but no sooner than thirty (30) days after distribution of the proposed Annual Budget, the Airport Director shall schedule a meeting with the AAAC to discuss the Annual Budget.

(f) If the Signatory Airlines request additional information concerning the proposed Annual Budget at such meeting, the Airport Director shall convene a second meeting of the AAAC. Upon notice by the Airport Director, the second meeting shall be held within thirty (30) days after the first meeting. At the second meeting, the Airport Director shall respond to questions raised during the first meeting and, to the extent practicable, provide the Signatory Airlines with the requested information concerning the proposed Annual Budget.

(g) If, for any reason, the Annual Budget has not been adopted by the Dallas City Council as of the first day of any Fiscal Year, the Airline rentals, fees, and charges in the proposed Annual Budget calculated in accordance with this Agreement for that Fiscal Year shall nonetheless go into effect on that date. Any subsequent budget adjustments made by the Dallas City Council in adopting the Annual Budget shall be made effective retroactive to the first day of such Fiscal Year.

Section 5.17 Midyear Adjustments

If it appears to the City, during the course of any Fiscal Year, that the budgeted expenses or projected levels of airline activity the City used to calculate the rentals, fees, and charges set forth in ARTICLE 5 are likely to vary by more than ten percent (10%) from actual results, the City may make adjustments to such rentals, fees, and charges during the Fiscal Year. The City shall provide Airline with at least thirty (30) days advance written notice of any adjustments to be made

under this Section 5.17, which shall include accompanying budget variances and calculations to demonstrate the need for adjustment and the resulting change in rentals, fees, and charges. Any such mid-year adjustment will be effective on the first day of the month following the notification period.

Section 5.18 Year-End Settlement

(a) As soon as possible following the close of each Fiscal Year, the City shall furnish Airline with an accounting of the costs and expenses actually incurred, revenues, and other credits actually realized (reconciled to the audited financial statements of the Airport System), and actual Enplaned Passengers and Total Landed Weight during such Fiscal Year with respect to each of the components of the calculation of the Terminal Building Rental, Apron Fee, and Landing Fee rates in ARTICLE 5, and shall recalculate the rentals, fees, and charges required for the Fiscal Year based on those actual costs and revenues (and calculate the Aggregate Airline Cost Per Enplaned Passenger for the Fiscal Year in order to determine if Section 5.14(b) is applicable). If requested by a Signatory Airline, the City shall convene a meeting of the AAAC to discuss the calculation of the year-end settlement before establishing final settlement amounts.

(b) In the event that the rentals, fees, and charges paid by Airline during the Fiscal Year were more than the amount of Airline's rentals, fees, and charges required as recalculated based on actual costs, expenses, and revenues, such excess amount shall be paid in lump sum to Airline within sixty (60) days of the calculation of such final settlement.

(c) In the event that the rentals, fees, and charges paid by Airline during the Fiscal Year were less than the amount of Airline's rentals, fees, and charges required as recalculated based on actual costs, expenses, and revenues, such deficiency shall be billed to Airline by the City and payable by Airline within sixty (60) days of the date of invoice.

(d) The provisions of this Section 5.18 shall survive the expiration or earlier termination of this Agreement.

ARTICLE 6
PAYMENT OF RENTALS, FEES, AND CHARGES

Section 6.1 Time of Payment

(a) Terminal Building Rentals and Apron Fees shall be due and payable by Airline on the first (1^{st}) day of each calendar month in advance without invoice from the City.

(b) Landing Fees, Common Use Charges, City Equipment Charges, and Per Turn Fees shall be due and payable by Airline without invoice on the tenth (10^{th}) day of the calendar month following the preceding calendar month for which such Landing Fees, Common Use Charges, City Equipment Charges, and Per Turn Fees are owed and shall be transmitted to the City by Airline together with the Airline Activity Report for such preceding calendar month.

(c) Other rentals, fees, and charges due and payable hereunder shall be paid by Airline no later than thirty (30) days' after Airline's receipt of an invoice for such rentals, fees, and charges from the City.

(d) The acceptance of any payment made by Airline shall not preclude the City from verifying the accuracy of Airline's reporting and computations or from recovering any additional payment actually due from Airline or preclude Airline from later demonstrating that Airline's report was inaccurate and that a lesser amount was properly owed (and to recover any such overpayment).

Section 6.2 Interest on Overdue Payments

Without waiving any other right available to the City, if Airline's payment of any rentals, fees, and charges under this Agreement, including Passenger Facility Charge proceeds, is not received within five (5) business days of the date such amount was due, Airline shall, with no further demand by the City, pay the City late fees in the form of interest thereon accruing from the date on which such amount was due to the date of payment at the rate of one and one-half percent (1.5%) per month; provided, however, that if the maximum rate then provided by law is less than 1.5% per month, then the rate shall be such maximum legal rate.

Section 6.3 Method of Payment

Rentals, fees, and charges shall be paid in United States Dollars by wire, electronic funds transfer, or check payable to the City of Dallas at the address or location to be provided by the City to Airline prior to the Commencement Date and updated by the City from time to time by written notice to Airline.

Section 6.4 Airline Books and Records

Airline agrees to keep books and records on its operations at the Airport, and make such books and records available at the Airport upon request of the City, for a period of at least four (4) years following the expiration or earlier termination of this Agreement or any longer period required by Applicable Laws. The Airport Director or any other authorized City representative, upon reasonable advance written notice to Airline, shall have the right to inspect and audit such books and records to ensure compliance with the prevailing municipal bond disclosure requirements and to determine that the City has received from Airline all moneys due the City under the terms hereof, including, but not limited to, rentals, fees, and charges and PFCs (if applicable) payable to the City by Airline.

Section 6.5 Passenger Facility Charges

(a) The City reserves the right to assess and collect PFCs subject to the terms and conditions set forth in 49 U.S.C. § 40117 (the "***PFC Act***") and the rules and regulations thereunder, 14 C.F.R. Part 158 (the "***PFC Regulations***"), as such may be amended from time to time. Airline will collect FAA-approved PFCs imposed by the City from all eligible Enplaned Passengers. On or before the last day of each month, Airline will remit to the City all PFC Revenue (defined below) collected for the previous month, less any compensation provided for under 14 CFR §158.53(a), as may be amended from time to time, together with all reports required under the PFC Regulations.

(b) If Airline transports passengers from the Airport on Airline's aircraft chartered by a charter Air Carrier or tour operator issuing passenger tickets other than Airline's, Airline will

provide the City with a schedule detailing the date and time of the flight and the number of Enplaned Passengers. Airline agrees to pay the required PFC amount due the City in a timely manner regardless of any reimbursement from the charter Air Carrier or tour operator with no liability to the City.

(c) Airline shall hold the net principal amount of all PFCs that are collected by Airline or its agents on behalf of the City pursuant to the PFC Act and the PFC Regulations in trust for the City. For purposes of this Section, net principal amount shall mean the total principal amount of all PFCs that are collected by Airline or its agents on behalf of the City, reduced by all amounts that Airline is permitted to retain pursuant to § 158.53(a) of the PFC Regulations (such net principal amount known as "***PFC Revenues***"). Airline acknowledges that all PFC Revenues collected for the City neither belong to, nor are owned by, Airline except to the extent set forth in applicable federal law and, unless the status of PFC Revenues in the possession of Airline is characterized in a separate manner under Applicable Laws (in which case such characterization shall prevail), that such PFC Revenues are held in trust by Airline for the exclusive use and benefit of the City. Airline shall not make any claim in any document or proceeding that, for PFC Revenues collected by Airline on behalf of the City, the Airline has any legal or equitable interest in such PFC Revenues, except to the extent Airline is specifically granted such interest by the PFC Act or PFC Regulations, including the right of reimbursement from such PFC funds for the Airline's costs of collection.

(d) Any late payment of the PFC may be subject to late fees computed at the rate of one and one-half percent (1.5%) per month or, if less, the highest rate permitted by Applicable Laws, from the due date until paid, to the extent allowed by Applicable Laws.

(e) Airline acknowledges that the City has given to the United States of America, acting by and through the FAA, certain assurances under the PFC Act and the PFC Regulations, including Appendix A thereto (the "***PFC Assurances***"), and Airline agrees that this Agreement shall be subordinate and subject to all PFC Assurances. In the event the FAA requires any modification of this Agreement as a condition precedent to the City's collection of PFCs or as a means to effect the City's compliance with the PFC Act, the PFC Regulations, or the PFC Assurances, Airline shall not withhold its consent to any modification of this Agreement as may reasonably be required for the City to collect PFCs or to comply with the PFC Act, PFC Regulations, and/or PFC Assurances.

Section 6.6 Payment Security

(a) The City may require Airline to provide the City, prior to the Commencement Date, with an acceptable bond, irrevocable letter of credit, or other similar security acceptable to the City in an amount equal to the estimate of three (3) months Airline rentals, fees, and charges payable by Airline under this Agreement, to guarantee the faithful performance by Airline of its obligations under this Agreement and the payment of all Airline rentals, fees, and charges due hereunder ("***Payment Security***"), provided, however, that this requirement shall be waived if Airline has been operating at the Airport for the immediately preceding two- (2) year period and Airline made timely payments directly to the City of Airline rentals, fees, and charges during such period. Such Payment Security will be in a form and with a surety acceptable to the City and licensed to do business in the State. In the event that any such Payment Security is for a period less than the full period required under this Agreement or if such Payment Security is canceled, Airline will provide a renewal or replacement Payment Security for the remaining required period at least sixty (60)

days prior to the date of such expiration or cancellation. Such Payment Security will require notice by the surety to the City at least sixty (60) days prior to any cancellation.

(b) In the event the City is required to draw down or collect against Airline's Payment Security for any reason, Airline will, within fifteen (15) days after such draw down or collection, take such action as is necessary to replenish the existing Payment Security to an amount equal to three (3) months estimated Airline rentals, fees, and charges or provide additional or supplemental Payment Security from another source so that the aggregate of all Payment Security is equal to three (3) months estimated Airline rentals, fees, and charges payable by Airline pursuant to this Agreement.

(c) In addition, upon the occurrence of any act or omission by Airline that would constitute a default under this Agreement beyond all applicable notice and cure (or, for payment defaults, if Airline has failed to make timely payment of Airline rentals, fees, and charges more than two (2) times in a six- (6) month period during the Term), or if the City deems itself insecure based upon a change in Airline's financial standing, or upon Airline's election to assume this Agreement under federal bankruptcy regulations, as such may be amended, supplemented, or replaced, the City, by written notice to Airline given at any time within ninety (90) days of the date such event becomes known to the City, may impose the requirements of this Section 6.6 upon Airline. In such event, Airline will provide the City with the required Payment Security within fifteen (15) days from its receipt of such written notice.

(d) The City's rights under this Section 6.6 will be in addition to all other rights and remedies provided to the City under this Agreement.

ARTICLE 7
AIRLINE ACTIVITY REPORT

Section 7.1 Form of Airline Activity Report

(a) Airline shall complete and file with the Airport Director no later than the tenth (10th) day of each month, an "***Airline Activity Report***" in the form attached hereto as **Exhibit G**, or in another format as approved or prescribed by the Airport Director, which report summarizes the information necessary for the computation of Airline's rentals, fees, and charges established under this Agreement for the prior month, including but not limited to the following data:

(i) Airline's and its Affiliates' Revenue Aircraft Arrivals at the Airport, including the Total Landed Weight of such Revenue Aircraft Arrivals;

(ii) Airline's and its Affiliates' Enplaned Passengers and Deplaned Passengers at the Airport, separately identified; and

(iii) The amount of freight, mail, and other cargo handled by Airline and its Affiliates through the Airport.

(b) Airline acknowledges that the City may require such information to be reported and/or verified by Airline through an electronic gate/ramp management system owned and managed by the City, if the City maintains such a system during the Term.

Section 7.2 Failure to Submit Airline Activity Report

If Airline fails to timely furnish the City with the report described above, the City reserves the right to calculate Airline's rentals, fees, and charges based on the City's reasonable estimates of activity. Any necessary adjustment for activity-based rentals, fees, and charges shall be calculated after an accurate report is delivered to the Airport Director by Airline for the month in question, and resulting surpluses or deficits shall be applied to Airline's rentals, fees, and charges for the next succeeding month. An accounting fee of $500 for each failure to furnish such report by Airline may be charged to Airline and shall be payable by Airline for the additional services required by the City pursuant to this paragraph in addition to any fees charged pursuant to Section 6.2.

ARTICLE 8
CAPITAL IMPROVEMENTS

Section 8.1 Generally

The City may undertake and finance, through Bonds or otherwise, Capital Improvements as it deems necessary to provide required facilities and ensure the safe operation of the Airport System in the interest of the traveling public and Airport tenants and users. The City will confer and coordinate with Airline and the other Signatory Airlines operating at the Airport regarding planned Capital Improvements at the Airport as further provided in and subject to this ARTICLE 8.

Section 8.2 Pre-Approval of Love Field Expansion Airport Program

(a) *Purpose.*

As of the Effective Date, the City is in the process of developing a comprehensive capital program involving the planning, design, and construction of various Capital Improvements to address existing facility deficiencies at the Airport and plan for the long-term future and growth of the Airport, referred to as the "***Love Field Expansion Airport Program***" or "***LEAP***." The City and Airline have consulted regarding preliminary (as of the Effective Date) cost estimates and scope descriptions for components of LEAP, including a planning-level program-wide budget for LEAP. While LEAP is still in conceptual planning stages, the Parties acknowledge that, as of the Effective Date, the facility deficiencies at the Airport necessitate immediate significant capital investment beginning prior to the Commencement Date and to continue during the Term. To that end, the Parties have agreed to the provisions of this Section 8.2, which include, by execution of this Agreement, Airline's pre-approval of certain matters related to LEAP.

(b) *Preliminary List of Projects*.

(i) LEAP includes both (A) Capital Improvements in Airline-Supported Cost Centers (the "***Airline LEAP Projects***"), and (B) Capital Improvements in Cost Centers other than the Airline-Supported Cost Centers ("***Other LEAP Projects***"). **Exhibit H-2** shows the Airline LEAP Projects and Other LEAP Projects anticipated to be part of LEAP as of the Effective Date.

(ii) Without limiting any other provision in this ARTICLE 8, the City and Airline agree that the Other LEAP Projects are not subject to MII review, are not included in the calculation of the Pre-Approved LEAP Amount (defined below), and have been included in **Exhibit H-2** solely in order to provide information about LEAP in its entirety at its current stage at the Effective Date.

(c) *Pre-Approved LEAP Amount; Modifications to Airline LEAP Projects*.

The City and Airline agree that the City shall proceed with the planning, design, and construction of LEAP and include the Project Costs of the Airline LEAP Projects directly in Airline's rentals, fees, and charges without further MII review. The total pre-approved amount of Airline Rate-Based Project Costs for the Airline LEAP Projects is ($800,000,000) (the "***Pre-Approved LEAP Amount***"). The City and Airline acknowledge that LEAP is still at the conceptual planning stage as of the Effective Date and that the Pre-Approved LEAP Amount and the scope of LEAP are likely to require modifications as the Airline LEAP Projects advance to design and construction stages. Therefore, the City and Airline agree to the following procedures for modifications to the scope and costs of the Airline LEAP Projects and Pre-Approved LEAP Amount after the Effective Date:

(i) Beginning on January 1st of the calendar year following the Effective Date and every year thereafter, the City shall adjust the Pre-Approved LEAP Amount by determining the increase in the then-estimated total Project Costs for each of the Airline LEAP Projects that have not been completed ("***Uncompleted LEAP Projects***") based on the percentage increase, if any, in the Construction Cost Index since the previous January 1st and then increasing the Pre-Approved LEAP Amount attributable to the Uncompleted LEAP Projects by any increased amounts, without requiring MII review pursuant to Section 8.4. The City shall provide written notice to each of the Signatory Airlines of the amount of each such increase not later than March 30th of each year following the Effective Date.

(ii) In addition to and separate from the adjustments made pursuant to Section 8.2(c)(i), the City shall be permitted to make a one-time adjustment to the Pre-Approved LEAP Amount to account for the anticipated costs of planning, design, and overall program management, without requiring MII review pursuant to Section 8.4. The City shall make such adjustment in its reasonable discretion based on cost estimates it has obtained that are standard with industry practice and after consultation with the LEAP Advisory Committee. The City shall provide written notice to each of the Signatory Airlines of the amount of the one-time adjustment.

(iii) The City has not decided the order and timing of construction of the Capital Improvements included in LEAP as of the Effective Date. The City shall consult with the LEAP Advisory Committee on such order and timing but shall be responsible for all final decisions about project prioritization and scheduling in the best interest of the Airport; provided, however: (A) the City shall use commercially reasonable efforts to phase the Airline LEAP Projects within the overall LEAP by giving priority to Capital Improvements that are most functionally important to the Signatory Airlines; (B) the City shall commence construction of the Terminal Concourse Project prior to or together with the

commencement of construction of the other Airline LEAP Projects; and (C) following construction commencement, the City will diligently pursue completion of the Airline LEAP Projects. Airline acknowledges and agrees that the City shall have the right to initiate and construct the additional Airline LEAP Projects (and any other Capital Improvements) prior to substantial completion of the Terminal Concourse Project, including if the City determines that construction efficiencies may be achieved by doing so; provided that the City shall use commercially reasonable efforts to ensure such other Capital Improvements do not substantially delay the established baseline schedule of the Terminal Concourse Project. If the City anticipates that such a substantial delay is necessary in order for the City to commence such other Capital Improvement (unless that Capital Improvement is emergency, ancillary or enabling to the Terminal Concourse Project, or an Exempt Project), the City shall notify the LEAP Advisory Committee in writing and schedule a meeting to discuss the reasons for the delay. If the LEAP Advisory Committee does not reach agreement approving the delay, the City must modify the proposed schedule of such Capital Improvement to avoid the substantial delay unless the proposed schedule is approved by an MII pursuant to Section 8.4.

(iv) The City may make reasonable changes to the scope of LEAP and the Airline LEAP Projects during planning and design in consultation with the LEAP Advisory Committee without MII review pursuant to Section 8.4, provided that such reasonable changes to the scope of an Airline LEAP Project are not anticipated to cause the City to exceed the Pre-Approved LEAP Amount by more than ten percent (10%) and do not constitute a Material Airline LEAP Project Change. If the City proposes a Material Airline LEAP Project Change, the City shall notify the LEAP Advisory Committee in writing and schedule a meeting to discuss the reasons for the proposed Material Airline LEAP Project Change. After such meeting, if the City elects to proceed with the proposed Material Airline LEAP Project Change, the City shall submit the proposed Material Airline LEAP Project Change for MII review pursuant to Section 8.4. If an MII disapproves the proposed Material Airline LEAP Project Change, the LEAP Advisory Committee will collaborate on an alternative course of action. If no alternative course of action can be agreed upon, the City may still, in its discretion, proceed with the Airline LEAP Project without making the proposed Material Airline LEAP Project Change that triggered MII review.

(v) If the City reasonably anticipates, at the time the City receives bids for construction, new or revised independent fee estimates, or other pertinent information, that an Airline LEAP Project is projected to cause the City's estimated total cost of completion of the Airline LEAP Projects to exceed the Pre-Approved LEAP Amount in Airline Rate-Based Project Costs, taking into account the adjustments made by the City pursuant to Section 8.2(c)(i) and Section 8.2(c)(ii), by more than ten percent (10%), the City may:

(A) Revise such Airline LEAP Project so that such Airline LEAP Project would no longer cause the Pre-Approved LEAP Amount to be exceeded by more than ten percent (10%);

(B) Revise other components of the Airline LEAP Projects, after consultation with the LEAP Advisory Committee (defined below), so that such Airline

LEAP Project would no longer cause the Pre-Approved LEAP Amount to be exceeded by more than ten percent (10%); or

(C) Submit the increase in the per-project Airline Rate-Based Project Costs of such Airline LEAP Project for MII review pursuant to Section 8.4. In such case, the increased Airline Rate-Based Project Costs approved by such MII shall be added to the Pre-Approved LEAP Amount for purposes of evaluating future increases to the Pre-Approved LEAP Amount.

(vi) The City anticipates that it will issue General Airport Revenue Bonds (GARBs) in multiple tranches to finance LEAP.

(vii) The Parties agree that close communication and coordination regarding LEAP is a shared goal, particularly in light of the City's proposed plans to design and construct new terminal facilities to expand capacity and increase efficiency of use of Airport facilities. In order to effectuate such communication, the City shall form and participate in, and the Signatory Airlines shall participate in, a program advisory and management committee (the "***LEAP Advisory Committee***") in the structure described in **Exhibit I**. Decisions by the City shall be final, as informed by the LEAP Advisory Committee, unless separately subject to MII review. The Parties agree that such LEAP Advisory Committee may also be utilized to coordinate various consultations regarding Capital Improvements other than those included in LEAP throughout the Term, provided, however, that the City shall also provide updates to and solicit feedback from the Signatory Airlines about LEAP, additional Capital Improvements, the Annual Budget, and other airport –airline matters at meetings of the AAAC.

(viii) The City will use diligent efforts to reduce the overall cost of the Airline LEAP Projects to the Signatory Airlines by seeking out federal and state grant funding for the Airline LEAP Projects and pursuing new opportunities for revenue generation, including, for example, maximizing concessions revenue from new and existing concession operations.

(ix) The City may, pursuant to separate written agreement, contract with a third party (including, without limitation, a Signatory Airline) for construction of portions of the Airline LEAP Projects, or use another alternative delivery method for the procurement of the Airline LEAP Projects. Prior to entering into any such agreement, the City will consult with the AAAC about the contract or proposed alternative delivery method, role of such third party, scope of work to be covered, and the processes to be established for City oversight and reimbursement in such agreement. In the event the City enters into such separate written agreement for such third party to construct all or portions of the Terminal Concourse Project, the construction shall be in accordance with a City-approved program definition manual and project construction documents.

Section 8.3 Additional Capital Improvements

Capital Improvements proposed by the City during the Term which are not Airline LEAP Projects, Other LEAP Projects, or Exempt Projects (defined below) shall be subject to MII review

in accordance with the procedures of this ARTICLE 8 if and to the extent that the City proposes to include the Project Costs of such Capital Improvements directly in Airline's rentals, fees, and charges.

Section 8.4 Process for MII Review

(a) For any Capital Improvement subject to MII review pursuant to this ARTICLE 8, the City shall provide the Signatory Airlines a written proposal including at minimum the following information:

(i) A description of the Capital Improvement, together with cost estimates in current year dollars (and projected cost estimates based on escalating such cost estimates to project completion) and any available drawings or depictions;

(ii) An explanation of the increase in Airline Rate-Based Project Costs triggering MII review of a previously approved Capital Improvement, if applicable;

(iii) An explanation of the Material Airline LEAP Project Change, including then-currently anticipated total Project Costs of such Airline LEAP Project, if applicable;

(iv) A statement of the need for the Capital Improvement and any associated benefits to be derived;

(v) The proposed means of funding and identification of the Cost Centers to be charged;

(vi) The anticipated timeline for implementation;

(vii) Any known impact on airline-related leased or assigned premises; and

(viii) An analysis of potential alternative solutions considered, including a do-nothing option.

(b) A Capital Improvement shall be deemed approved if (i) an MII approves it; or (ii) the City is not notified in writing by an MII, within thirty (30) days of delivery of the written proposal referenced in Section 8.4(a) to the Signatory Airlines by the City, that each Signatory Airline included in such MII has disapproved of the City's proposal. Partial disapproval of or written comment to such proposal without a disapproval of such proposal within the thirty- (30) day period shall constitute a Signatory Airline's approval for purposes of calculating an MII under this Section.

Section 8.5 Deferral by MII

(a) Any Capital Improvement subject to MII review which is disapproved by an MII pursuant to Section 8.4 shall be deferred for the applicable time period in Section 8.5(b) unless the City chooses to proceed with such Capital Improvement without including Airline Rate-Based Project Costs of such Capital Improvement in Airline's rentals, fees, and charges, in which case no further MII review shall be required. Once the deferral period has expired, the City may proceed

with such Capital Improvement and include the Airline Rate-Based Project Costs of such Capital Improvement in Airline's rentals, fees, and charges without further MII review.

(b) Deferral by an MII pursuant to this Section shall be:

(i) For one (1) year, for Capital Improvements that do not exceed Five Million Dollars ($5,000,000) in Airline Rate-Based Project Costs;

(ii) For two (2) years, for Capital Improvements that are more than Five Million Dollars ($5,000,000) in Airline Rate-Based Project Costs but do not exceed Ten Million Dollars ($10,000,000) in Airline Rate-Based Project Costs; or

(iii) For the remainder of the Term, for Capital Improvements that are more than Ten Million Dollars ($10,000,000) in Airline Rate-Based Project Costs.

(c) The City may resubmit any Capital Improvement subject to MII review that is disapproved by an MII pursuant to Section 8.4 no less than thirty (30) days after the original disapproval.

(d) The disapproval and any deferral of a Capital Improvement by an MII pursuant to Section 8.4 and Section 8.5 shall not extend beyond the expiration of the Term.

Section 8.6 Exempt Projects

(a) In addition to the Other LEAP Projects, the City may proceed with the following Capital Improvements and include the Airline Rate-Based Project Costs (if any) of such Capital Improvements in the calculation of Airline's rentals, fees, and charges without MII review during the Term ("***Exempt Projects***"):

(i) Capital Improvements in Cost Centers other than the Airline-Supported Cost Centers;

(ii) Capital Improvements whose Airline Rate-Based Project Costs do not exceed One Million Dollars ($1,000,000);

(iii) Capital Improvements that have previously been reviewed and were not disapproved by an MII under a Prior Use and Lease Agreement (or are underway as of the Commencement Date and were not subject to such MII review under such Prior Use and Lease Agreement);

(iv) Capital Improvements to maintain, operate, or create Airport functional capability and capacity at a level that is necessary for public health, safety, access, or security;

(v) Capital Improvements that are necessary to comply with a rule, regulation, or order of any federal, State, or local Government Agency that has jurisdiction over the operation of the Airport;

(vi) Capital Improvements necessary to settle lawsuits, satisfy judgments, or pay fines imposed by a Government Agency arising from or related to the ownership, operation, maintenance or use of the Airport;

(vii) Capital Improvements to repair casualty damage net of insurance proceeds to Airport property;

(viii) Capital Improvements of an emergency nature, which in the reasonable judgment of the City, if not undertaken, would substantially impair the current operation of the Airport;

(ix) Capital Improvements to develop a Special Purpose Facility requested, funded and paid by a single Air Carrier or other tenant;

(x) Capital Improvements that consist of the acquisition of land necessary (as determined by the City in its reasonable discretion) to preserve, protect, or enhance the Airport; and

(xi) Capital Improvements contemplated by Section 4.12.

(b) The City shall notify the AAAC in writing of any Exempt Projects that were not included in the Annual Budget for the Fiscal Year at least thirty (30) days prior to incurring Airline Rate-Based Project Costs (except in case of emergency or if for safety or security pursuant to Section 8.6(a)(viii) or Section 8.6(a)(iv) in which case notice shall be given as soon as reasonably practical).

(c) The Parties acknowledge their intent that a single project not be spread across multiple Fiscal Years solely to escape the provisions of Section 8.5 or Section 8.6(a)(ii), provided, however, that this intent shall not act to preclude the City from completing separate projects that are reasonably part of a multiyear program, and the City will advise Airline of the general scope of such program encompassing such individual project elements.

Section 8.7 MII Review Triggered by Increased Costs

For any Capital Improvement other than an Airline LEAP Project, an Other LEAP Project, or an Exempt Project, if the City reasonably anticipates, at the time the City receives bids for construction, new or revised independent fee estimates, or other pertinent information, that the Airline Rate-Based Project Costs of such Capital Improvement will exceed the estimated Airline Rate-Based Project Costs previously submitted to the Signatory Airlines pursuant to Section 8.4, as escalated to current dollars by the then-current Construction Cost Index, by more than ten percent (10%), the City may not include such increase in Airline Rate-Based Project Costs in Airline's rentals, fees, and charges unless an MII has approved such increased Airline Rate-Based Project Costs of the Capital Improvement pursuant to Section 8.4.

ARTICLE 9
MAINTENANCE RESPONSIBILITIES

Section 9.1 Designation of Maintenance Responsibilities

In addition to the obligations of Airline and the City set forth herein, responsibilities for maintenance, cleaning, and operation of the Airport as between Airline and the City shall be as set forth in **Exhibit J**.

Section 9.2 City Obligations

(a) The City shall, with reasonable diligence, develop, improve, and at all times maintain and operate the Airport with qualified personnel and keep the Airport in an orderly, clean, neat, and sanitary condition, and in good repair, unless such maintenance, operation, or repair shall be Airline's obligation pursuant to this Article and/or **Exhibit J**.

(b) The City shall, to the extent permitted by Applicable Law, 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) The City shall not be liable to Airline for temporary failure to furnish all or any of the services to be provided in accordance with this Section and/or **Exhibit J** when such failure is due to mechanical breakdown not caused by the City's negligence or any other cause beyond the reasonable control of the City. Further, the City shall not be liable to Airline in damages, or for any reduction in Airline rentals, fees, and charges, or otherwise, for the interruption of utility services (including heating, ventilation, or air conditioning): (i) to the extent any utility shall become unavailable from any public utility company, public authority, or any other person or entity supplying or distributing such utility; or (ii) for any interruption in any service hereunder (including, without limitation, any heating, ventilation, or air conditioning) caused by the making of any necessary repairs or improvements; or (iii) which results from any cause beyond the reasonable control of the City. In no event shall the City be responsible to Airline for indirect or consequential damages.

Section 9.3 Airline Obligations

(a) Airline shall, at its own cost and expense, be responsible for performing, or causing to be performed, maintenance, replacement, and repair of its Airline Premises in accordance with **Exhibit J**, and of its own personal property, whether or not the same is affixed or attached to such Airline Premises. Airline shall, at all times, preserve and keep the Airport, Airport facilities, and 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 or other responsibilities if designated to be those of the City pursuant to **Exhibit J**.

(b) Airline shall keep, at its own expense, its assigned aircraft parking positions and Apron Areas free of fuel, oil, and other foreign objects and debris resulting from Airline's operations.

(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 obligations hereunder, the City shall have the right to enter the Airline Premises and perform such obligations; provided, however, that other than in a case of emergency, the City shall give Airline reasonable advance written notice of non-compliance and an opportunity to cure not less than 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 City approval (or, in the alternative, with a City approved schedule) reasonably necessary to effectuate such cure. If such right is exercised, Airline shall pay the City, upon receipt of invoice, the cost of performing such activities plus ten percent (10%). Notwithstanding the foregoing, however, if Airline's failure to perform any such obligation endangers the safety of the public, the employees or property of City, or other tenants of the Airport and the Airport Director so states in its written notice to Airline, the City may perform such obligation of Airline at any time after the giving of such notice and charge to Airline the cost of such performance which Airline shall pay as aforesaid plus ten percent (10%).

Section 9.4 Delegation of City Responsibility to Airline

Nothing herein shall preclude the City and a Signatory Airline from agreeing, from time to time, pursuant to a separate written agreement between the City and such Signatory Airline, that such Signatory Airline shall perform certain maintenance, cleaning, or operating tasks of the City on behalf of the City, and the City shall reimburse such Signatory Airline for the costs of such performance. If so, such Signatory Airline shall provide the City with accompanying invoices, receipts, or other written documentation explaining and showing all work performed on the City's behalf with any request for reimbursement by the City, such that the City can reasonably verify in detail such costs. In advance of performing any major maintenance or entering into any contract for recurring work that such Signatory Airline has agreed to perform on behalf of the City, such Signatory Airline shall advise the City of the estimated costs and timing for such work, and the terms of the applicable contract, if any, prior to incurring any such costs or entering into any such contract, and the City shall have the right to request additional estimates or disapprove certain costs in its reasonable discretion.

Section 9.5 Airline Improvements

(a) *Approval of Airport Director Required*. No alterations, modifications or improvements shall be made by Airline to the Airline Premises ("***Airline Improvements***") unless the Airport Director consents in writing to the proposed Airline Improvements in advance and such Airline Improvements are in conformance with the requirements of this Article and Applicable Laws. Airline covenants and agrees to pay all costs necessary to complete approved Airline Improvements. The City will not be responsible for any costs relating to such alterations or improvements, regardless of whether such alterations or improvements were requested by Airline or required by any Governmental Agency (including the City in its governmental capacity) or pursuant to Applicable Laws.

(b) *Construction Application*. Prior to entering any contract for such Airline Improvements, or commencing the work itself, Airline shall first submit or cause to be submitted

to the Airport Director for their approval, a request for approval, together with complete plans and specifications for the proposed Airline Improvements and the name of the contractor(s) to whom Airline proposes to award the contract for such work. Airline shall require in each contract for the construction, alteration, or repair of any Airline Improvements that the contractor: (A) execute a payment bond that conforms to Subchapter I, Chapter 53, Texas Property Code, approved as to form by the Airport Director; and (B) execute a performance bond in an amount equal to the amount of the contract for the protection of the governmental entity and conditioned on the faithful performance of the contractor's work in accordance with the plans, specifications, and contract documents, approved as to form by the Airport Director. Airline shall provide the City with a notice of commencement consistent at least ninety (90) days before the date any Airline Improvements work begins.

(c) *Required Standard Construction Contract Provisions*. Airline shall include in all construction contracts entered into by Airline for Airline Improvements, provisions requiring the contractor, or, in the alternative, Airline, to indemnify, hold harmless, and defend the City and the Indemnified Parties against Losses arising out of or in connection with the performance of any or all of the construction work, against risk of loss or damage to such work prior to the completion thereof, and, against the Losses resulting from claims and demands by third persons arising out of the performance of the construction work to at least the same extent as Airline must indemnify the City pursuant to ARTICLE 14. Additionally, Airline shall provide or cause the contractor to furnish insurance in accordance with the requirements contained in **Exhibit K** naming the City as an additional insured. Airline shall also include or cause to be included in any construction contract for Airline Improvements such provisions as may be reasonably required by the City relating to the operation or performance of the contractor at the Airport.

(d) *Quality of Materials and Workmanship*. Airline agrees that all work by it or its contractors for Airline Improvements shall be performed in a good and workmanlike manner and shall be performed in full compliance and in accordance with the plans and specifications approved by the Airport Director, and such work shall be coordinated with the Airport Director prior to the commencement of work and subject to their inspection during the performance thereof and after it has been completed.

(e) *Preparation and Delivery of Plans, Specifications, and Drawings.* Airline shall deliver to, or cause to be delivered to the Airport Director, a set of plans for the Airline Improvements, and at reasonable intervals, progress reports of the work performed or to be performed and shall at all times during the Term keep such drawings current showing thereon any changes or modifications made in or to the Airline Improvements. All plans and specifications shall be prepared by architects and engineers licensed in the State. Upon completion of construction, Airlines shall provide the Airport Director with a complete set of as-built plans in both electronic and paper form, including specifications and addendums. Airline shall ensure all plans and specifications and all Airline Improvements meet all City fire and building code requirements, including obtaining of and compliance with building permits, and shall provide for construction from material reasonably satisfactory to and acceptable by the Airport Director.

(f) *Ownership of Improvements*. The Airline Improvements, excluding trade fixtures therein (which shall remain the property of Airline) shall be owned by the City upon the date that

a certificate of occupancy has been issued by the City Building Official, or, the date that Airline has beneficially occupied the Airline Improvements so constructed, whichever date is earliest.

(g) *Construction Safety and Security Measures*. If the performance of any alterations, modifications, or improvements to the Airline Premises requires work to be performed near an active taxiway or where safety or security of terminal or air operations is involved, Airline agrees that it will, at its own expense, post guards or erect barriers or other safeguards approved by the Airport Director at such locations so as to provide for the safety of work performed and the security of the work area and take any other reasonably necessary safety or security precautions requested by the Airport Director.

(h) *Compliance with Safety Management System Manual*. Construction and all related activities conducted pursuant to this Section shall be conducted in compliance with the City's Safety Management System Manual, as such may be amended from time to time.

Section 9.6 City Improvements to Airline Premises

The City reserves the right to make alterations, modifications, and improvements in the Airline Premises that benefit or maintain the public or common areas of the Airport, including, but not limited to, the Terminal Building and the Apron Area. The City shall exercise such right in cooperation with Airline's construction representatives and will cause the construction work to be carried out without undue interference with Airline's operations at the Airport.

Section 9.7 Visual Artists Rights Act

Airline shall not install any object in the Terminal Building or the Airline Premises or commence construction of any alterations, additions, or improvements that constitutes a work of visual art under the Visual Artists Rights Act of 1990, 17 U.S.C. § 106A, as amended ("***VARA***") unless and until Airline has provided the City with either (a) written notification satisfactory to the City that VARA does not apply; or (b) a written waiver from the author of a work of visual art, in form and substance reasonably satisfactory to the City, which identifies specifically the work of visual art and the uses of that work to which the waiver applies in accordance with 17 U.S.C. § 106A(e)(1).

Section 9.8 Performance by City Upon Failure of Airline to Maintain

In the event Airline fails within thirty (30) days after receipt of written notice from the City to perform any of its obligations required hereunder, the City may enter the Airline Premises involved, without such entering causing or constituting a termination of this Agreement or an interference with the possession of said Airline Premises by Airline, and do all things reasonably necessary to perform such obligation. The Airport Director may charge Airline the City's cost of performing such maintenance or repair plus ten percent (10%) for administration. Airline agrees to pay to the City upon demand such charges in addition to any other amounts payable by Airline hereunder; provided, however, that if Airline's failure to perform any such obligation endangers the safety of the public, the employees or property of the City, or other tenants of the Airport and the Airport Director so states in its written notice to Airline, the City may perform such obligation of Airline at any time after the giving of such notice and charge to Airline the reasonable cost and

expense of such performance including any administrative fees which Airline shall pay as aforesaid.

ARTICLE 10
DAMAGE OR DESTRUCTION

Section 10.1 Partial Damage

In the event all or a portion of the Airline Premises is partially damaged by fire, explosion, the elements, a public enemy, act of God, or other casualty, but not rendered untenantable in whole or in part, Airline will give the City immediate notice thereof, and the City will make the repairs with due diligence. No abatement of Airline rentals, fees, and charges shall accrue to Airline so long as the Airline Premises remain entirely tenantable.

Section 10.2 Extensive Damage

In the event damage to the Airline Premises by fire, explosion, the elements, a public enemy, act of God, or other casualty are so extensive as to render all or a significant portion of the Airline Premises untenantable, but the City determines that the Airline Premises are capable of being repaired within one hundred twenty (120) days, the City will give Airline immediate notice of such determination, and the City will make the repairs with due diligence. In such case, the portion of the Airline rentals, fees, and charges attributable to untenantable Airline Premises will abate from the date of casualty until such time as the City issues notice to Airline that repairs are in fact substantially complete and that the untenantable portion of the Airline Premises can be re-occupied.

Section 10.3 Complete Destruction

(a) In the event the Airline Premises are completely destroyed by fire, explosion, the elements, a public enemy, act of God, or other casualty or are so damaged as to render the entire Airline Premises untenantable, and the City determines that the Airline Premises cannot be repaired within one hundred twenty (120) days, the City will give Airline immediate notice of such determination, and the City's election whether or not to repair, replace, or reconstruct the Airline Premises, provided that the City will be under no obligation to repair, replace, or reconstruct the Airline Premises. If the City elects to repair, replace, or reconstruct the Airline Premises, the portion of the Airline rentals, fees, and charges attributable to untenantable Airline Premises will abate from the date of casualty until such time as the City issues notice to Airline that that repairs are in fact substantially complete and the untenantable portion of the Airline Premises can be re-occupied.

(b) In the event the City elects not to repair, replace, and reconstruct the Airline Premises, the City will not be required to grant Airline alternative premises if none is available, but shall use commercially reasonable efforts to provide alternative space for Airline.

(c) In the event the City elects to not repair, reconstruct, or replace affected Airline Premises or the City fails to provide Airline with comparable replacement space for the affected Airline Premises, either Party may terminate this Agreement with respect to the affected portion of the Airline Premises. The City shall meet and consult with Airline on ways and means to

permanently provide Airline with comparable replacement space for the affected Airline Premises. In such event, the Parties agree to amend this Agreement to reflect related additions and deletions to Airline Premises.

Section 10.4 Damage Caused by Airline

Notwithstanding the foregoing, in the event that all or a portion of the Airline Premises is damaged or destroyed by fire, other casualty or otherwise as a result of the negligence or willful act or omission of Airline or an Airline Party, there shall be no abatement of Airline rentals, fees, and charges during the period of repair or replacement of said Airline Premises.

Section 10.5 City's Responsibilities

The City shall maintain 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 of Airport facilities as determined from time to time by the City's insurance consultant; provided, however, that the City's obligations to repair, reconstruct, or replace affected Airline Premises under the provisions of this Article 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; provided, further, that the City 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 the gross negligence or willful act or omission of the City, its officers, agents, or employees acting within the course or scope of their employment.

Section 10.6 Limits of City's Obligations Defined

Redecoration, replacement, and refurbishment of Airline-owned furniture, fixtures, equipment, and supplies will be the responsibility of and paid for by Airline, and any such redecoration and refurbishing or re-equipping will be of substantially equivalent quality to that originally installed hereunder. The City will not be responsible to Airline for any claims related to loss of use, loss of profits, or loss of business resulting from any partial, extensive, or complete destruction of the Airline Premises regardless of cause of damage.

ARTICLE 11
DEFAULT AND TERMINATION

Section 11.1 Events of Default by Airline

Each of the following events shall constitute an "***Airline Event of Default***":

(a) The failure by Airline to duly and punctually pay any rentals, fees, and charges required to be paid to the City hereunder or the failure to make payment of any other sum required to be paid to the City pursuant to this Agreement (including, without limitation, the failure to transmit to the City PFCs on a timely basis in accordance with the PFC Regulations) within ten (10) days of the date such payment is due, except for with respect to Airline rentals, fees, and charges described in Section 6.1(c) and not explicitly defined herein, failure by Airline to make timely payment within thirty (30) days of the date such payment was due; provided, however, that

the first two (2) times any such failure occurs within a twelve (12) month period, the City shall provide Airline with written notice of such failure and ten (10) days to cure after such written notice and such failure shall not constitute an Airline Event of Default if Airline makes payment within such ten- (10) day cure period;

(b) The filing by Airline of a voluntary petition in bankruptcy or an assignment for benefit of creditors of all or any part of Airline's assets during bankruptcy proceedings;

(c) The adjudication of Airline as bankrupt pursuant to any involuntary bankruptcy proceedings or an involuntary filing for bankruptcy protection that is not dismissed within sixty (60) days of its filing;

(d) If a court or Governmental Agency of competent jurisdiction shall enter an order appointing, without consent by the Airline, a custodian, receiver, trustee, or other officer with similar powers with respect to the Airline or with respect to any material part of its property, or if an order for relief shall be entered in any case or proceeding for liquidation or reorganization or otherwise to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Airline, or if any petition for any such relief shall be filed against the Airline and the same shall not be dismissed within thirty (30) days;

(e) The voluntary abandonment by Airline of the conduct of its Air Transportation Business at the Airport for thirty (30) consecutive days, except if such abandonment is caused by a Force Majeure event as set forth in Section 17.6;

(f) The failure by Airline to provide the insurance coverages required pursuant to ARTICLE 15;

(g) A lien is filed against Airport property or Airline's leasehold interest therein because of any act or omission of Airline and is not removed within thirty (30) days of Airline's receipt of written notice of such filing;

(h) Except as otherwise permitted herein, this Agreement or the right and interest of Airline hereunder is transferred other than by operation of law to any other person, firm, or corporation without the City's prior written approval;

(i) Except as otherwise permitted herein, Airline assigns, transfers, encumbers, or subcontracts this Agreement or any interest therein without the prior written approval of the City;

(j) Airline conducts business activities at the Airport that are not permitted under Section 3.1, and that have not been approved in writing by the City, and Airline has not ceased such unauthorized business activities within ten (10) days of written notice from the City; or

(k) The breach by Airline of any of the other covenants or agreements contained in this Agreement, including without limitation, timely provision of required reports as provided in Section 7.1, and the failure of Airline to remedy such breach within thirty (30) days of written notice from the City; provided, however, if the default cannot reasonably be remedied within thirty (30) days Airline must begin reasonable corrective action to remedy the breach within the thirty (30) day period and diligently pursue such until the default is remedied.

Section 11.2 Remedies Available to the City

(a) In the event of any of the foregoing Airline Events of Default enumerated in this Article, and, if applicable pursuant to Section 11.1 above, following written notice by the City and Airline's failure to cure, the City, at its election, may exercise any one or more of the following options or remedies, the exercise of any of which will not be deemed to preclude the exercise of any other remedy herein listed or otherwise provided by Applicable Laws:

(i) Terminate this Agreement and Airline's rights herein, provided that Airline will remain liable for all payments or other sums due under this Agreement and for all damages suffered by the City because of Airline's breach of any of the covenants of this Agreement; or

(ii) Treat the Agreement as remaining in existence, curing Airline's default by performing or paying the obligation that Airline has breached, provided that in such event all sums paid or expenses incurred by the City directly or indirectly in curing Airline's default will become immediately due and payable, as well as interest thereon, from the date such fees or charges became due to the date of payment, plus interest calculated as provided in Section 6.2, to the maximum extent permitted by law.

Section 11.3 Non-Exclusive Remedies

The rights and remedies of the City provided under this Article are not exclusive and are in addition to any other rights and remedies which the City may have at law or in equity or under this Agreement.

Section 11.4 No Waiver

No waiver by the City at any time of any of the terms, conditions, covenants, or agreements of this Agreement, or non-compliance therewith, will be deemed or taken as a waiver at any time thereafter of the same or any other term, condition, covenant, or agreement herein contained, nor of the strict and prompt performance thereof by Airline. No delay, failure, or omission of the City to re-enter the Airline Premises or to exercise any right, power, privilege, or option arising from any default nor subsequent acceptance of fees or charges then or thereafter accrued will impair any such right, power, privilege, or option, or be construed to be a waiver of any such default or relinquishment, or acquiescence of the Airline Premises. No notice by the City will be required to restore or revive time is of the essence hereof after waiver by the City or default in one or more instances. No option, right, power, remedy, or privilege of the City will be construed as being exhausted or discharged by the exercise thereof in one or more instances. It is agreed that each and all of the rights, powers, options, privileges, or remedies given to the City by this Agreement are cumulative and that the exercise of one right, power, option, privilege, or remedy by the City will not impair its rights to any other right, power, option, privilege, or remedy available under this Agreement or provided by Applicable Law.

ARTICLE 12
ASSIGNMENT AND SUBLETTING

Section 12.1 Assignment and Subletting

(a) Airline shall not directly or indirectly assign, sell, sublease, or otherwise transfer this Agreement or any rights to the Airline Premises with respect to the Preferential Use Premises or Common Use Space. Without limiting the foregoing, Airline shall not directly or indirectly assign, sell, sublease, or otherwise transfer this Agreement with respect to any rights to the Exclusive Use Premises without the prior written approval of the City, which approval shall not be unreasonably withheld. The foregoing shall not prevent the assignment of this Agreement to any parent or subsidiary or any corporation with which Airline may merge or consolidate, or which may succeed to the business of Airline, provided such successor corporation no later than thirty (30) days after the date of such merger, consolidation, or succession shall acknowledge by a writing satisfactory in form and content to the City that it has assumed all obligations of Airline and will fully honor all the terms and conditions set forth in this Agreement.

(b) If a sublease or assignment is approved for the Exclusive Use Premises, Airline will be solely responsible for ensuring that its sublessee or assignee performs pursuant to and in compliance with the terms of this Agreement. All of the terms, provisions, covenants, stipulations, conditions, and consideration in this Agreement shall extend to and bind the legal representatives, successors, sublessees, and assigns of the respective Parties hereto. If an Airline Event of Default shall occur and be continuing under this Agreement, the City may collect rent from such sublessee or assignee and apply the amount collected to the extent possible to satisfy the obligations of Airline hereunder, but no such collection shall be deemed a waiver by the City of the covenants contained herein or the acceptance by the City of such sublessee or assignee as a successor to Airline or a release of Airline by the City from its obligations hereunder.

(c) Airline shall include with its request for permission to assign or sublease a copy of the proposed assignment or sublease agreement. The proposed assignment or sublease agreement submitted with Airline's request shall include the following information: (i) the term (which shall not extend longer than the Term of this Agreement); (ii) the portion or entirety of the Exclusive Use Premises to be subleased or assigned; (iii) the provision that assignee or sublessee must execute a separate agreement with the City for operating at the Airport; (iv) the rentals, fees, and charges to be paid by such sublessee or assignee, which shall not be greater than 110% of the Terminal Building Rentals for such space paid by Airline; and (v) financial information satisfactory to the City regarding such proposed subtenant or assignee. Any other information reasonably requested by the City 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 the City for final approval within sixty (60) days of the occupancy of Airline Premises, or any portion thereof, by the assignee or sublessee.

(d) In no event will any approved assignment or sublease diminish the City's rights to enforce any and all provisions of this Agreement.

(e) Nothing in this ARTICLE 12 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.

ARTICLE 13
COMPLIANCE WITH LAWS

Section 13.1 Compliance with Applicable Laws

Airline shall observe and comply with and cause the Airlines Parties to observe and comply with all Applicable Laws in connection with Airline's activities under this Agreement and Airline's use and occupancy of the Airline Premises and the Airport.

Section 13.2 Compliance with Airport Rules and Regulations

Without limiting the foregoing, Airline shall specifically observe and comply and cause the Airline Parties to observe and comply with all Airport Rules and Regulations.

Section 13.3 Payment of Taxes

Airline shall pay all taxes that may be levied, assessed, or charged upon Airline or its property located on the Airport by the State of Texas or any of its political subdivisions or municipal corporations, and shall obtain and pay for all licenses and permits required by Applicable Laws and cause the Airline Parties to do the same in connection with this Agreement. However, Airline shall have the right to contest, in good faith, the validity or application of any such tax, license, or permit and shall not be considered in default hereunder as long as such contest is in progress and Airline is diligently prosecuting such contest.

Section 13.4 Subordination to Federal Agreements

(a) This Agreement is subject and subordinate to the provisions of any and all existing and future agreements between the City and the federal government relative to the operation, maintenance or development of the Airport, the terms and execution of which may be required as a condition precedent to the expenditure of funds for the development of the Airport or any part thereof ("***Grant Assurances***"). In the event the federal government formally suspends or withholds, or threatens to withhold, federal financial assistance or formally notifies City of a final agency determination against the City that adversely affects City's receipt of financial assistance as a result of any alleged conflict with, or violation of, any such Grant Assurances by the terms of the Agreement, the City and Airline agree to modify this Agreement as reasonably necessary in order to resolve such conflict or violation; provided, however, that the obligation of Airline to agree to such modifications will be tolled during the pendency (including appeals, if any) of any court or administrative challenge that the Airline or the City chooses, each in its own discretion, to bring to such withholding or other adverse action.

(b) Without limiting the foregoing, Airline acknowledges the provisions of ARTICLE 4 will be subject to review during City consultation meeting(s) with DOT held within one (1) year of the Effective Date. Within ninety (90) days following such consultation(s) with DOT, Airline and the City agree to negotiate in good faith modifications to this Agreement, if any, as reasonably

necessary in order to resolve concerns raised by DOT during such consultation(s) that certain provisions of this Agreement are illegal, invalid, unenforceable, or inconsistent with federal law, the City's federal obligations or Grant Assurances. In the event that City and Airline are not able to reach agreement on such modifications, the provisions of paragraph (a) shall apply in the event of any subsequent legal action by DOT.

Section 13.5 Federally Required Provisions

Airline acknowledges that the City is required by the FAA under the terms of its Grant Assurances to include in this Agreement certain required contract provisions, included as **Exhibit K** hereto ("***Required Federal Provisions***"). Airline agrees to comply with the Required Federal Provisions and, where applicable, include the Required Federal Provisions in each of its subcontracts without limitation or alteration. Airline acknowledges that a failure to comply with the Required Federal Provisions constitutes an Airline Event of Default (subject to any applicable notice and cure periods described herein). Airline further acknowledges that the FAA may from time to time amend such required contract provisions and agrees that the City may unilaterally modify the Required Federal Provisions to the extent such modification is necessary to comply with its Grant Assurances by providing Airline with prompt notification of such modification.

Section 13.6 Americans with Disabilities Act and Air Carrier Access Act

Airline shall comply, at its own expense, with all applicable provisions of the Americans with Disabilities Act, 42 U.S.C. Sections 12101 *et seq.*, as amended and supplemented ("***ADA***") and the Air Carrier Access Act, 49 U.S.C. Section 41705, as amended and supplemented ("***ACAA***"), and federal regulations promulgated thereunder that may be made applicable as a result of construction activities conducted by Airline. Any violation of this prohibition on the part of Airline, its employees, agents, or assigns shall constitute an Airline Event of Default, subject to the notice and cure provisions in Section 11.1(k).

ARTICLE 14
INDEMNIFICATION

Section 14.1 Indemnification by Airline

(a) Airline shall defend, indemnify, and hold harmless the City and the Indemnified Parties from and against any and all Losses arising out of or in connection with the conduct of Airline's Air Transportation Business or Airline's use of the Airline Premises or other areas or facilities by Airline or its Airline Parties, including, but not limited to Losses occasioned (i) by reason of injury to persons, including death, or damage to property arising out of, resulting from, or incident to Airline's or its Airline Parties' use and occupancy of the Airline Premises or use of the Airport; (ii) by reason of the violation by Airline or its Airline Parties of this Agreement or Applicable Laws. Airline shall at its own cost and expense, defend all such claims, demands, and suits, whether frivolous or not.

(b) Notwithstanding the provisions of Section 14.1(a), Airline shall have no obligation to indemnify the City (i) to the extent Losses are the result of the City's or an Indemnified Party's violation of Applicable Laws or negligence or willful misconduct as determined by a court of law in a final and non-appealable decision or (ii) to the extent Losses are apportioned in accordance

with a written settlement agreement mutually executed by the City and Airline, approved in writing by the City Attorney. In the event of (i), liability for Losses shall be apportioned in accordance with State principles of comparative fault, and without prejudice to any governmental immunity or other defenses available to the City under State law. This Section 14.1(b) shall not excuse or in any way limit Airline's obligation to defend the City and the Indemnified Parties pursuant to Section 14.1(a) prior to such determination by a court of law or the mutual execution of such settlement agreement.

(c) Each Party shall give the other prompt and timely written notice of any claim made or suit instituted coming to its knowledge, which is reasonably likely to affect the other Party and reasonably related, directly or indirectly, contingently or otherwise, to the conduct of Airline's Air Transportation Business at the Airport or the Airline's use of any areas or facilities at the Airport by Airline or its Airline Parties.

(d) Upon the filing by any person of a claim with the City for damages arising out of incidents for which Airline herein agrees to defend the City and the Indemnified Parties, the City shall promptly notify Airline in writing of such claim and Airline shall undertake the legal defense of such claim both on behalf of Airline and on behalf of the City. In situations where a conflict of interest between Airline and the City exists with respect to such a claim, Airline will provide the City with separate counsel reasonably acceptable to the City. It is specifically agreed, however, that the City, at its option and at its own expense, may elect to participate in the legal defense of such claim without waiving its right to a defense provided by Airline. Any final judgment rendered against the City for any cause for which Airline is liable hereunder shall be conclusive against Airline as to amount upon the expiration of the time for appeal therefrom. Nothing in this Section 14.1 shall be deemed a change or modification in any manner whatsoever of the method or conditions of preserving, asserting, or enforcing any claim of legal liability against the City. This Section 14.1 shall not be construed as a waiver of the City's governmental immunity.

(e) The City shall be invited to attend and participate in all meetings (including those related to the potential settlement of a claim) and to appear and participate in all judicial proceedings. To the extent of the City's interests, the City Attorney must approve, in writing, the terms of any settlement related to any claim, action, proceeding, or suit set forth in this Section 14.1 prior to its execution, whether or not the City shall execute such settlement agreement. In addition, in defending any such claim, Airline shall not, without obtaining express advance permission from the City Attorney, raise any defense involving in any way the jurisdiction of the tribunal over the City; the immunity of the City or an Indemnified Party; the governmental nature of the City; or the provision of any statutes relating to suits against the City.

(f) The provisions of this Section 14.1 shall survive the expiration, termination, or early cancellation of this Agreement as to events or circumstances occurring prior to the expiration, termination, or early cancellation hereof (including during any period in which Airline is holding over pursuant to Section 2.4).

ARTICLE 15
INSURANCE

Section 15.1 Insurance Requirements

(a) Without limiting Airline's obligation to indemnify the City and Indemnified Parties, as provided for in Section 14.1, Airline shall procure and continually maintain, at its sole cost and expense, with insurers financially acceptable to the City and lawfully authorized to do business in the State and any other states where work or operations are performed on behalf of the City, insurance coverage of the nature and amounts described in and in compliance with the provisions of **Exhibit K**. The insurance shall be evidenced by delivery to the City of certificates of insurance executed by the insurer or its authorized agent stating coverages, limits, expiration dates, and compliance with all applicable required provisions, including required endorsements. Upon request, the City shall be entitled to send a representative to review complete copies of the required policies and all endorsements at a mutually agreed upon location in the State of Texas within ten (10) days of the City's request. THE CITY HAS NO DUTY TO PAY OR PERFORM UNDER THIS CONTRACT OR AGREEMENT UNTIL SUCH CERTIFICATES HAVE BEEN DELIVERED TO THE CITY and no officer or employee shall have authority to waive this requirement.

(b) The City reserves the right to review the insurance requirements of this Article and **Exhibit K** to modify required insurance coverages and their limits when deemed necessary and prudent by the City's Office of Risk Management based upon economic conditions, recommendation of professional insurance advisors, changes in statutory law, court decisions, or other relevant factors with thirty (30) days prior written notice to Airline.

(c) Airline may provide for reasonable limits of self-insurance against environmental liability risks (but in no event less than the limits in **Exhibit K** for such insurance) in lieu of obtaining coverage from a third-party insurer. All amounts paid to the City by Airline on account of any self-insurance program shall be deemed insurance proceeds for purposes of this Agreement. To the extent Airline self-insures as to environmental liability, the protections afforded the City by Airline shall be the same as if insurance were provided by a third-party insurer on commonly available, commercially reasonable terms for such insurance based on Airline's activities under this Agreement, and Airline shall have all the obligations and liabilities of a third-party insurer hereunder (e.g., obligation to provide a defense for covered claims).

(d) Without limiting any of the other obligations or liabilities of Airline, Airline shall require each of the Airline Parties performing work under this Agreement, at the Airline Party's own expense, to maintain during the Term, levels of insurance that are necessary and appropriate for the services being performed, that comply with all Applicable Laws, and are consistent with industry standards. Such coverage shall insure the interests of the City and the City Indemnified Parties including by naming the City and City Indemnified Parties as additional insureds on such policies (except with respect to workers' compensation/employer's liability policies). When requested by the City, Airline shall provide, or cause to be provided, to the City certificates of insurance and copies of additional insured endorsements or such other evidence of insurance, reasonably acceptable in form and content to the City. Failure of any Airline Party to comply with

required coverage and terms and condition outlined herein will not limit Airline's liability or responsibility hereunder.

Section 15.2 No Waiver of Responsibility or Liability

Approval, disapproval, or failure to act by City regarding any insurance, including self-insurance, supplied by the Airline or an Airline Party shall not relieve Airline of full responsibility or liability for damages and accidents as set forth in this Agreement. Neither shall the bankruptcy, insolvency nor denial of liability by the insurance company exonerate Airline from liability. Any failure of the City to request such certificates or other evidence of Airline's compliance with insurance requirements, or failure of the City to identify deficiencies from evidence that is provided, shall in no way limit or relieve Airline of its obligations to maintain such insurance.

ARTICLE 16
ENVIRONMENTAL MATTERS

Section 16.1 Compliance with Environmental Laws

(a) Airline covenants, represents, and warrants that in conducting any activity or business on the Airline Premises or at the Airport, or in conducting any operation or performing any work pursuant to this Agreement, Airline shall comply with all applicable Environmental Laws. Airline further covenants, represents, and warrants that Airline shall obtain and maintain all Environmental Permits required for it to conduct its activities and business on the Airline Premises and at the Airport.

(b) The City and its representatives shall have access to the Airline Premises, as set forth in Section 4.4, to inspect the same in order to determine if Airline is using the Airline Premises in accordance with all Environmental Laws and Environmental Permits. Airline agrees to fully cooperate with any such inspections, provided that such inspections shall not unduly interfere with Airline's operations. Upon receipt of written notification from the City that the City believes Airline has failed to comply with Environmental Laws or Environmental Permits or upon assertion of a claim by a third party, and at the request of the City, Airline shall conduct such testing and analysis as the City reasonably deems required to ascertain whether Airline is using the Airline Premises in compliance with all Environmental Laws and Environmental Permits. Any such tests shall be conducted by qualified independent experts chosen by Airline, but who shall be subject to the City's approval, which shall not be unreasonably withheld. Airline shall provide to the City copies of all reports prepared by such experts within a reasonable time after Airline receives each such report.

(c) Airline, at the request of the City, shall make available for inspection and copying upon reasonable written notice and at reasonable times and intervals, including during the above-described compliance inspections, any or all of the unprivileged documents and materials Airline has prepared pursuant to any Environmental Laws and submitted to an applicable governmental regulatory agency; provided, that such documents and materials are related to environmental issues or Environmental Laws and are pertinent to the City, the Airline Premises, or the Airport.

(d) If Airline fails to comply with any Environmental Law or Environmental Permit or if Airline fails to commence immediate corrective action or required remediation, the City may, in

addition to the rights and remedies described elsewhere in this Agreement and any other rights and remedies otherwise available to the City, enter the Airline Premises and take all reasonable and necessary actions, with reasonable notice to Airline except in cases of emergency as determined by the City in its reasonable discretion, at Airline's expense, to ensure such compliance with the Environmental Law or Environmental Permit.

(e) In the event of any Hazardous Materials Release caused by Airline or any Airline Party, and which is required by an applicable Environmental Law or Environmental Permit to be reported by Airline, whether as a result of negligent conduct or otherwise, at, on, under, or about the Airline Premises or the Airport, or in the event any claim, demand, complaint, or action is made or taken against Airline that pertains to the environment at the Airline Premises or the Airport, or if Airline receives any notice pertaining to Airline's failure or alleged failure to comply with any Environmental Law or Environmental Permit, Airline shall promptly notify the City of all unprivileged known facts pertinent to such Hazardous Materials Release, threatened Hazardous Materials Release, claim, demand, complaint, action, or notice, and shall provide the City with a copy of each such claim, demand, complaint, notice, and action. If Airline is required by any Environmental Law, Environmental Permit, or Governmental Agency to file any notice or report of an actual or threatened Hazardous Materials Release at, on, under, or about the Airline Premises or the Airport, Airline shall simultaneously provide a copy of such notice or report to the City.

(f) Airline shall undertake all necessary steps to remedy and remove any Hazardous Materials and any other environmental contamination to the extent caused by or resulting from the activities, conduct, or presence of Airline or any Airline Party on the Airline Premises or at the Airport, whether resulting from negligent conduct or otherwise, as determined by the appropriate Governmental Agency to be necessary to reasonably protect the public health or safety to the extent required by Applicable Laws, or to bring the Airline Premises or the Airport into compliance with all Environmental Laws and Environmental Permits. Such work shall be performed at Airline's expense. Except in the event of an emergency, such work shall be after Airline submits to the City a written plan for completing such work and receives the prior approval of the City, which shall not be unreasonably withheld. The City shall have the right to review and inspect all such work at any time using consultants and representatives of its choice. The actual cost of such review and inspection shall be paid by Airline. Specific cleanup levels for any environmental remediation work Airline performs shall be designed to meet and satisfy the requirements of all applicable Environmental Laws and Environmental Permits.

(g) Notwithstanding the obligations imposed on Airline in this ARTICLE 16, the City, and other Government Agencies having jurisdiction, shall at all times have the right, should Airline fail to respond to a notification, after a specified cure period, if any, or immediately if necessary to remediate further contamination, to take any and all actions as they may individually or collectively deem appropriate in their reasonable discretion to cease, contain, investigate, remediate, and otherwise respond to a condition which results from, causes, or threatens to cause environmental pollution or contamination at, on, under, or about the Airline Premises or otherwise at the Airport. Airline agrees to cooperate with any and all such actions.

Section 16.2 Storm Water

(a) Airline shall comply with the following provisions with respect to storm water management at or from the Airport:

(i) Notwithstanding any other provisions or terms of this Agreement, Airline acknowledges that certain properties and facilities within the confines of the Airport, or on land controlled by the City now or in the future, are or may become subject to storm water rules and regulations of the federal, State, or local government. Airline agrees to observe and abide by such storm water rules and regulations as may be applicable to Airport property and facilities and uses thereof.

(ii) The City and Airline will cooperate to ensure compliance by Airline with any storm water discharge permit terms and conditions, as well as to ensure safety and to minimize cost of compliance. Airline acknowledges further that it may be necessary to undertake such actions to minimize the exposure of storm water to "significant materials" generated, stored, handled, or otherwise used by Airline, as such term may be defined by applicable storm water rules and regulations, by implementing and maintaining appropriate and relevant "best management practices" as that term may be defined in applicable storm water rules and regulations.

(iii) The City will provide Airline with written notice of any storm water discharge permit requirements applicable to Airline and with which Airline will be obligated to comply from time to time, including certification of non-storm water discharges; cooperation with the City's or its agent's collection of storm water samples; preparation of storm water pollution prevention or similar plans; implementation of best management practices; and maintenance of necessary records. Airline agrees to undertake, at its expense, unless otherwise agreed to in writing between the City and Airline, those storm water permit requirements for which it is reasonably responsible and for which it has received written notice from the City and which are applicable to Airline, and Airline agrees that it will hold harmless and indemnify the City for any violations or non-compliance by Airline with any such permit requirements which it has undertaken. If Airline is subject to the City's storm water discharge permit, the City agrees to provide Airline with prior written notice of proposed requirements or conditions in the Airport's storm water pollution prevention plan applicable to Airline.

Section 16.3 Environmental Indemnification

(a) With respect to Environmental Laws and Environmental Permits, Airline agrees as follows:

(i) Without in any way limiting Airline's obligations under ARTICLE 14, Airline shall assume the risk of, be responsible for, protect, defend, indemnify, and hold harmless the Indemnified Parties, and each of them, and shall hold each and all of them harmless at all times from and against any and all losses, claims, liabilities, damages, injunctive relief, costs, and expenses, including attorneys' fees, which may be incurred in connection with any actual, threatened, or potential environmental pollution,

contamination, condition, or damage to the extent caused by or resulting from any activity, conduct, or presence of Airline or any of the Airline Parties at the Airport or from Airline's failure to comply with any Environmental Law or Environmental Permit.

(ii) All rights and remedies of the City as provided in this Agreement with regard to environmental pollution, contamination, damage, or any actual or threatened violations of any Environmental Law or Environmental Permit shall be deemed cumulative in nature; and the City's right to indemnification as provided under this Section shall survive the termination of this Agreement.

Section 16.4 Limitation of Airline's Liability

As between the City and Airline, Airline shall have no responsibility for Hazardous Materials Releases or associated Environmental Costs that are not caused by the Airline or its Airline Parties, or others in Airline's control, supervision, or employment, provided, however: If the City cannot identify, within a reasonable amount of time given the circumstances of any such Hazardous Materials Release, with commercially reasonable effort any of the parties causing, unlawfully allowing, contributing to or responsible for a Hazardous Materials Release at or from the Airport requiring the completion of appropriate response actions as provided herein, then the City shall provide reasonable advance written notice to Airline of its intention to take actions to report, repair, contain, investigate, remove, correct, or remediate such Hazardous Materials Release consistent with the requirements of this Article and Environmental Laws. Airline shall thereafter be afforded a reasonable opportunity to commence such actions itself or provide the City with information on the identity of the party or parties causing, contributing to, or responsible for such Hazardous Materials Release (except in emergency circumstances in which such advance notice is not possible), which information shall be considered in good faith by the City and, as appropriate, shall provide a basis for the City's pursuit of any responsible parties consistent with the provisions of this Article. In addition to the above written notice, the City shall provide Airline with its plan to perform such actions for Airline's review and comment at least seven (7) business days before the commencement of any work (except in emergency circumstances in which such advance notice is not possible), which comments shall be reasonably considered by the City, after which the costs of such actions, if implemented by the City, shall be allocated by the City in its reasonable discretion among appropriate Cost Centers, including the Airline-Supported Cost Centers. Further, as between the City and Airline, the Parties acknowledge that as of the Effective Date routine and ordinary aircraft and ground service equipment emissions do not constitute Hazardous Materials Releases.

Section 16.5 Previous Premises

Notwithstanding the above Section 16.4, in the event of a Hazardous Materials Release in violation of Environmental Laws which occurred prior to the Commencement Date is encountered on any portion of the Airline Premises that Airline leased or was assigned as the equivalent of Exclusive Use Premises or Preferential Use Premises under its Prior Use and Lease Agreement, Airline shall be deemed to be responsible for all costs incurred in connection with such contamination, including investigation, removal, remediation, or other required plan, report, or response action, unless Airline provides clear evidence demonstrating that another party is fully responsible.

Section 16.6 Survival of Environmental Provisions

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

ARTICLE 17
MISCELLANEOUS PROVISIONS

Section 17.1 Avigation Rights

The City 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 for navigation or flight in the said airspace for landing on, taking off from, or operating at the Airport.

Section 17.2 Right to Develop Airport

Subject to the terms hereof, and without limiting any other rights of the City, the City reserves the right to further develop or improve the Airfield and other public areas of the Airport as it sees fit, regardless of the desires or view of Airline and without interference or hindrance.

Section 17.3 Right to Lease to United States Government

During time of war or national emergency, the City shall have the right to lease the Airport landing area or any part thereof to the United States Government and, if any such lease is executed, the provisions of this Agreement insofar as they are inconsistent with the provisions of the lease to the United States Government shall be suspended; however, such suspension shall not extend the Term of this Agreement. If, as a result of any such lease, the rights or duties of Airline hereunder are materially affected, then Airline shall receive an equitable rental adjustment.

Section 17.4 Consents and Approvals

Whenever the consent or approval of the City or Airline is required herein, it is understood and agreed that such approval shall be in writing (unless explicitly stated otherwise herein) and obtained in advance and shall not be unreasonably withheld or delayed. Any consent or approval required herein to be obtained from or given by the City or Airport Director may be given by the Airport Director unless consent by the Dallas City Council, City Attorney, or City Manager is required pursuant to the Dallas City Charter for such consent or approval.

Section 17.5 Notices

Notices hereunder shall be sufficient if in writing and served personally or sent by registered or certified mail, postage prepaid, or by courier service such as DHL, FedEx, or UPS to:

For the City: Attn: Airport Director
City of Dallas

7555 Lemmon Avenue
Dallas, Texas 75209

For Airline: [Address]

Any notice mailed pursuant to this paragraph shall be presumed to have been received by the addressee five (5) business days after deposit in the mail, postage prepaid and properly addressed, or, if sent by courier service, when delivered to or refused by the addressee. Either Party may change their designated contact for notices under this Agreement at any time during the Term with written notice to the other Party in accordance with this Section. If either Party designates an email address in this Section 17.5, the other Party shall additionally send a copy of notices mailed pursuant to this Section 17.5by email.

Section 17.6 Force Majeure

Except as herein provided, neither the City nor Airline shall be deemed to be in default hereunder if either Party is prevented from performing any of its obligations hereunder, by reason of a Force Majeure Event; provided, however, that these provisions shall not excuse Airline from paying Airline rentals, fees, and charges hereunder.

Section 17.7 Non-Waiver of Rights

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.

Section 17.8 Remedies to Be Non-Exclusive

All remedies provided in this Agreement shall be deemed cumulative and additional and not in lieu of or exclusive of each other or of any other remedy available to the City or Airline at law or in equity (to the extent not inconsistent with the express provisions hereof), and the exercise of any remedy or the existence herein of other remedies or indemnities shall not prevent the exercise of any other remedy.

Section 17.9 Non-Exclusive Rights

Nothing in this Agreement shall be deemed to grant Airline any exclusive right or privilege within the meaning of 49 U.S.C. § 40103(e) or 49 U.S.C. § 40103(a)(4) with respect to activities on the Airport.

Section 17.10 Headings

The headings of the several articles and sections of this Agreement are inserted only as a matter of convenience and for reference and do not define or limit the scope or intent of any provisions of this Agreement and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction hereof.

Section 17.11 Severability

If any covenant, condition, or provision in this Agreement is held to be invalid, illegal, or unenforceable by any court or Governmental Agency of competent jurisdiction, such covenant, condition, or provision shall be deemed amended to conform to Applicable Laws so as to be valid or enforceable or, if it cannot be so amended without materially altering the intention of the Parties, it shall be stricken. If stricken, all other covenants, conditions and provisions of this Agreement shall remain in full force and effect provided that the striking of such covenants, conditions or provisions does not materially prejudice either the City or Airline in its respective rights and obligations contained in the valid covenants, conditions, or provisions of this Agreement.

Section 17.12 Successors and Assigns

Subject to the provisions of ARTICLE 12, this Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties hereto.

Section 17.13 Relationship of Parties

This Agreement does not constitute or make Airline the agent or representative of City for any purpose whatsoever.

Section 17.14 No Third-Party Beneficiaries

Each of the Parties has entered into this Agreement solely for its own benefit. Except as expressly provided herein, this Agreement does not grant to any third person the right to claim damages or to bring any suit, action, or any other proceeding against either City or Airline because of any breach hereof.

Section 17.15 Conflict of Interest

(a) Airline and its employees, agents, or associates are required to make regular, timely, continual and full disclosures to the Airport Director of all significant outside interests and responsibilities that may give rise to a direct or indirect conflict of interest, including, but not limited to, any and all significant outside interests and responsibilities that could reasonably be expected to impair independence of judgment in Airline's performance of its obligations under this Agreement. Such disclosures must be made no later than ten (10) days following the event giving rise to the potential or actual conflict of interest for the duration of the Term. A potential or actual conflict of interest exists when commitments and obligations to the City or widely recognized professional norms are likely to be compromised in Airline's performance of its obligations under this Agreement by the existence of Airline's other professional relationships, contracts, obligations, or commitments. Failure to disclose such a conflict of interest may result in the City's immediate termination of this Agreement by the City Manager.

(b) The following section of the Charter of the City of Dallas shall be one of the conditions, and a part of, the consideration of this Agreement, to wit:

"CHAPTER XXII. Sec. 11. FINANCIAL INTEREST OF EMPLOYEE OR OFFICER PROHIBITED.

(a) No city official or employee shall have any financial interest, direct or indirect, in any contract with the city, or be financially interested, directly or indirectly, in the sale to the city of any land, materials, supplies or services, except on behalf of the city as a city official or employee. Any violation of this section shall constitute malfeasance in office, and any city official or employee guilty thereof shall thereby forfeit the city official's or employee's office or position with the city. Any violation of this section, with knowledge, express or implied, of the person or corporation contracting with the city shall render the contract involved voidable by the city manager or the city council.

(b) The alleged violations of this section shall be matters to be determined either by the trial board in the case of employees who have the right to appeal to the trial board, and by the city council in the case of other employees.

(c) The prohibitions of this section shall not apply to the participation by city employees in federally-funded housing programs, to the extent permitted by applicable federal or state law.

(d) This section does not apply to an ownership interest in a mutual or common investment fund that holds securities or other assets unless the person owns more than 10 percent of the value of the fund.

(e) This section does not apply to non-negotiated, form contracts for general city services or benefits if the city services or benefits are made available to the city official or employee on the same terms that they are made available to the general public.

(f) This section does not apply to a nominee or member of a city board or commission, including a city appointee to the Dallas Area Rapid Transit Board. A nominee or member of a city board or commission, including a city appointee to the Dallas Area Rapid Transit Board, must comply with any applicable conflict of interest or ethics provisions in the state law and the Dallas City Code. (Amend. of 8-12-89, Prop. No. 1; Amend. of 8-12-89, Prop. No. 15; Amend. of 11-4-14, Prop. Nos. 2 and 9)"

Section 17.16 Gift to Public Servant

(a) The City may terminate this Agreement immediately if Airline has offered or agreed to confer any benefit upon a City employee or official that the City employee or official is prohibited by law from accepting.

(b) For purposes of this Section 17.16, "benefit" means anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any other person in whose welfare the beneficiary has a direct or substantial interest, but does not include a contribution or expenditure made and reported in accordance with law.

(c) Notwithstanding any other legal remedies, the City may require Airline to remove any employee of Airline from the Airline Premises who has violated the restrictions of this Section 17.16 or any similar state or federal law, and obtain reimbursement for any expenditures made as

a result of the improper offer, agreement to confer, or conferring of a benefit to a City employee or official.

Section 17.17 Governing Law; Venue

The laws of the State of Texas shall govern this Agreement and all disputes arising hereunder, with venue in Dallas County, Texas.

Section 17.18 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be an original. Facsimile and electronic signatures shall be deemed as effective as original signatures.

Section 17.19 No Partnership, Joint Venture, or Joint Enterprise

It is agreed that no partnership, joint venture, or joint enterprise exists or is herein created between the Parties, and the City shall not be responsible in any way for any debts of or cash flow deficits incurred by Airline in construction of or operation of the Airline Premises or for the debts or obligations of Airline or any other person or for any cleanup costs or damages incurred by Airline.

Section 17.20 Brokerage

The City and Airline each represent and warrant that no broker has been concerned on its behalf in the negotiation of this Agreement and that there is no such broker who is or may be entitled to be paid a commission in connection therewith. The City and Airline each shall indemnify and save harmless the other of and from any claim for commission or brokerage made by any such broker when such claim is based in whole or in part upon any act or omission by the City or Airline.

Section 17.21 Quiet Enjoyment

Upon payment by Airline of the rentals, fees, and charges as herein required and subject to performance and compliance by Airline of the covenants, conditions, and agreements on the part of Airline to be performed and complied with hereunder, Airline shall peaceably have and enjoy the rights, uses, and privileges granted to it herein of the Exclusive Use Premises during the Term, subject to the provisions hereof and in conformance with Applicable Laws.

Section 17.22 Notice of Contract Claim

This Agreement is subject to the provisions of Section 2-86 of the Dallas City Code, as amended, relating to requirements for filing a notice of a breach of contract claim against the City. Section 2-86 of the Dallas City Code, as amended, is expressly incorporated by reference and made a part of this Agreement as if written word for word in this Agreement. Airline shall comply with the requirements of this ordinance as a precondition of any claim relating to this Agreement, in addition to all other requirements in this Agreement related to claims and notice of claims.

Section 17.23 Entire Agreement; Amendment

This Agreement constitutes the entire agreement of the Parties on the subject matter hereof and may not be changed, modified, discharged, or extended except by written instrument duly executed by the City and Airline, except in accordance with the terms herein. This Agreement supersedes all prior agreements and understandings, written and oral, expressed, or implied, between the City and Airline related hereto. Airline agrees that no representations or grant of rights or privileges shall be binding upon the City unless expressed in writing in this Agreement.

Section 17.24 Compliance with Certain State Law Requirements

(a) *Anti-Boycott of Israel*. Airline certifies that it is not currently engaged in, and agrees for the duration of this Agreement not to engage in, the boycott of Israel as defined by Section 808.001 of the Texas Government Code.

(b) *Anti-Boycott of Energy Companies*. Airline certifies that it is not currently engaged in, and agrees for the duration of this Agreement not to engage in, the boycott of energy companies as defined by Section 809.001 of the Texas Government Code.

(c) *Anti-Boycott of Firearm Entities or Firearm Trade Associations*. Airline certifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association, or will not discriminate against a firearm entity or firearm trade association for the duration of this Agreement, as defined by Section 2274.001 of the Texas Government Code.

(d) *Certification of No Business with Foreign Terrorist Organizations*. For purposes of Section 2252.152 of the Texas Government Code, Airline certifies that, at the time of this Agreement neither Airline nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of Airline, is a company listed by the Texas Comptroller of Public Accounts under Sections 2252.153 or 2270.0201 of the Texas Government Code as a company known to have contracts with or provide supplies to a foreign terrorist organization.

[Signature Page(s) to Follow]

IN WITNESS WHEREOF, each of the City, acting through its City Manager in the manner required by the City Charter, being duly authorized by Resolution No. __-____ approved by the Dallas City Council on _____, 2025, and Airline, acting through its _____, pursuant to due authorization, have caused this Agreement to be executed on its behalf, all as of the day and year first written above.

CITY OF DALLAS, TEXAS
Kimberly Bizor Tolbert
City Manager

_____
By:
Title:

APPROVED AS TO FORM:
Tammy L. Palomino
City Attorney

_____
By:
Title:

[AIRLINE]

_____
By:
Title:

EXHIBIT H-2

Overview of Love Field Expansion Airport Program

DALLAS LOVE FIELD
LEAP CAPITAL IMPROVEMENT PLAN

Section 8.2 of the Signatory Airline Use and Lease Agreement with a Commencement Date of October 1, 2028 (Agreement) sets forth the pre-approval by the Signatory Airlines of the City's Dallas Love Field Expansion Airport Program (LEAP). The following projects in this Exhibit H-2 are presented as key components of LEAP, each designed to address critical infrastructure needs, enhance operational efficiency, and support the airport's long-term growth and development objectives. The scope of the anticipated LEAP includes the following projects:

Airline LEAP Projects:

Terminal

1. Terminal Headhouse
2. Terminal Concourse
3. Central Utility Plant (CUP) Expansion

Airside

1. Terminal Apron
2. Remain Overnight (RON) Apron Area Relocation Alternative

Other LEAP Projects:

Landside

1. Entrance Roadway Intersection
2. Curbfront and Terminal Area Roadways
3. Future Garage D
4. Remote Parking Facility
5. Consolidated Rental Car Facility (CONRAC)

Support Facilities

1. Cargo/GSE/General Use Building (GUB) Relocation
2. Triturator Relocation
3. Central Distribution and Receiving Center (CRDC) Facility Relocation
4. Airport Maintenance Facilities Relocation

This Exhibit H-2 provides an overview of each LEAP project, as well as a summary of conceptual project details under consideration for each project. Where this Exhibit H-2 denotes a cost estimate for an Airline LEAP Project, the cost estimate is planning level and provided as of the Effective Date, subject to the provisions of Section 8.2. Where this Exhibit H-2 denotes that a cost estimate is to be determined (TBD) as of the Effective Date, the City will provide updated cost estimates through the LEAP Advisory Committee. Nothing herein is intended to contravene the provisions of Section 8.2 of the Agreement.

The total project costs for LEAP is $X,XXX,XXX,XXX[1] as shown in the table on the following page. The individual project descriptions in this document provide detailed narratives outlining each project and elements that contribute to the project costs.

Project Number	Project Name	Estimated Project Cost
Airline LEAP Projects		
T1	Terminal Headhouse *(includes BHS, CBIS/CBRA, ticketing)*	**$ 565,667,926**
T2	Terminal Concourse *(includes holdrooms, concessions, restrooms)*	**$ 324,201,065**
T3	Central Utility Plant (CUP) Expansion[2]	*$ 55,000,000*
A1	Terminal Apron [2]	*$ 32,916,340*
A2	Remain Overnight (RON) Apron Alternative[3]	*$ 26,641,042*
Other LEAP Projects		
L1	Entrance Roadway Intersection	$ TBD
L2	Curbfront and Terminal Area Roadways	$ TBD
L3	Future Garage D	$ TBD
L4	Remote Parking Facility	$ TBD
L5	Consolidated Rental Car Facility (CONRAC)	$ TBD
S1	Cargo/GSE/General Use Building (GUB) Relocation	$ TBD
S2	Triturator Relocation	$ TBD
S3	Central Distribution and Receiving Center (CRDC)	$ TBD
S4	Airport Maintenance Facilities Relocation	$ TBD
TOTAL LEAP PROJECT COSTS		**$ TBD**

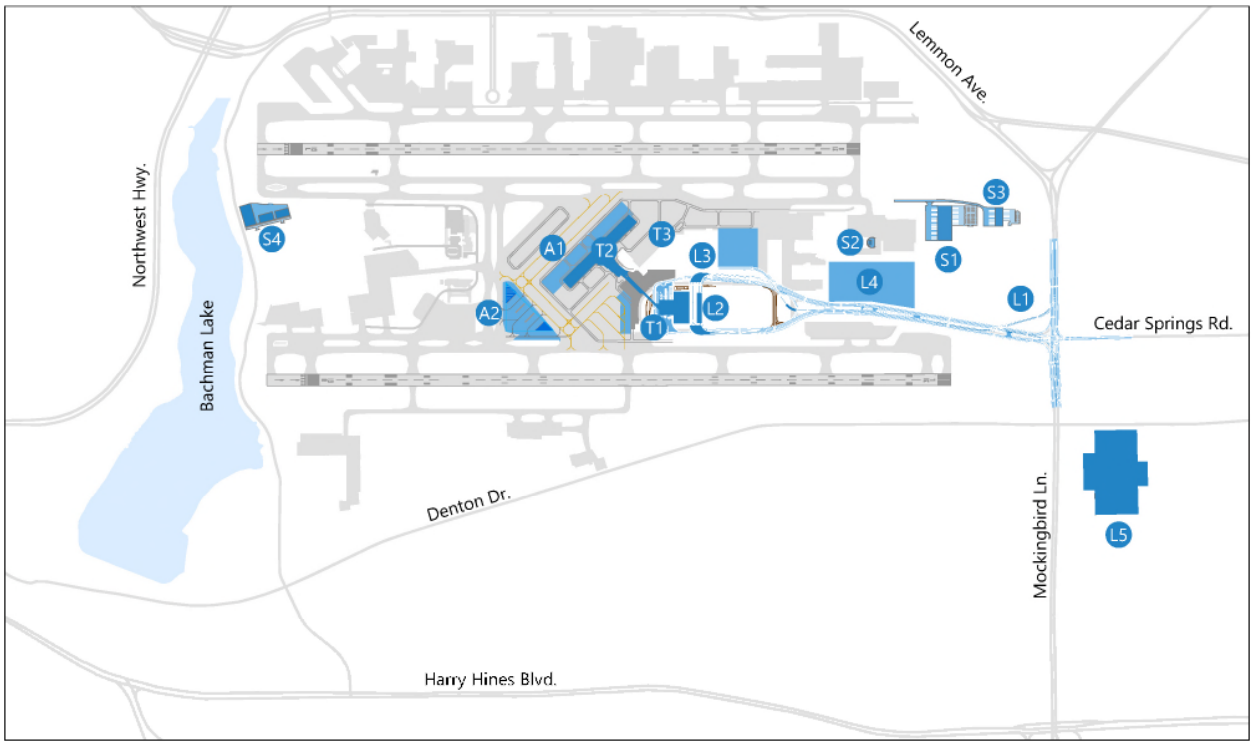
Notes:

BHS – Baggage Handling System
CBIS – Checked Baggage Inspection System
CBRA – Checked Baggage Reconciliation Area

[1] The Pre-Approved LEAP Amount is $800,000,000 for Airline Rate-Based Project Costs as set forth in Section 8.2 of the Agreement. Project cost estimates for Other LEAP Projects are anticipated as of the Effective Date to be developed by the City by June 2025.
[2] The cost of the CUP Expansion is distributed between the Terminal Concourse and Terminal Headhouse at a 60/40 split.
[3] Costs associated with future apron development are integrated into the Terminal Concourse cost.

Dallas Love Field

DALLAS LOVE FIELD
LEAP CAPITAL IMPROVEMENT PLAN



Note: Project configurations are intended for planning purposes only. Final shapes and dimensions will be determined during the design phase. The location, alignment, and positioning of infrastructure elements (such as utilities, roadways, and taxiways) are also conceptual and subject to refinement during design.

LEAP Projects

- T1 Terminal Headhouse
- T2 Terminal Concourse
- T3 Central Utility Plant (CUP) Expansion
- A1 Terminal Apron
- A2 Remain Overnight (RON) Apron Alternative
- L1 Entrance Roadway Intersection
- L2 Curbfront and Terminal Area Roadways
- L3 Future Garage D
- L4 Remote Parking Facility
- L5 Consolidated Rental Car Facility (CONRAC)
- S1 Cargo/GSE/General Use Building (GUB) Relocation
- S2 Triturator Relocation
- S3 Central Distribution and Receiving Center (CRDC)
- S4 Airport Maintenance Facilities Relocation

Dallas Love Field

AIRLINE LEAP PROJECTS

PROJECT NAME: Terminal Headhouse – "Concept H2"

PROJECT DESCRIPTION: The terminal headhouse will be situated on the current site of Garage A, which will be demolished to make way for the new terminal development. The apron level will include shell space for airport operations, inbound baggage handling, and baggage claim. The mezzanine level will include passenger circulation and outbound baggage screening. The concourse level will include check-in, security screening checkpoint, baggage handling, and airport support space.

MATERIAL ELEMENTS OF SCOPE:

SECURITY SCREENING

- Minimum of 36,300 sq. ft. for queue and equipment

OUTBOUND BAGGAGE

- 49,700 – 69,000 sq. ft. total outbound baggage makeup operational area range
- 5 – 6 baggage makeup devices

BAGGAGE SCREENING

- 19,200 – 24,000 sq. ft. CBIS (Checked Baggage Inspection System) Area
- 3,000 – 4,000 sq. ft. CBRA (Checked Baggage Reconciliation Area)

INBOUND BAGGAGE

- 22,300 – 28,930 sq. ft. load belt area
- 6 – 7 load belts

BAGGAGE CLAIM

- 37,800 – 44,100 sq. ft. claim area
- 6 – 7 claim devices

Material Airline Leap Project Changes to the Terminal Headhouse that require MII review pursuant to Section 8.2 of the Agreement include:

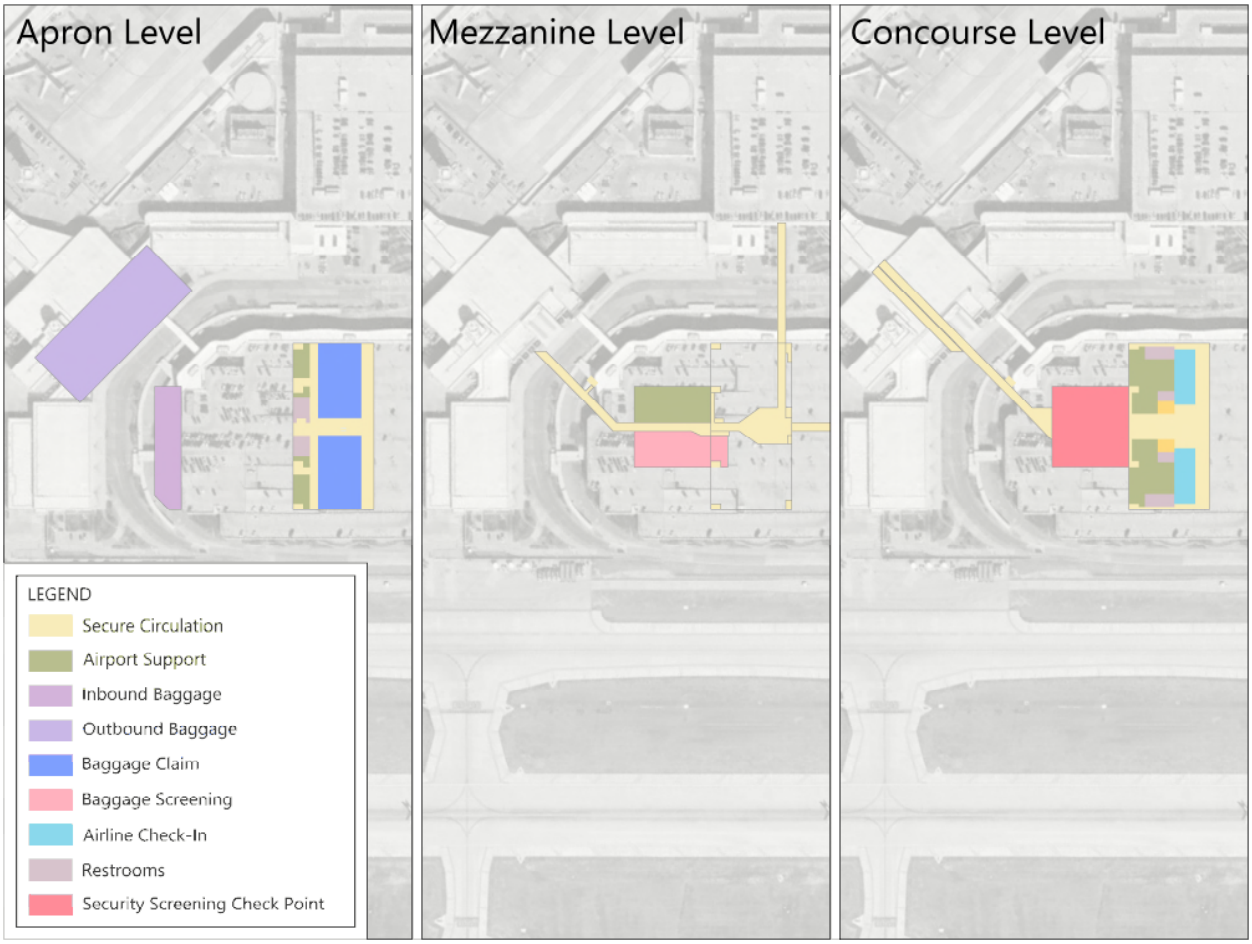
- Reduction to less than 36,300 sq. ft. of security screening area for queue and equipment
- Reduction to less than 49,700 sq. ft. total outbound baggage makeup operational area
- Reduction to less than 5 baggage makeup devices
- Reduction to less than 19,200 sq. ft. CBIS area

- Reduction to less than 3,000 sq. ft. CBRA area
- Reduction to less than 22,300 sq. ft. load belt area
- Reduction to less than 6 load belts
- Reduction to less than 37,800 sq. ft. baggage claim area
- Reduction to less than 6 baggage claim devices

TOTAL ESTIMATED PROJECT COST: *$565,667,926*

Note: Cost estimate includes demolition of basement level roadway and 40% of the total CUP Expansion cost.

PROJECT EXHIBIT



Note: Illustrations are for planning purposes only. These projects are subject to refinement during the design phase.

Dallas Love Field

AIRLINE LEAP PROJECTS

PROJECT NAME: Terminal Concourse – "Concept C0"

PROJECT DESCRIPTION: The new multilevel terminal concourse is planned for construction within the existing terminal footprint, incorporating an expansion on the north side of the concourse. The concourse will be designed to accommodate domestic departures and arrivals. The apron level will include shell space for airline and tenant operations and support, concession support, outbound baggage makeup, and inbound baggage makeup. The interstitial level will include airport support space and airline lounge. The concourse level will include passenger holdrooms, restrooms, secure circulation and shell space for airlines, concessions, and lounge space.

MATERIAL ELEMENTS OF SCOPE:[4]

50-FT TERMINAL BUMPOUT

HOLDROOMS

- 64,000 – 76,000 sq. ft. with 3,200 – 3,800 sq. ft. per holdroom

RESTROOMS

- 34,000 – 44,200 sq. ft.

CONCESSIONS

- 77,300 – 88,900 sq. ft. total concession space

Material Airline LEAP Project Changes to the Terminal Concourse that require MII review pursuant to Section 8.2 of the Agreement include:

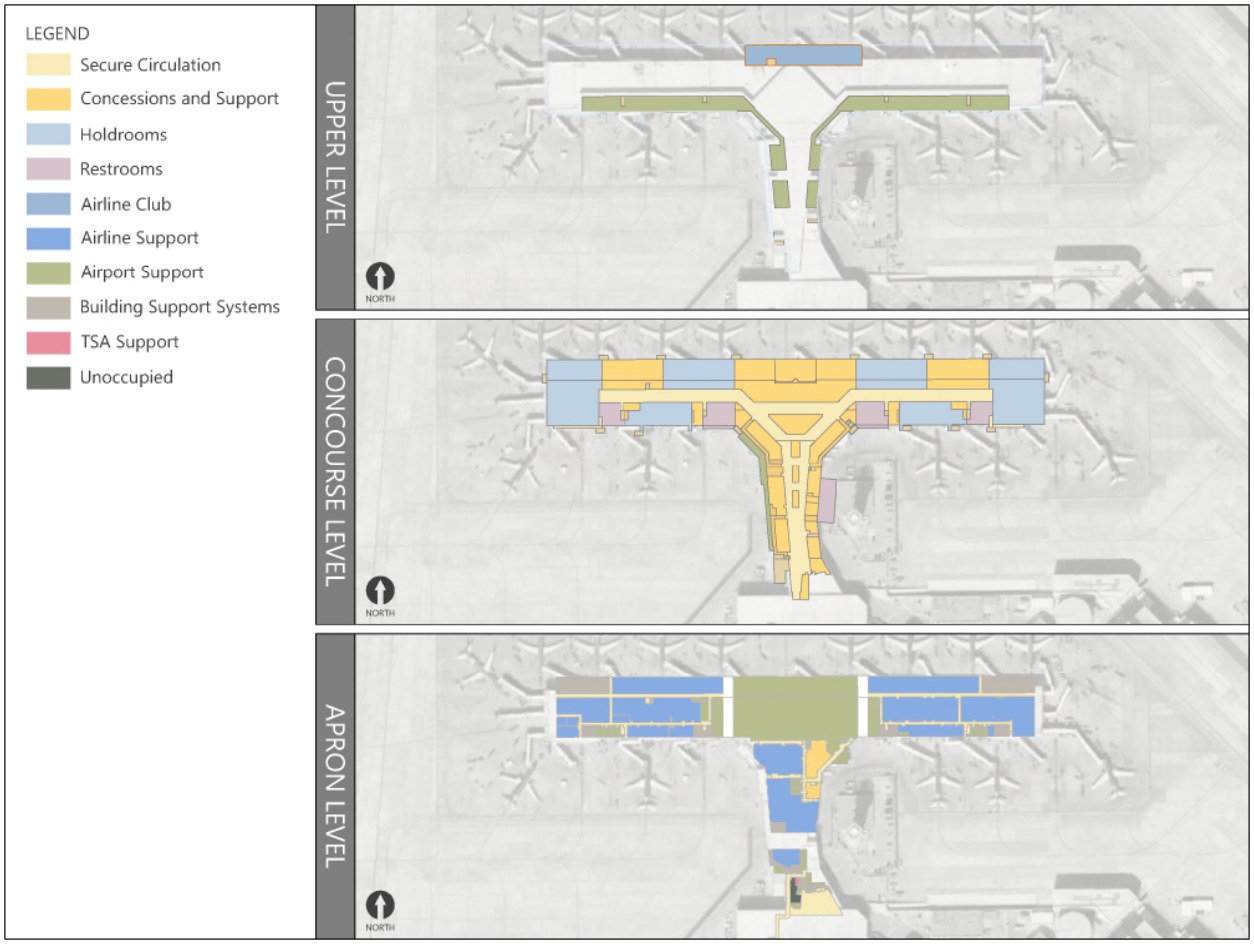
- Increase of more than 5 ln. ft. to the Terminal Bumpout depth
- Reduction of 2 or more ln. ft. to the Terminal Bumpout depth
- Reduction to less than 64,000 total sq. ft. holdroom space
- Reduction to less than 3,200 sq. ft. per holdroom
- Reduction to less than 34,000 sq. ft. restroom area
- Reduction to less than 77,300 sq. ft. concession space

TOTAL ESTIMATED PROJECT COST: *$324,201,065*

Note: Cost includes apron improvements and 60% of the total CUP Expansion cost.

[4] Restrooms and concessions space may be included in the Terminal Headhouse.

PROJECT EXHIBIT – Terminal Concourse – "Concept C0"



Note: Illustrations are for planning purposes only. These projects are subject to refinement during the design phase.

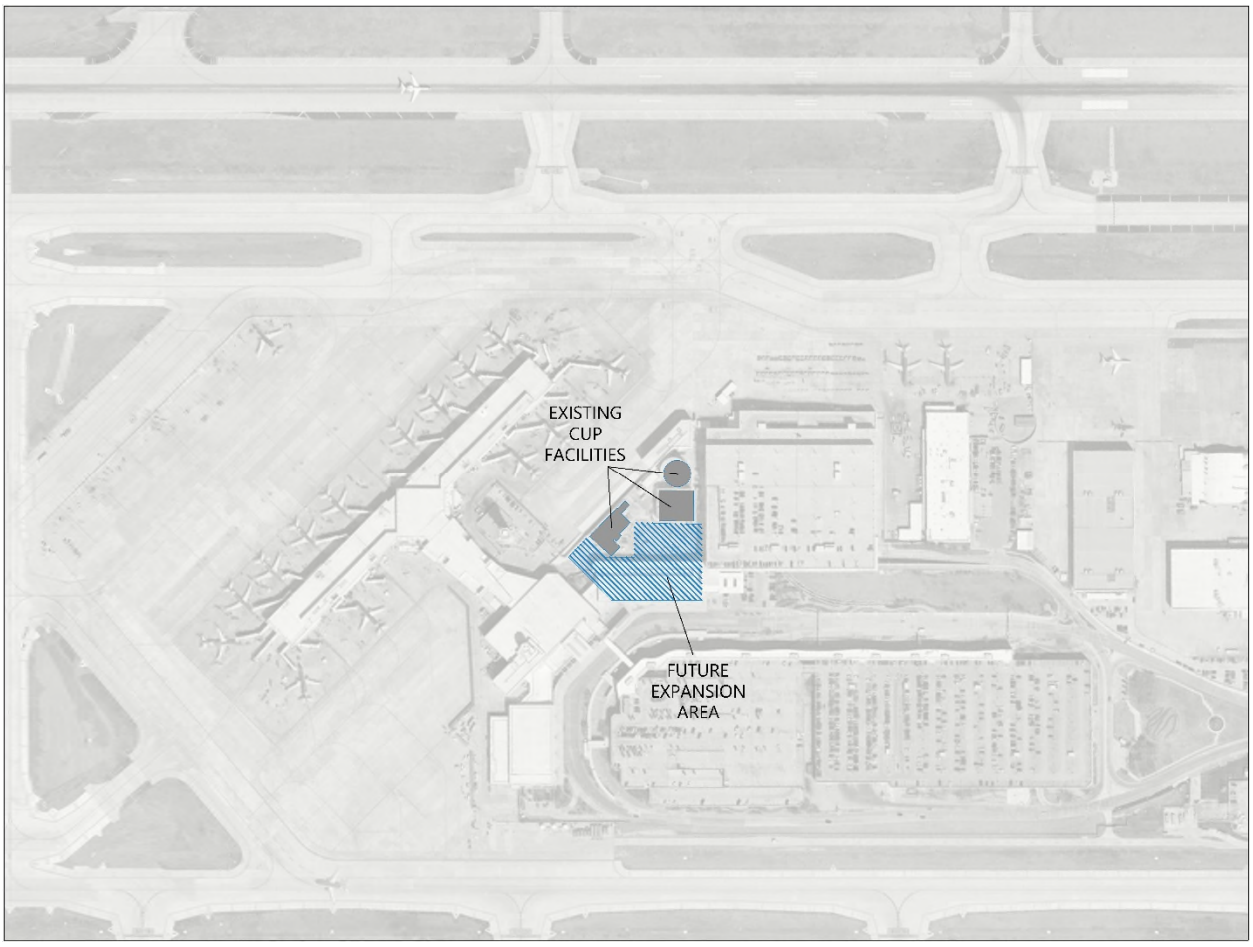
AIRLINE LEAP PROJECTS

PROJECT NAME: Central Utility Plant (CUP) Expansion

PROJECT DESCRIPTION: The Central Utility Plant (CUP) at DAL will need to be expanded to accommodate the new terminal development. The expansion will make use of the current site and be adapted to fit within the phased terminal plan as required.

TOTAL ESTIMATED PROJECT COST: *$55,000,000* *(incorporated into Terminal Concourse and Terminal Headhouse cost)*

Note: The CUP Expansion cost is allocated between the concourse and headhouse cost at a 60/40 split.



Note: Illustrations are for planning purposes only. These projects are subject to refinement during the design phase.

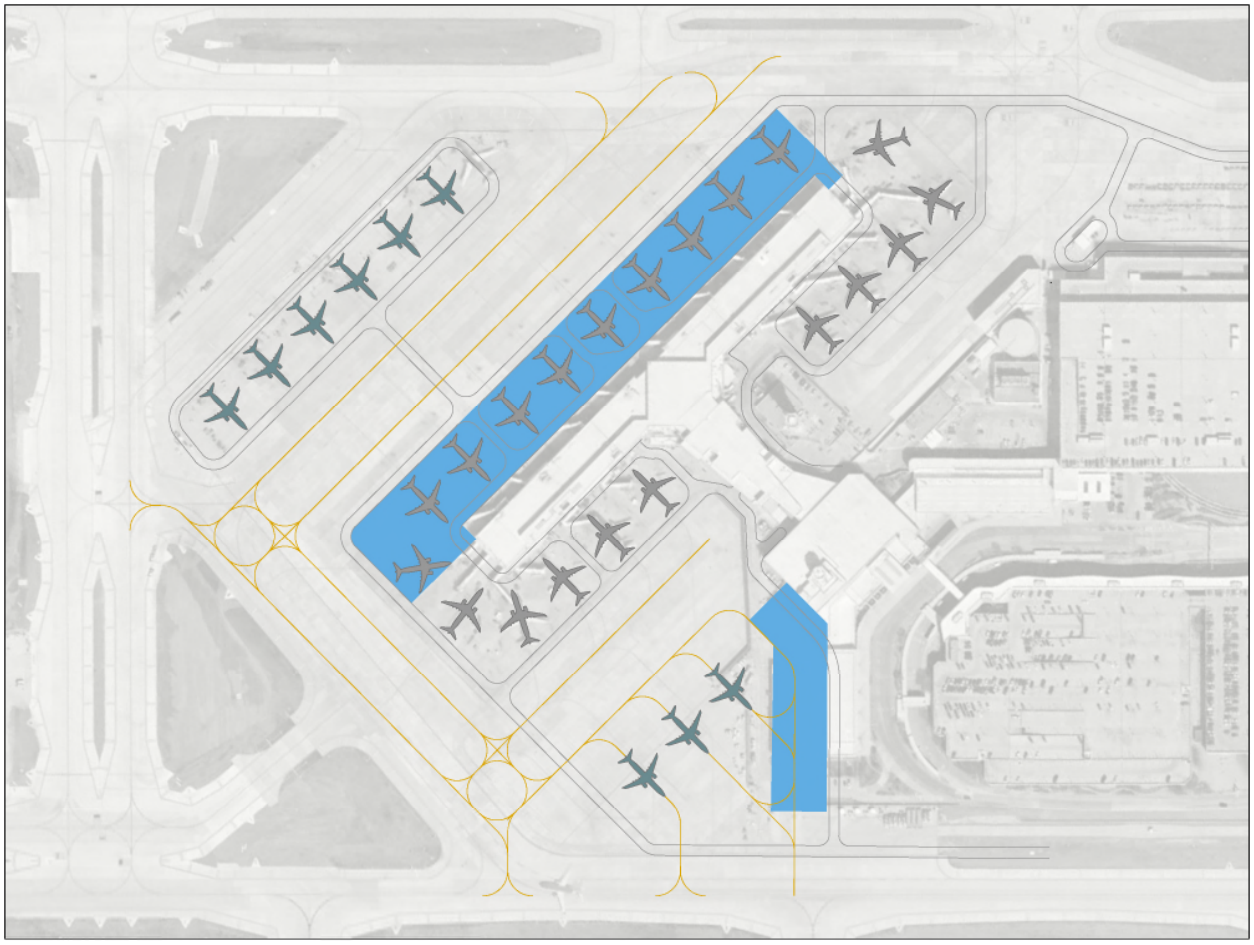
Dallas Love Field

AIRLINE LEAP PROJECTS

PROJECT NAME: Terminal Apron

PROJECT DESCRIPTION: The Terminal Apron project focuses on reconfiguring the aircraft parking positions, upgrading pavement, and improving fuel, utility, and ground service infrastructure. The terminal development will shift the building footprint to the northwest. As a result, the apron in this area would require regrading, and fuel ports would need to be relocated to accommodate the new aircraft parking positions. A dual taxilane system is proposed around the terminal area. As part of the project, Taxiway D will be designated as a non-movement area and modified to dual taxilanes. A planned pavement addition in the current terminal area may also support increased RON parking capacity on the airfield.

TOTAL ESTIMATED PROJECT COST: ***$32,916,340*** *(incorporated into concourse cost)*



Note: Illustrations are for planning purposes only. These projects are subject to refinement during the design phase.

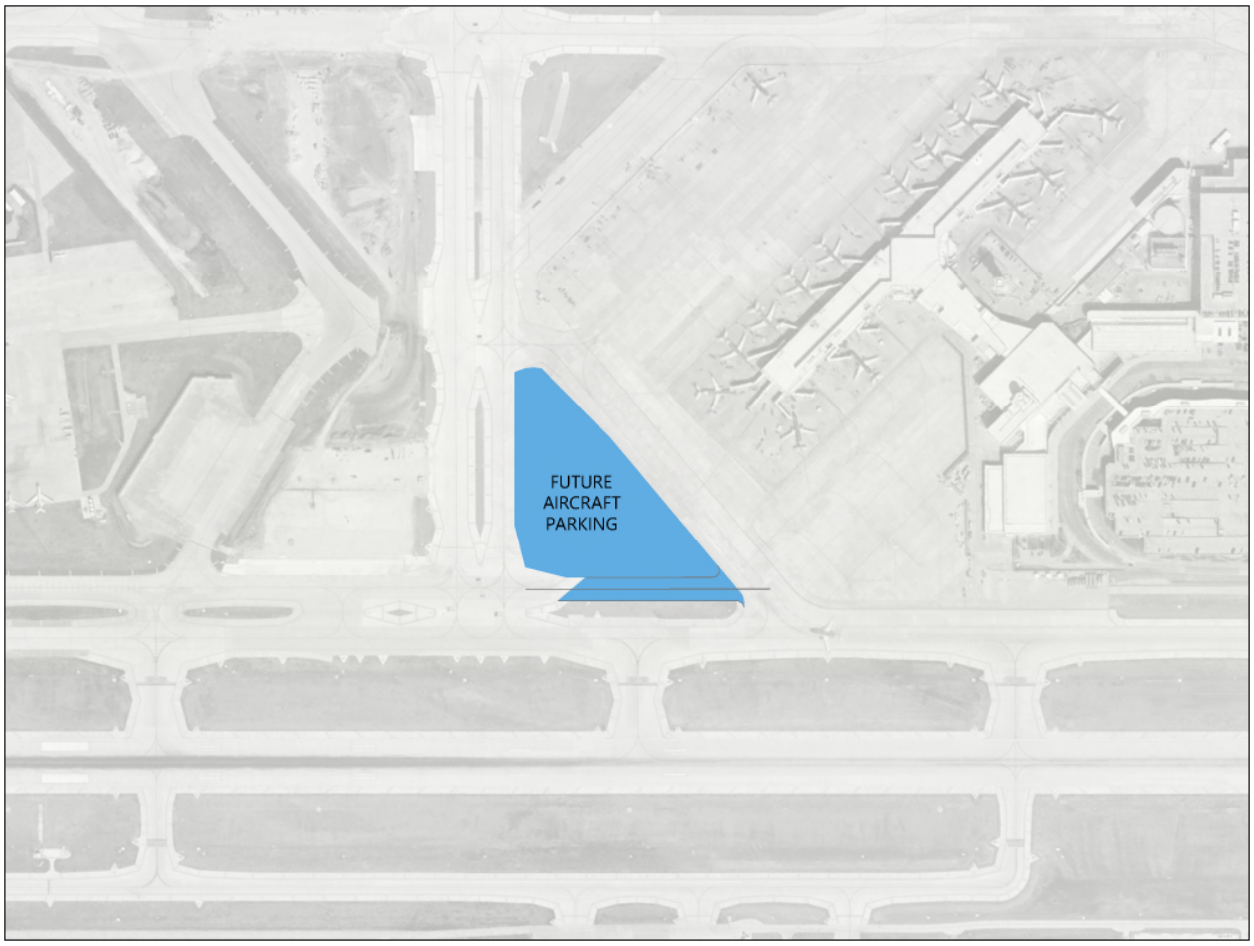
Dallas Love Field

AIRLINE LEAP PROJECTS

PROJECT NAME: Remain Overnight (RON) Apron Relocation Alternative

PROJECT DESCRIPTION: The RON Apron Relocation Alternative project will provide additional overnight parking positions and may serve as an alternative location for deicing operations. The apron will include five RON aircraft parking positions or three deicing positions. The project also anticipates an extension of Taxiway L to improve aircraft maneuverability and operational efficiency; this segment would function as a non-movement area. Deicing at this location would need further environmental analysis.

TOTAL ESTIMATED PROJECT COST: *$26,641,042* *(incorporated into Terminal Concourse cost estimate)*



Note: Illustrations are for planning purposes only. These projects are subject to refinement during the design phase.

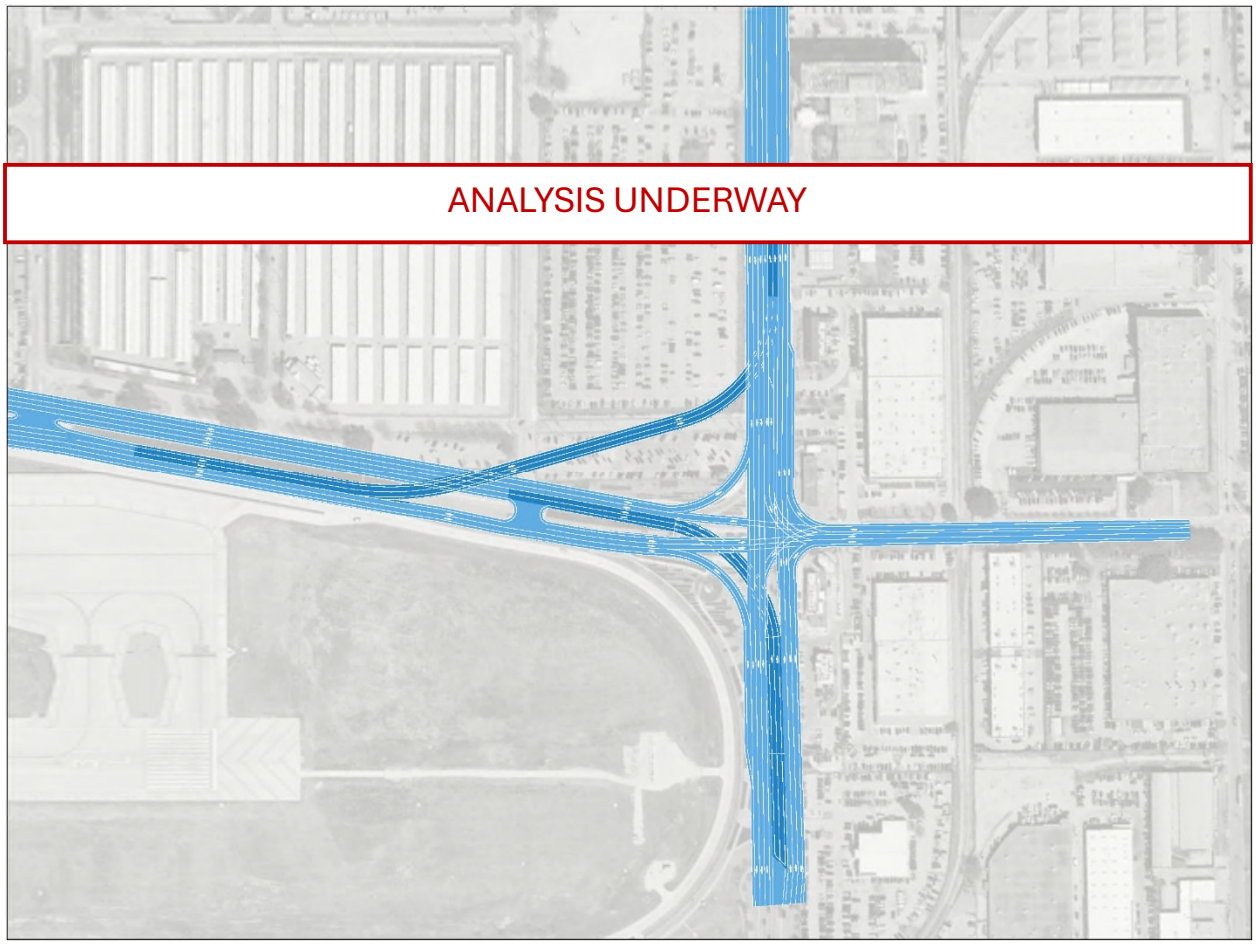
Dallas Love Field

OTHER LEAP PROJECTS

PROJECT NAME: Entrance Roadway Intersection

PROJECT DESCRIPTION: TBD

TOTAL ESTIMATED PROJECT COST: $X,XXX,XXX



Note: Illustrations are for planning purposes only. Planning for Airport Intersection is still underway and will be coordinated with NCTCOG prior to final approval.

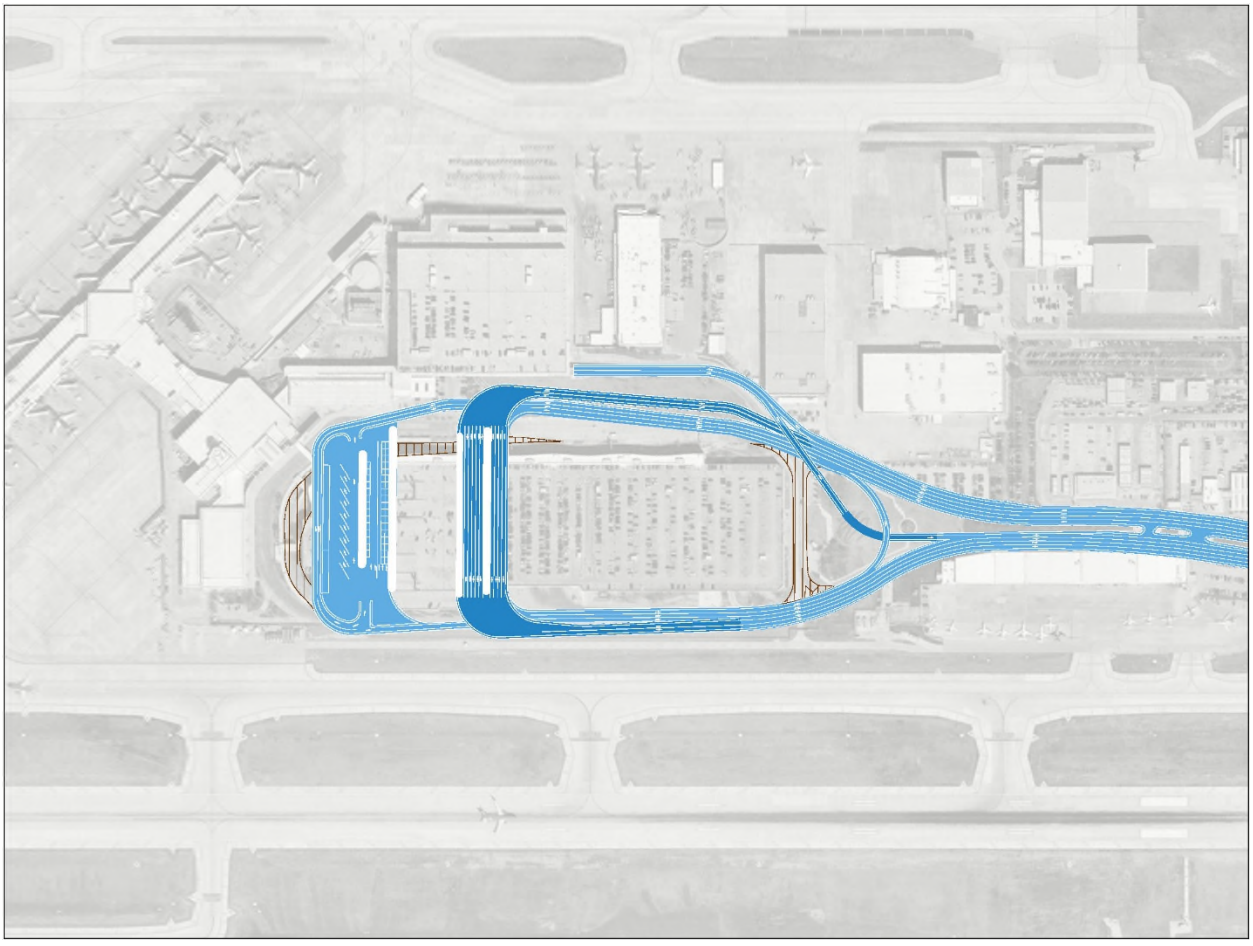
Dallas Love Field

OTHER LEAP PROJECTS

PROJECT NAME: Curbfront and Terminal Area Roadways

PROJECT DESCRIPTION: This project involves the development of a new terminal roadway system to enhance access, traffic flow, and overall connectivity for airport users. The proposed two-level roadway system surrounding the terminal curbfront will include a multi-lane arrivals curb situated at the apron level, providing direct access for passenger pick-up and ground transportation services. Above it, the concourse level will feature a multi-lane departures curb, facilitating seamless drop-offs for departing passengers and ensuring a streamlined flow of vehicles. Each level will include at least three bypass lanes in addition to the curb lanes. This dual-level configuration is intended to enhance traffic circulation, reduce congestion, and improve overall accessibility to the terminal for all users.

TOTAL ESTIMATED PROJECT COST: $X,XXX,XXX



Note: Illustrations are for planning purposes only. These projects are subject to refinement during the design phase.

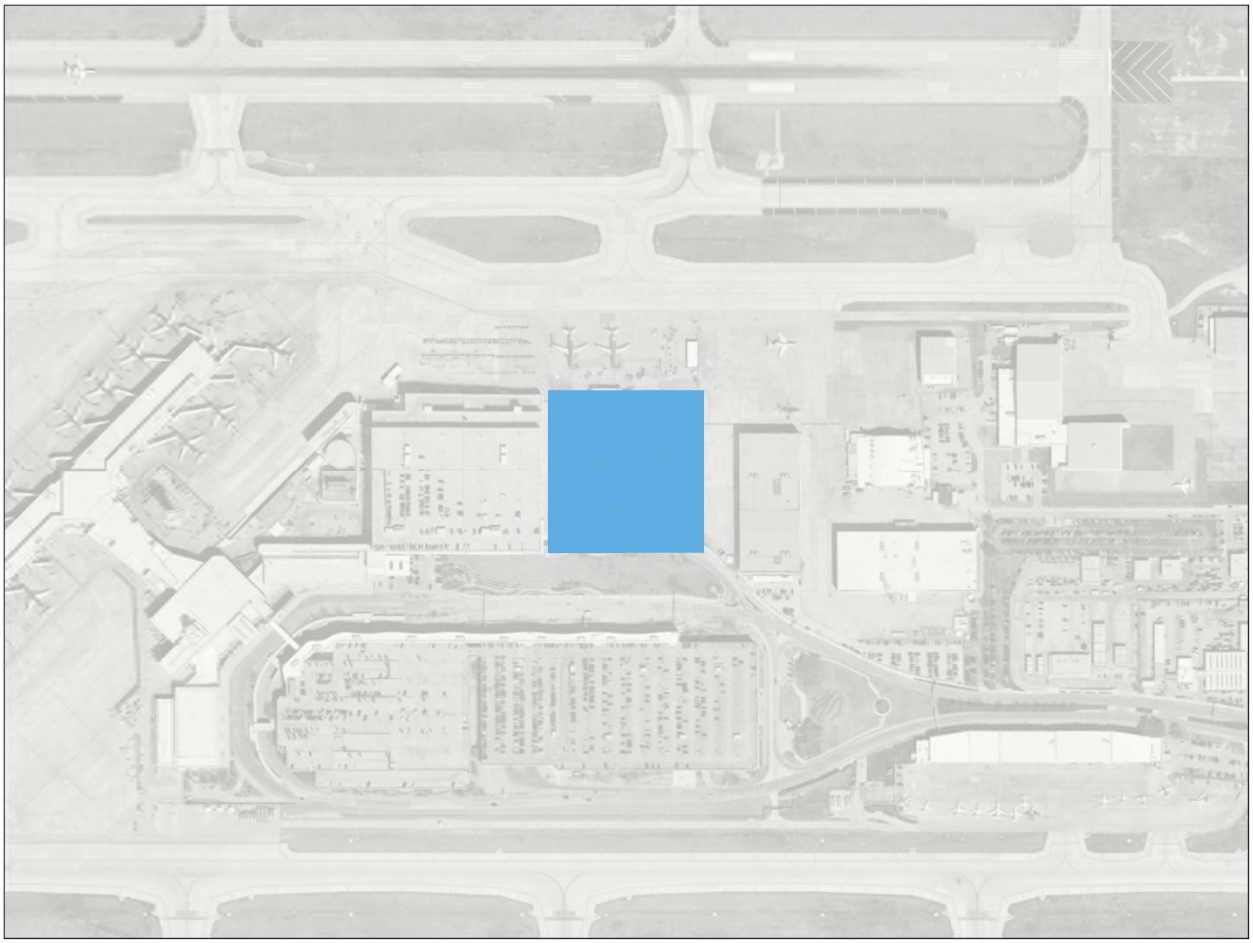
Dallas Love Field

OTHER LEAP PROJECTS

PROJECT NAME: Garage D

PROJECT DESCRIPTION: The Garage D project entails building a multi-level parking facility on the current site of the Southwest Cargo/General Use Building (GUB). This garage will provide convenient short-term and long-term parking options for travelers. The garage will improve access, reduce congestion, and complement the overall terminal development.

TOTAL ESTIMATED PROJECT COST: $X,XXX,XXX



Note: Illustrations are for planning purposes only. These projects are subject to refinement during the design phase.

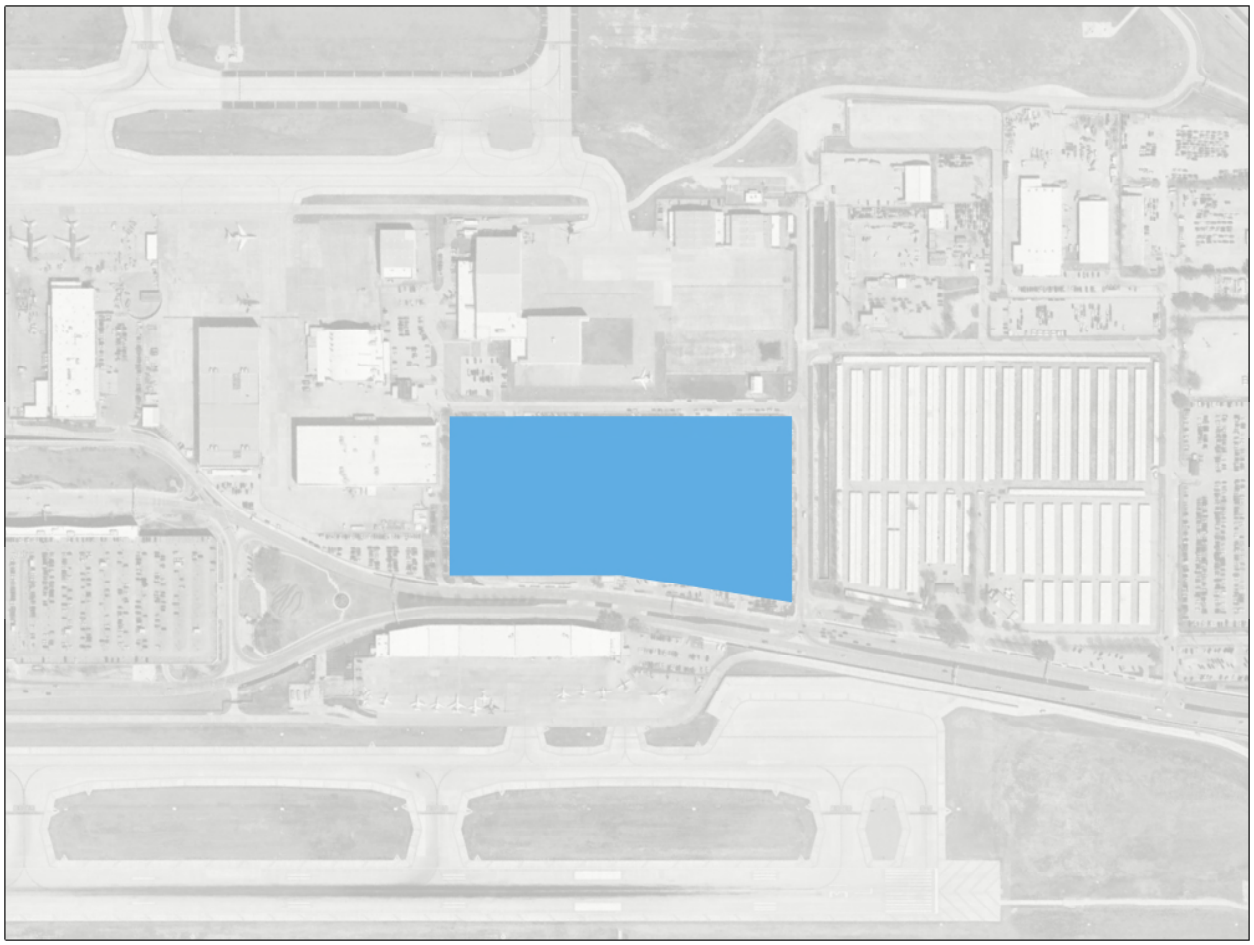
Dallas Love Field

OTHER LEAP PROJECTS

PROJECT NAME: Remote Parking Facility

PROJECT DESCRIPTION: The planned remote parking facility will be situated at the current CONRAC site.

TOTAL ESTIMATED PROJECT COST: $X,XXX,XXX



Note: Illustrations are for planning purposes only. These projects are subject to refinement during the design phase.

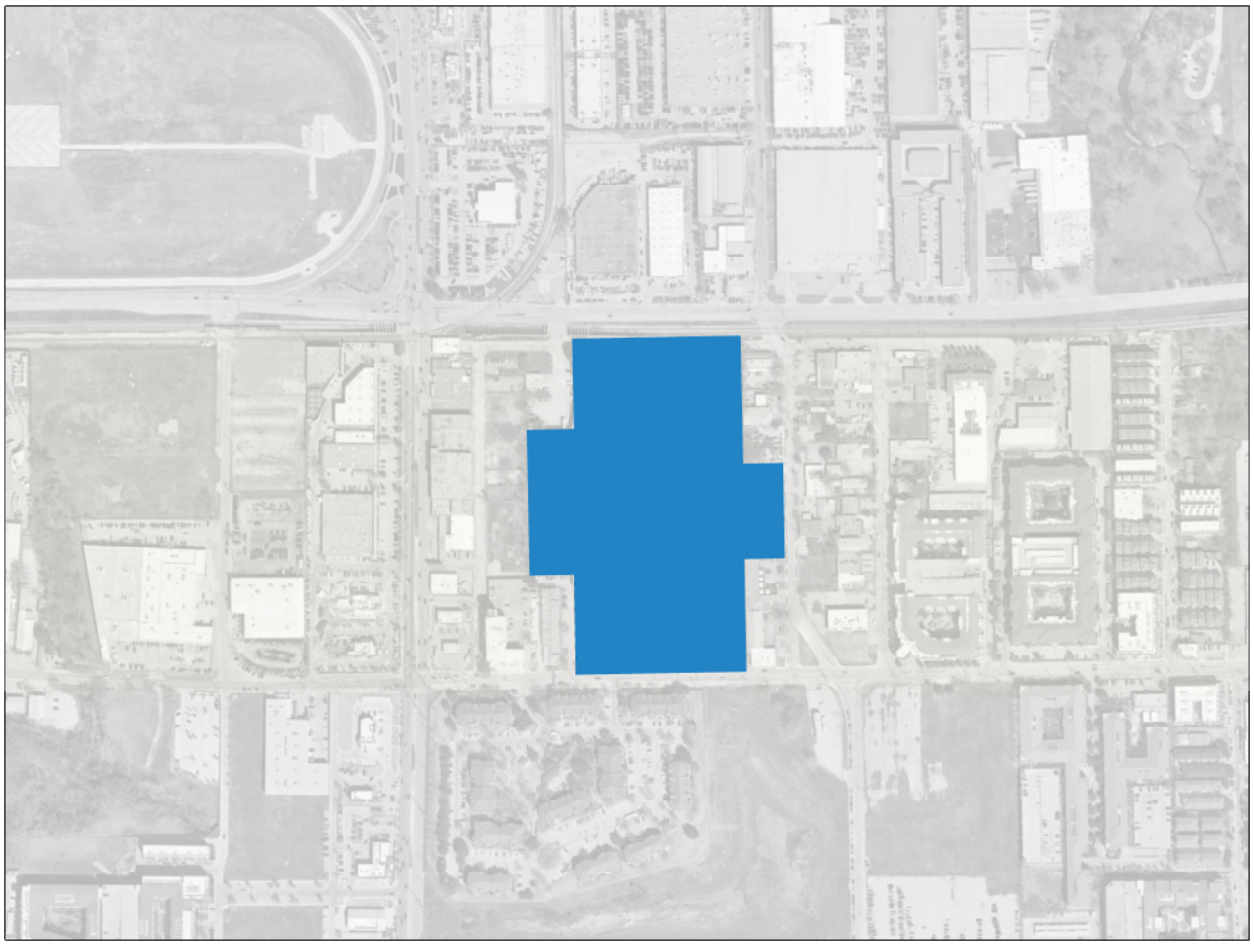
Dallas Love Field

OTHER LEAP PROJECTS

PROJECT NAME: Consolidated Rental Car Facility (CONRAC)

PROJECT DESCRIPTION: The anticipated CONRAC development consists of a 17-acre, unoccupied warehouse property leased by the City, located between Maple Avenue and Denton Drive, approximately 1.4 miles from the terminal, subject to continued refinement of planning and design.

TOTAL ESTIMATED PROJECT COST: $X,XXX,XXX



Note: Illustrations are for planning purposes only. These projects are subject to refinement during the design phase.

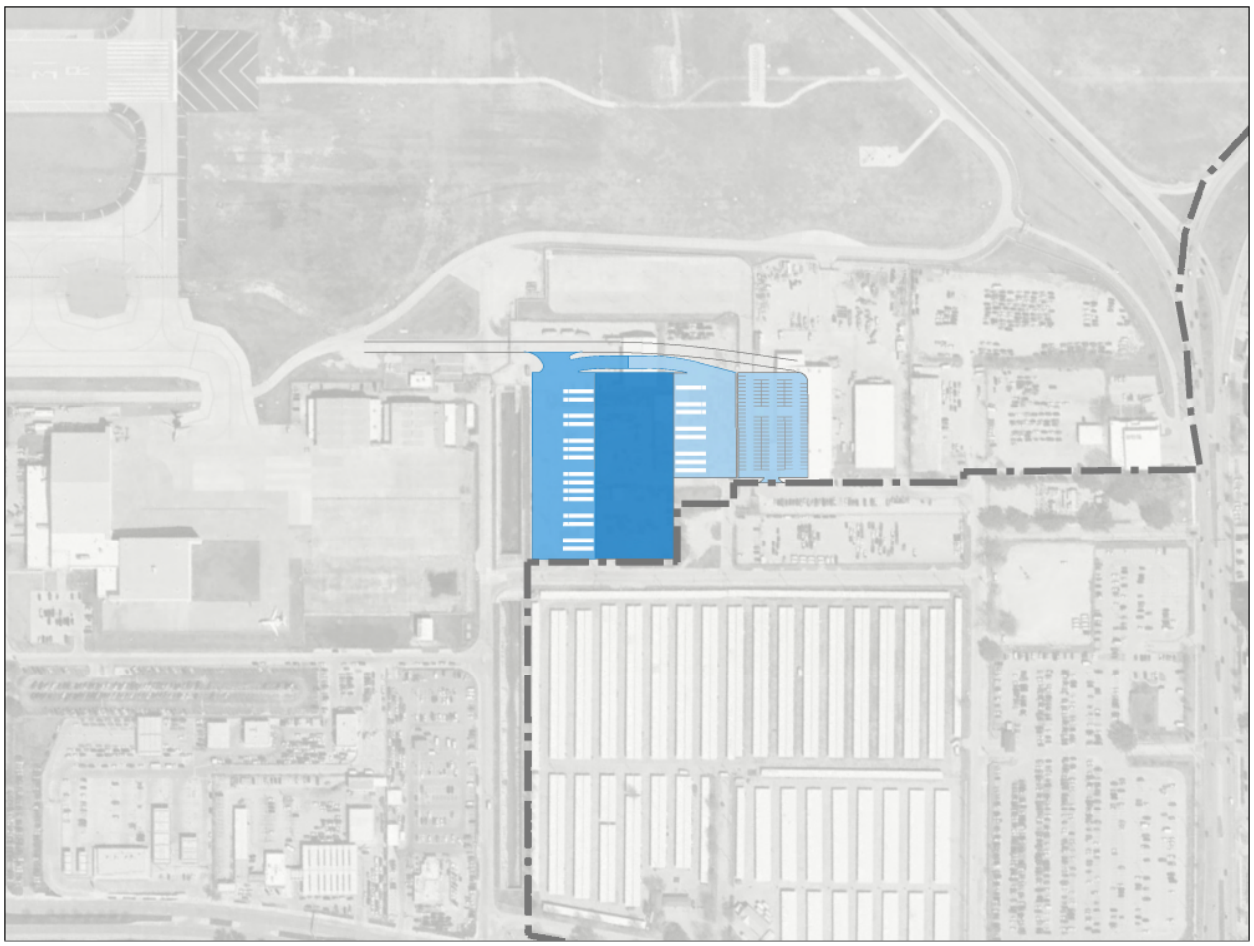
Dallas Love Field

OTHER LEAP PROJECTS

PROJECT NAME: Cargo/General Use Building (GUB) Relocation

PROJECT DESCRIPTION: The Cargo/General Use Building Relocation project involves the strategic relocation of existing cargo and multipurpose facilities to optimize airport land use and support future development. The GUB may be relocated to the current rental car property adjacent to the existing CRDC facility, subject to continued refinement of planning and design. GSE functions will be remain in the GUB and the facility's overall footprint will likely expand by approximately 30%. Access to and from the Cargo/General Use Building will be further evaluated.

TOTAL ESTIMATED PROJECT COST: $X,XXX,XXX



Note: Illustrations are for planning purposes only. These projects are subject to refinement during the design phase.

Dallas Love Field

OTHER LEAP PROJECTS

PROJECT NAME: Triturator Relocation

PROJECT DESCRIPTION: As a result of the Garage D development, the existing triturator must be relocated. The relocation analysis evaluated potential sites along the existing sanitary sewer line to minimize the need for future utility extensions. The preferred location is near the Runway 31R end, adjacent to the Learjet/Bombardier facilities, and would require an extension to connect to the existing sewer infrastructure.

TOTAL ESTIMATED PROJECT COST: $X,XXX,XXX

Note: Illustrations are for planning purposes only. These projects are subject to refinement during the design phase.

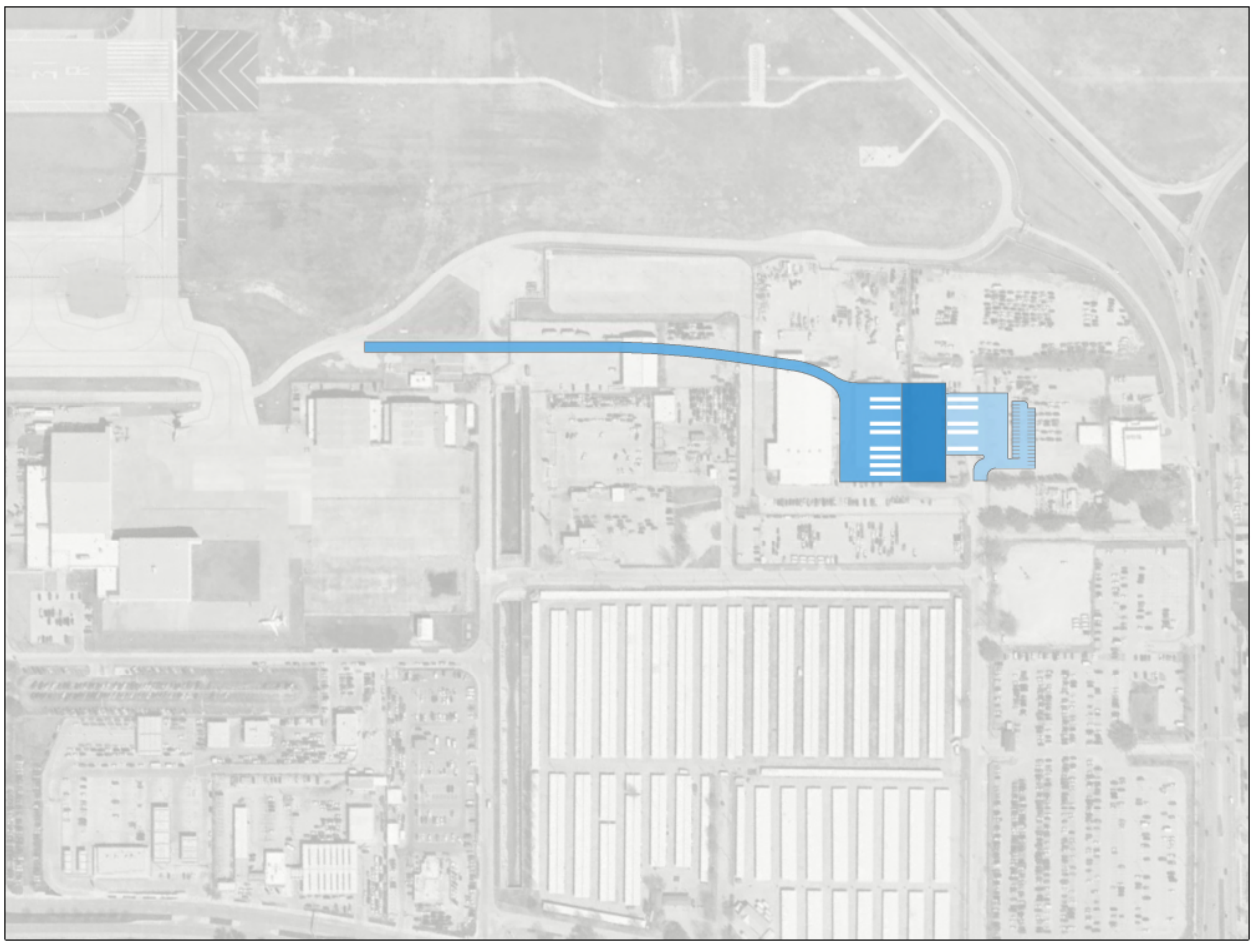
Dallas Love Field

OTHER LEAP PROJECTS

PROJECT NAME: Central Distribution and Receiving Center (CRDC) Facility Relocation

PROJECT DESCRIPTION: The CRDC facility requires an expansion. This project includes relocating the CRDC to the site of the current airport maintenance facilities to accommodate its expansion. The maintenance facilities will be relocated to the area directly southwest of the Runway 13L end. The CRDC would have truck dock access on both sides of the facility.

TOTAL ESTIMATED CONSTRUCTION COST: $X,XXX,XXX



Note: Illustrations are for planning purposes only. These projects are subject to refinement during the design phase.

Dallas Love Field

OTHER LEAP PROJECTS

PROJECT NAME: Airport Maintenance Facilities Relocation

PROJECT DESCRIPTION: The airport maintenance facilities must be moved to accommodate the relocated CRDC facility. Consequently, the maintenance facilities will be relocated to the area directly southwest of the Runway 13L end. This relocation will also involve an expansion of the maintenance facilities.

TOTAL ESTIMATED CONSTRUCTION COST: $X,XXX,XXX

Note: Illustrations are for planning purposes only. These projects are subject to refinement during the design phase.

Exhibit I

LEAP Advisory Committee

I. Generally

In order to facilitate communication and coordination regarding LEAP between the City and the Signatory Airlines, the City and the Signatory Airlines will form and participate in an advisory committee as described in this Exhibit I and in Section 8.2 of the Signatory Airline Use and Lease Agreement ("***Signatory Agreement***") for Dallas Love Field Airport. The LEAP Advisory Committee may establish additional processes and protocols for communication by mutual agreement, provided that such processes and protocols will be subject and subordinate to this Exhibit I and the Signatory Agreement.

II. Membership

The LEAP Advisory Committee shall consist of the following standing members:

A. City Representatives

1. The City shall designate the following as "***City Representatives***" as of the Effective Date:

   (a) Director of Aviation

   (b) Deputy Director of Aviation, Airport Finance, People & Culture

   (c) Deputy Director of Aviation, Airport Capital and Infrastructure

   (d) Assistant Director of Aviation, Aviation Capital Development

2. The City may designate additional City Representatives from time to time by written notice to the Airline Representatives, including an Executive Program Manager ("***EPM***") if one is retained by the City for LEAP or other individuals employed or hired by the City to manage components of the LEAP Airline Projects.

B. Airline Representatives

1. Each of the Signatory Airlines may designate the following as "***Airline Representatives***" to participate in the LEAP Advisory Committee:

   (a) One (1) airport affairs/properties representative from the Signatory Airline

   (b) One (1) airline technical representative/subject matter expert from the Signatory Airline

2. No third-party airline technical representatives may be included as an Airline Representative in the LEAP Advisory Committee unless:

   (a) Approved in advance in writing by the Director of Aviation; and

   (b) Funded directly by the Signatory Airline(s) and not subject to LEAP Airline Project reimbursement.

In addition, each of the Signatory Airlines may designate additional airline technical representative(s) or subject matter expert(s) to participate in any LEAP working groups established by the City to facilitate the solicitation of technical feedback from the Signatory Airlines on specific issues.

The City and the Signatory Airlines may change their standing representatives at their discretion by written notice to all members of the LEAP Advisory Committee.

III. Governance and Administration

A. Meetings

1. Regular meetings of the LEAP Advisory Committee will be scheduled by the City on a monthly basis during the design and construction of the Airline LEAP Projects. The City will present an update on the overall LEAP at such monthly meetings, which may include a schedule overview, notice of upcoming or finalized contract awards, anticipated scope or budget changes, or other relevant information to keep the Signatory Airlines reasonably informed. The Airline Representatives will provide feedback, subject matter expertise, and input regarding airline costs, airline customers, and airline operational impacts, and will coordinate the communication of any written comments or concerns from the Signatory Airlines based on presented materials.

2. The City shall use reasonable efforts to provide the Airline Representatives with any written materials for consideration in advance of each meeting at least one (1) week in advance.

3. In addition to regular monthly meetings, the City will schedule additional project-level meetings with the Airline Representatives with reasonable prior notice, including if requested by the Airline Representatives or as set forth in Section IV.C.

4. A Signatory Airline may invite that subject matter experts to attend a particular LEAP Advisory Committee meeting in addition to the Airline Representative from that Signatory Airline (but not without an Airline Representative) following reasonable prior written notice to the City, such notice to specify which agenda item or issue would benefit from their participation and technical input.

B. Decision-making

1. The LEAP Advisory Committee is intended as a consultative body to formalize communication processes and ensure airline inclusion in the development process of LEAP. No supervisory, voting, or approval rights are provided to the Airline Representatives; however, inputs, collaboration, progress updates, budget reports, and airline concerns will be considered by the City in its decision-making regarding LEAP.

2. Final decisions shall be made by the Director of Aviation, as advised by the LEAP Advisory Committee, unless subject to MII review pursuant to Section 8.2 of the Signatory Agreement.

Exhibit M

Periods of Use

Pursuant to Section 4.10(a), the Gate Use Protocols shall include the following Periods of Use:

	Periods of Use (in minutes)		
Aircraft Seats	**Turn**	**Departure Only (tow-in)**	**Arrival Only (tow-off)**
Less than 100	60	45	45
100-199	90	60	60
200-250	100	65	65
250+	120	75	75

In addition, the Gate Use Protocols shall establish a minimum "***Buffer Period***" of twenty (20) minutes between Periods of Use for consecutive flights on a Gate; provided that the Gate Use Protocols may set forth procedures pursuant to which the Air Carriers operating such consecutive flights and the City may waive, reduce, or enlarge the Buffer Period between such flights if there is mutual agreement by such Air Carriers and the City.