ORDINANCE #67765
Board Bill No. 324

An Ordinance recommended and approved by the Board of Estimate and Apportionment authorizing and directing the Director of Airports and the Comptroller of the City of St. Louis (the "City") to enter into and execute on behalf of the City the Lambert-St. Louis International Airport® (the "Airport") Use and Lease Agreement AL-477 (the "Agreement") between the City and Great Lakes Aviation, LTD., whose term expires June 30, 2011; the Agreement, which was recommended and approved by the Airport Commission, is attached hereto as **ATTACHMENT "1"** and is made a part hereof; containing a severability clause; and an emergency clause.

BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:

SECTION ONE. The Director of Airports and the Comptroller of the City of St. Louis (the "City") are hereby authorized and directed to enter into and execute on behalf of the City the Lambert-St. Louis International Airport® (the "Airport") Use and Lease Agreement AL-477 (the "Agreement") between the City and Great Lakes Aviation, LTD., whose term expires June 30, 2011; the Agreement is to read in words and figures substantially as set out in **ATTACHMENT "1"** and is attached hereto and made a part hereof.

SECTION TWO. The sections, conditions, and provisions of this Ordinance or portions thereof shall be severable. If any section, condition, or provision of this Ordinance or portion thereof contained herein is held invalid by the court of competent jurisdiction, such holding shall not invalidate the remaining sections, conditions, or provisions of this Ordinance.

SECTION THREE. This being an Ordinance for the preservation of public peace, health, or safety, it is hereby declared to be an emergency measure as defined in Article IV, Section 20 of the City Charter and shall become effective immediately upon its approval by the Mayor of the City.

ATTACHMENT "A"

CITY OF ST. LOUIS
LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®

AIRPORT USE AND LEASE AGREEMENT
GREAT LAKES AVIATION, LTD.
NO. AL-477

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LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®
AIRPORT USE AND LEASE AGREEMENT
GREAT LAKES AVIATION, INC.

This Airport Use and Lease Agreement is dated _____, 2007 and is between The City of St. Louis, a municipal corporation of the State of Missouri, and Great Lakes Aviation, Ltd., a corporation organized and existing under the laws of the State of Iowa.

RECITALS

The City owns and operates the Lambert-St. Louis International Airport®, located in the County of St. Louis, State of Missouri.

Airline is engaged in the business of providing commercial air transportation as a scheduled air carrier and is certificated

by the United States Government to engage in such business.

The City and certain airlines previously entered into agreements governing the use of the Airport, which expire on December 31, 2005.

Airline wishes to provide commercial air transportation at the Airport and, to that end, desires to enter into this Agreement for the use of the Airport and its facilities.

The City is willing to grant Airline certain rights and privileges for the use of the Airport and its facilities upon the terms and conditions set forth herein.

The parties, therefore, agree as follows:

ARTICLE I
DEFINITIONS

Section 101. Meanings and Construction

Except as otherwise clearly indicated by the context, the words and phrases defined in this Section shall have the following meanings when used elsewhere in this Agreement.

"Affiliate" means any commercial air transportation company that:

(i) is designated by Airline to the City as its Affiliate; provided that Airline is a Participating Airline; and,

(ii) has executed an airline operating agreement containing insurance, indemnification, and other standard provisions as required by the City; and either --

(iii) is operating at the Airport for the benefit of Airline, under the same or substantially similar livery as Airline, and: (a) is owned by Airline, or (b) is a subsidiary of the same corporate parent of Airline, or (c) is under contract to Airline in respect of such operation; or,

(iv) 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 Airline; or,

(v) is operating at the Airport under a shared International Air Transport Association ("IATA") flight designator code with Airline at the airport.

An Affiliate shall execute an airline operating agreement containing insurance, indemnification, and other standard provisions as required by the City.

The designation of an Affiliate shall be made only if Airline is a Participating Airline. Moreover, no "major" airline, as such term is defined by the U.S. Department of Transportation, and as measured on the date of designation hereunder, may be designated as an Affiliate of Airline (unless such Affiliate is a subsidiary of the same corporate parent as Airline). Airline shall notify the City of those commercial air transportation companies it designates as Affiliates, and when such designation is removed or when the qualifications set forth herein are no longer present. At any time, Airline may give the City 30-day notice that such commercial air transportation company otherwise meeting the definition of an Affiliate hereunder shall no longer be considered an Affiliate of Airline for purposes of this Agreement.

The Rents, Fees, and Charges of the Affiliates shall be calculated using the same methodology used to calculate Airline's Rents, Fees, and Charges, in accordance with Article VI.

"Agreement" means this Airport Use and Lease Agreement.

"Aircraft Parking Position" means the area on the aircraft apron adjacent to each Gate and designated by the City to serve as the position at which aircraft using each particular Gate must be parked.

"Airfield Operations Area" or "AOA" means those areas of the Airport used for the landing, taking-off, movement, and parking of aircraft, as the same now exist or as the same hereafter may be added to, modified, changed, or developed.

"Airfield Requirement" means the total cost of the Airfield Cost Center net of certain revenue items as calculated in accordance with the provisions of Section 606.

"Airline" means the Airline named on the signature page hereof.

"Airport" means the Lambert-St. Louis International Airport®, together with any additions, improvements, or enlargements made from time to time.

"Airport Commission" means the now existing Airport Commission of the City created by §18.08.030 of the Revised Code of the City of St. Louis, or such officer, board or commission who or which hereafter may be legally given the powers and duties given to the Airport Commission in existence on the date hereof.

"Airport Director" means the Airport Director of the City or the person performing the functions of that office, as authorized by the City's Mayor, or that person authorized by the Airport Director to act for or on behalf of the Airport Director with respect to any particular matter under this Agreement.

"Air Transportation Business" means the carriage by aircraft of persons or property as a common carrier for compensation or hire, or the carriage of mail by aircraft in commerce, as defined in the Federal Aviation Act of 1958, as amended.

"Amortization" means the level annual charge required to recover the Net Cost of a Capital Improvement, or, when applicable, a Capital Outlay, over the Useful Life of such Capital Improvement or Capital Outlay at the City's Cost of Capital, commencing on the first day of the month following the date in which such Capital Improvement or Capital Outlay is placed into service.

"Apron-Level Unenclosed Space" means the unenclosed space under any of the concourses of the Terminal Building, as shown in Exhibit B.

"Bond or Bonds" means all bonds, notes, or other obligations issued by the City pursuant to the Trust Indenture.

"Capital Budget" means the capital budget of the City for the Airport, as amended or supplemented from time to time, adopted or in effect for a particular Fiscal Year, as provided in section 816 of the Trust Indenture.

"Capital Improvement" means any land purchased for the use of the Airport, improvement constructed, or capital asset or equipment acquired by the City at the Airport that has a Net Cost in excess of $100,000.

"Capital Outlay" means any equipment item or other capital asset acquired or constructed by the City that is included in the Capital Budget and has a Net Cost of $100,000 or less.

"City" means The City of St. Louis, Missouri.

"Common Use Formula" means the formula used to prorate the total monthly rent attributable to the Common Use Space in each Terminal Building among those airlines using such space (the "Common User Airlines") as follows: 20 percent of such monthly rent equally among each such Common User Airline, and 80 percent based on the percentage that results from dividing the average monthly number of Enplaned Passengers of each Common User Airline during the most recently available preceding six month period by the aggregate average monthly number of Enplaned Passengers of all Common User Airlines during such period. The results of the Common Use Formula shall be calculated by the City, and shall become effective on January 1 and July 1 of every year; provided, however, that the City shall update its calculations upon the commencement of service by a new Common User Airline, for which the City shall estimate the average monthly number of Enplaned Passengers for purposes of the Common Use Formula calculations.

"Common Use Space" means the designated tug drives within the baggage make up areas, and the baggage claim areas and related facilities and appurtenances of the East Terminal Cost Center and of the West Terminal Cost Center, respectively, that Airline
uses on a common basis with other airlines assigned to that space, as depicted on Exhibit B.

"Cost Centers" means the areas (and functional activities associated with such areas) used in accounting for the Amortization, the Capital Outlays, and the Operating and Maintenance Expenses of the Airport for the purposes of calculating Rents, Fees, and Charges, as such areas now exist as shown on Exhibit A, or may hereafter be modified or expanded, and as more particularly described below:

(i) "Airfield Cost Center" means areas of the airport used for the landing, taking-off, movement, and parking of aircraft at an Aircraft Parking Position, including runways, taxiways, aprons, navigational aids, hazard designation and warning devices, airfield security roads and fencing, blast fencing, lighting, clear zones and safety areas, aviation easements, including land utilized in connection therewith or acquired for such future purpose or to mitigate aircraft noise, and associated equipment and facilities, the acquisition, construction or installation cost of which is wholly or partially paid by the City.

(ii) "Airport Administration Cost Center" means all of the activities of the City in managing and administering the Airport including: (1) the services provided by the Airport's administrative organizational units or "Departments" (Office of the Airport Director, Administration, Finance and Accounting, Governmental Affairs, Properties, Safety, Public Relations, Marketing, Legal, Operations & Maintenance Management, Planning & Development, Engineering, Contract Administration, Materials Management, Information Technology, and any other administrative organizational units that may be established from time to time); (2) direct charges assessed to the Airport by the City for specific services rendered; (3) the overhead charges for other services provided to the Airport by the City as determined by the City using a city-wide cost allocation methodology; and (4) the costs of facilities that support the Airport's administrative functions and activities.

(iii) "East Terminal Cost Center" means the following two sub-Cost Centers:

(1) the "East Terminal" which is the unit terminal building situated at the east end of the passenger terminal complex, including Gates E2 through E25, as well as Gates D30, D32, D34, and D36, and all supporting and connecting structures and facilities and all related appurtenances, excluding City-owned loading bridges; and

(2) the "International Facilities" which is the area comprising the federal inspection services (FIS) area, Gates E29, E31, and E33 (as designated by the City from time to time), together with all associated office and operation space, and related appurtenances.

(iv) "Passenger Loading Bridges Cost Center" means the passenger loading bridges and appurtenant equipment acquired by the City on or after January 1, 2006, in accordance with Section 707, and available for use at any of the Gates in the Terminal Buildings.

(v) "Terminal Roadways Cost Center" means the upper (departure) and lower (arrival) roadways serving the entire terminal complex, together with the roadway system that provides access to and from Interstate 70.

(vi) "West Terminal Cost Center" means the area comprising the west portion of the passenger terminal complex and commonly referred to as the main terminal building, together with concourses A, B, C and D, including all supporting and connecting structures and facilities and all related appurtenances to said building and concourses, excluding Cityowned loading bridges, and also excluding Gates D30, D32, D34, and D36, and all supporting facilities and related appurtenances to such Gates, which are part of the East Terminal sub-Cost Center.

Other Cost Centers used by the City but not defined herein include the Parking and Ground Transportation Cost Center and Other Buildings and Areas Cost Center.

"Cost of Capital" means:

(i) for Capital Improvements financed with Bonds, the effective interest rate (a.k.a. "true interest cost" or "TIC") on the bonds used to finance the particular Capital Improvement; and

(ii) for Capital Improvements, or when applicable, Capital Outlays, financed with other Airport funds, the current Revenue Bond Index of 22year+, "A" rated bonds published daily in the Wall Street Journal (or successor publication thereto), as of April 1 of the Fiscal Year in which the Capital Improvement is placed in service.

"Debt Service Reserve Account" means the account by the same name established pursuant to section 502 of the Trust Indenture.

"Enplaned Passengers" means all originating and on-line and off-line connecting passengers of Airline and of all other airlines enplaning at any of the Terminal Buildings, but excluding through passengers.

"Environmental Laws" means all applicable federal, state, and local statutes, ordinances, regulations, rules, laws, permits, permit conditions, and orders relating to the generation, use, storage, transportation, or disposal of Hazardous Materials, including, without limitation, the Clean Air Act, 442 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, 7 U.S.C. §136 et seq.; the Marine Protection, Research, and Sanctuaries Act, 33 U.S.C. §1401 et seq.; the Noise Control Act, 42 U.S.C. §4901 et seq.; the Occupational Safety and Health Act, 29 U.S.C. §651 et seq.; the Resource Conservation and Recovery Act, 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, the Emergency Planning and Community Right to Know Act, and the Radon Gas and Indoor Air Quality Research Act; the Hazardous Material Transportation Act, 49 U.S.C. §9601 et seq.; the Toxic Substance Control Act, 15 U.S.C. 2601 et seq.; the Atomic Energy Act, 42 U.S.C. §2011 et seq.; and the Nuclear Waste Policy Act of 1982, U.S.C. §1010 et seq.

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

"Event of Default" means an Event of Default as defined in Section 1301.

"Equipment Purchases and Capital Outlays" means the aggregate amount of expenditures for Capital Outlays.

"Exclusive Use Space" means that space within the Terminal Buildings, as depicted on Exhibit B, in which Airline is granted the right to occupy and use to the exclusion of others, in accordance with the provisions of Article IV.

"Federal Aviation Administration" or "FAA" means the Federal Aviation Administration created under the Federal Aviation Act of 1958, as amended, or any successor agency thereto.

"Fiscal Year" or "FY" refers to the City's fiscal year and means the twelve-month period commencing July 1 and extending through June 30 of the following calendar year, or such other fiscal year as the City may establish by ordinance.

"Gate" means each area from which passengers enplane or deplane aircraft, including the associated holdroom and passenger loading bridge, and related tenant improvements.

"Gross Space" means the entirety of any particular area of the Terminal Buildings measured, as appropriate for each area, from the primary interior surface of the exterior walls and from the centerline of interior partitions, or, in the absence of such interior partitions, the point where such centerline would be located if such interior partitions existed, expressed in square feet.

"Hazardous Materials" means friable asbestos or asbestos-containing materials, polychlorinated biphenyls (PCBs), petroleum, or crude oil or any fraction thereof, natural gas, source material, special nuclear material, and byproduct materials regulated under Environmental Laws, pesticides regulated under Environmental Laws, and any hazardous waste, toxic, or dangerous substance or related material, including any material defined or treated as a hazardous substance, hazardous waste, toxic substance, or contaminant (or comparable term) under any of the Environmental Laws.

"Joint Use Formula" means the formula used to prorate the total monthly rent attributable to the Joint Use Space in each area of the Terminal Buildings (e.g., concourse operational area) among those airlines using such area (the "Joint User Airlines") based on the percentage that results from dividing the relevant square footage attributable to the Exclusive Use Space of each Joint User Airline by the aggregate leaseable square footage within such area.

"Joint Use Space" means the areas in the Terminal Buildings that Airline uses jointly with other airlines assigned to those areas, as depicted on Exhibit B.

"Landed Weight" means the sum of the Maximum Certificated Gross Landed Weight for all Revenue Aircraft Arrivals over a stated period of time, rounded to the nearest thousand pounds.

"Landing Fees" means the fees payable by Airline for the use of the Airfield Operations Area in accordance with Section 503.

"Landing Fee Rate" means any Landing Fee Rate established pursuant to Section 606.

"Leased Premises" means, at any time, for Airline, those areas and facilities in the Terminal Buildings which, pursuant to Article IV, are leased to Airline for its exclusive, preferential, joint, or common use and occupancy, consisting of Exclusive Use Space, Preferential Use Gates, Joint Use Space, and Common Use Space, as depicted in Exhibit B.

"Majority-In-Interest" means, with respect to each Cost Center and sub-Cost Center, those Participating Airlines that: (i) represent no less than 66.66% in number of the Participating Airlines operating at the affected Cost Center or sub-Cost Center at the time of the voting action, and (ii) paid no less than 66.66% of the total Rents, Fees, and Charges applicable to such Cost Center or sub-Cost Center paid by all Participating Airlines operating in such Cost Center or sub-Cost Center during the immediately preceding Fiscal Year. No airline shall be deemed to be a Participating Airline for purposes of this definition if such airline is under an Event of Default pursuant to, and has received Notice in accordance with, Section 1301.

"Maximum Certificated Gross Landed Weight" means, for any aircraft operated by an airline, the maximum certified gross landing weight in one thousand pound units of such aircraft as certified by the FAA and as listed in Airline's FAA-approved Flight Operations Manual.

"Mitigated Landing Fee Rate" means a landing fee rate calculated in accordance with Subsection 606(C)(ii).

"Net Cost" means, with respect to a Capital Improvement or a Capital Outlay, the total project cost (including actual construction costs; architectural and engineering fees, program management fees, testing and inspection fees, construction management fees, permit fees, and other direct or allocable fees; interest during construction; and allocable out-of-pocket financing costs), less funds from any federal or state grants-in-aid or Passenger Facility Charge used in funding the Capital Improvement or Capital Outlay.

"Nonpreferential Gate Use Fee" means the just and reasonable fee, established by the City from time-to-time for the use of a Gate by nonpreferential gate users. Nonpreferential Gate Use Fee shall include a space use component as well as an allowance for the use of equipment and furnishings considered to be essential for the use of that Gate, such as seating, podiums, and the associated passenger loading bridge.

"Nonsignatory Airline" means an airline using the Airport which is not a Signatory Airline.

"Notice" means a communication between the parties to this Agreement performed in accordance with the requirements of Subsection 1513(B).

"Operating and Maintenance Expenses" means, as defined in section 101 of the Trust Indenture, as follows: the City's expenses for operation, maintenance, repairs, ordinary replacement and ordinary reconstruction of the Airport, including a reasonable reserve for uncollectible revenues, and shall include, without limitation, administrative and overhead expenses, insurance premiums,

deposits for self-insurance, legal, engineering, consulting, accounting or other professional service expenses, union contribution, payments to pension, retirement, group life insurance, health and hospitalizations funds, or other employee benefit funds, costs of rentals of equipment or other personal property, costs of rentals of real property, costs incurred in collecting and attempting to collect any sums due the City in connection with the operation of the Airport, and any other expenses required to be paid by the City under the provisions of the Trust Indenture or by laws or consistent with standard practices for airports similar to the properties and business of the Airport and applicable in the circumstances, including, without limitation, an allocable share of administrative personnel costs incurred by the City at locations other than the Airport in connection with the operations of the Airport, and the expenses, liabilities and compensation of the fiduciaries required to be paid under the Trust Indenture, all to the extent properly attributable to the Airport. Operation and Maintenance Expenses shall not include any capital development cost or any allowance for depreciation or any operation or maintenance costs for special facilities where the lessee is obligated under its special facilities lease to pay such expenses. For purposes of this Agreement, Operating and Maintenance Expenses shall also include the gross receipt payments transferred annually from the Airport's revenue fund to the general fund of the City, as authorized by City ordinance, and as provided for in section 504(B) of the Trust Indenture.

"Originating Enplaned Passengers" means all Enplaned Passengers of Airline and of all other airlines at the Terminal Buildings, except passengers connecting between flights, both on-line and off-line.

"Participating Airline" means a Signatory Airline that has elected to make the Participating Commitment by signing and delivering to the City the form shown as Exhibit H.

"Participating Commitment" means the irrevocable commitment made by a Signatory Airline by signing and delivering to the City the form shown as Exhibit H, that the sum of annual Rents, Fees, and Charges payable by such Signatory Airline to the City shall be equal to, or greater than, $100,000, on each Fiscal Year during the term of this Agreement, regardless of the level of activity, or amount of space leased by such Signatory Airline. The Participating Commitment shall be prorated for the Fiscal Year in which it is made, based on the actual date in which Notice is given to the City.

"Partner" means any commercial air transportation company that:

(i) is a Signatory Airline;

(ii) is operating at the Airport under a shared International Air Transportation Association (IATA) flight designator code with Airline at the Airport; and

(iii) sells seats on flights in or out of the Airport in the name of Airline.

"Passenger Facility Charge" or "PFC" means charges imposed by the City pursuant to 49 U.S.C. §40117, as amended or supplemented from time to time, and 14 C.F.R. Part 158, as amended or supplemented from time to time.

"Passenger Loading Bridge Charge" means the charge payable for the use of Cityowned passenger loading bridges assigned to Airline as established in accordance with Section 604.

"Preferential Use Gates" means those Gates within the Terminal Buildings, as depicted on Exhibit B, in which Airline holds a priority over others as to use in accordance with the provisions of Article IV.

"Remediation Costs" means any reasonable losses, expenses, or costs incurred by the City in connection with environmental remediation: (i) required by the appropriate governmental agency responsible for enforcing Environmental Laws or Environmental Permits, and (ii) attributable to Hazardous Materials left on City property in violation of Environmental Laws or Environmental Permits, and caused by, or arising out of, Airline's operations at the Airport or the Airline's use or lease of the City's property. Remediation Costs include investigation and evaluation costs, costs to implement institutional controls or restrictive covenants, sampling and analysis costs, reporting costs, planning and design costs, consultant and contractor costs, labor costs, equipment costs, construction costs, access costs, disposal costs, transportation costs, reasonable administrative costs, reasonable attorneys' fees and other legal fees and litigation expenses, permit fees and costs, monitoring costs, oversight and inspection costs, claims, demands, causes of action, suits, judgments, damages, compensation, debts, costs, expenses, losses, penalties, fines, stipulated penalties, punitive damages, and other similar liabilities arising out of Airline's violation of Environmental Laws or Environmental Permits.

"Rents, Fees, and Charges" means for any Fiscal Year, the rents, fees, and charges payable by Airline pursuant to Articles V and VI. The definition of Rents, Fees, and Charges excludes Passenger Facility Charges.

"Renewal and Replacement Fund" means the fund by the same name established pursuant to section 502 of the Trust Indenture.

"Requesting Airline" means an airline requesting the right to use, in common with Airline, all or a designated portion of Airline's Preferential Use Gates in accordance with the provisions of Section 406.

"Revenue Aircraft Arrival" means each landing of an aircraft at the Airport, except: (i) landing of an aircraft that departs from the Airport and returns, without having landed at another airport, for meteorological, mechanical, safety, or any other emergency purpose; (ii) the landing of aircraft during training flights; or (iii) the landing of aircraft during maintenance test flights.

"Rules and Regulations" means those lawful, reasonable, and not unjustly discriminatory rules and regulations, including ordinances and operating directives, promulgated by the Airport Director, the Airport Commission, or the City from time to time for the orderly operation of the Airport.

"Security Deposit" means an irrevocable letter of credit or other instrument acceptable to the City provided pursuant to Section 506.

"Signatory Airline" means, at any time, each one of the airlines which then has executed an agreement with the same expiration date, and containing substantially similar terms and conditions as this Agreement.

"Terminal Buildings" means the terminal complex area comprised of the West Terminal Cost Center and the East Terminal Cost Center. The term "Terminal Buildings" also includes all additional new passenger terminal structures and facilities that may be constructed by the City at the Airport.

"Terminal Rental Rate" means the rental rate payable for the Leased Premises assigned to Airline in each of the Terminal Buildings as established in accordance with Section 603.

"Ticket Counter Queuing Space" means the public area in front of, and extending 15 feet from, Airline's ticket counters, as shown on Exhibit B.

"Transportation Security Administration" or "TSA" means the Transportation Security Administration created under the Aviation and Transportation Security Act of 2001, as amended, or any successor agency thereto.

"Trust Indenture" means the Amended and Restated Indenture of Trust between the City and UMB Bank, N.A., Trustee, dated as of October 15, 1984, as Amended and Restated as of September 10, 1997, and as further amended or supplemented from time to time. The City shall provide to Airline, upon request, a copy of all such amendments and supplements.

"Unmitigated Landing Fee Rate" means a landing fee rate calculated in accordance with Subsection 606(C)(i).

"Usable Space" means the Gross Space of the particular terminal building, less any mechanical, electrical, and other utility space.

"Useful Life" means the estimated period of time in which the Net Cost of a Capital Improvement, or, when applicable, a Capital Outlay, is recovered through an Amortization charge. Useful Life shall be determined by the City based on generally accepted accounting practices.

Section 102. Interpretation

(A) References in the text of this Agreement to articles, sections, paragraphs, or exhibits pertain to articles, sections, paragraphs, or exhibits of this Agreement, unless otherwise specified.

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

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

(D) Any headings preceding the text of the articles and sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction, or effect.

(E) Words importing the singular shall include the plural and vice versa. Words of any gender shall be deemed to include correlative words of the other gender.

(F) The term "including" shall be construed to mean "including without limitation," unless otherwise expressly indicated.

(G) All references to number of days shall mean calendar days.

(H) Words used in the present tense include the future.

Section 103. Incorporation of Exhibits

The following Exhibits are hereby made a part of this Agreement:

Exhibit A - Cost Centers

Exhibit B - Leased Premises and City Gates

Exhibit C - Statistical Report Form

Exhibit D - Area Measurement Policy, Measurement Rules

Exhibit E - Illustrative Calculation of Rates and Charges

Exhibit F - 5-Year Capital Improvement Program

Exhibit G - Division of Responsibility for Maintenance and Operation

Exhibit H - Participating Airline Election Notice

ARTICLE II
TERM OF THE AGREEMENT

Section 201. Term

The term of this Agreement shall commence on October 1, 2007, and shall expire on June 30, 2011, unless sooner terminated pursuant to the provisions hereof.

Section 202. Holding Over

If Airline holds over after the expiration or early termination of this Agreement, the resulting tenancy shall be for an indefinite period of time on a month-to-month basis, during which tenancy the parties to this Agreement shall continue to adhere to all covenants, conditions and provisions of this Agreement; provided, however that, unless otherwise agreed to by the Airport Director with the approval of the Airport Commission, Airline shall be deemed to be a Nonsignatory Airline for purposes of Article VII, and shall pay to the City the rents, fees, and charges then applicable to Nonsignatory Airlines. Acceptance by the City of payment of Rents, Fees, and Charges after expiration or early termination of this Agreement shall be deemed to be payment on account, and shall not operate to waive or modify any provision of this Section.

ARTICLE III
AIRLINE RIGHTS, PRIVILEGES, AND LIMITATIONS

Section 301. Use of Airport

Subject to the terms of this Agreement, Airline shall have the right to conduct its Air Transportation Business at the Airport and to perform all operations and functions that are incidental or necessary to the conduct of such business at the Airport. Nothing in this Article shall be construed as authorizing Airline to conduct any business separate and apart from the conduct of its Air Transportation Business at the Airport. Any rights not specifically granted to Airline for its use of and operations at the Airport pursuant to this Agreement are hereby reserved for and to the City.

(A) *Use in Common of Terminal Buildings.* Airline shall have 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 Buildings.

(B) *Use in Common of Airfield Operations Area.* Airline shall have the right to use the Airfield Operations Area, in common with others so authorized, to land, takeoff, fly over, taxi, tow, park, and condition Airline's aircraft. Airline shall have the right to park, service, deice, load, unload, and maintain Airline's aircraft and support equipment in areas designated by the City, subject to the availability of space. Airline shall not knowingly permit, without the consent of the City, the use of the Airfield Operations Area or any portion thereof by any aircraft operated or controlled by Airline that exceeds the design strength or capability of such area as described in the then-current FAA-approved Airport Layout Plan (ALP) or other engineering evaluations performed subsequent to the then-current ALP, including the then-current Airport Certification Manual, a copy of which shall be provided, upon request, by the City to Airline.

(C) *Airline Operations.* Airline shall have the right to handle reservations; sell tickets, including electronic tickets; document shipments; and load and unload persons, property, cargo, and mail, including interlining with other airlines.

(D) *Maintenance of Aircraft and Equipment.* Airline shall have the right to conduct routine servicing by Airline, or by its suppliers of materials or by its furnishers of routine services, of aircraft operated by Airline or by other airlines with which Airline has an approved handling agreement, at its assigned Aircraft Parking Position(s), or as otherwise permitted by the City's Rules and Regulations; provided, however, that Airline shall not do, or permit to be done any heavy maintenance (e.g., engine changes, control surface replacements and overhauls) at its assigned Aircraft Parking Position(s) unless such maintenance is consented to by the City. Airline shall restrict its maintenance and/or repairs of ground support equipment (e.g., baggage carts, power units, and trucks) only to areas designated by the City for that purpose. The City reserves the right to require all third-party suppliers of materials or furnishers of services doing business at the Airport to secure a permit from the City, to comply with all applicable Rules and Regulations, and to pay any applicable fees to the City for conducting such activity at the Airport.

(E) *Ramp Support.* Subject to applicable fees and charges, Airline shall have the right to use water, electric power, telephone, and preconditioned air systems, to the extent supplied by the City, at or adjacent to Airline's assigned Aircraft

Parking Positions. To the extent such systems are not supplied by the City, Airline shall have the right to purchase, install, use, and maintain, at Airline's assigned Aircraft Parking Positions, equipment and services necessary for loading, unloading, and general servicing of Airline's aircraft, auxiliary power systems, air start systems, preconditioned air systems, and other miscellaneous aircraft and aircraft-related support equipment and facilities.

(F) *Storage of Fuels, Lubricants, and Deicing Fluids.* Airline shall have the right to erect or install and maintain on the Airport, only at locations designated, and in a manner approved by the City, adequate storage facilities for fuels, lubricants, and deicing fluids, together with the necessary pipes, pumps, motors, filters and other appurtenances incidental to the use thereof. Airline shall install, maintain, and operate such storage facilities in full compliance with all applicable federal, state and local laws and regulations, and in accordance with insurance underwriters' standards. The City reserves the right to assess a reasonable rental or use charge for any such storage areas, if located outside the Leased Premises.

(i) Airline shall apply deicing/anti-icing fluids only in areas in which appropriate containment systems are operational, or in areas otherwise designated by the City. The City reserves the right to include the costs associated with the operation and maintenance of containment systems in the Airfield Cost Center.

(ii) All non-hydrant fueling trucks shall be reasonably approved by the City, including their routing and parking locations.

(G) *Personnel.* Airline shall have the right to hire and train personnel in the employ of or to be employed by Airline at the Airport.

(H) *Customer Service.* Airline shall have the right to provide to its passengers such services that Airline normally provides at similar airports, such as skycaps and wheelchair services. Airline shall not provide any type of motorized passenger cart services within the Terminal Buildings without the approval of the City.

(I) *Test of Aircraft and Equipment.* Airline shall have the right to test aircraft and other equipment owned or operated by Airline; provided that such testing is incidental to the use of the Airport in the operation by Airline of its Air Transportation Business and will not hamper or interfere with use of the Airport and its facilities by others entitled to use of the same. The City reserves the right to restrict any testing operations it deems to interfere with the safe and efficient use of the Airport and its facilities or to create excessive noise as determined by the City.

(J) *Sale, Disposal, or Exchange of Equipment and Products.* Airline shall have the right to sell, dispose, or exchange aircraft, engines, accessories, gasoline, fuel, oil, lubricants, deicing fluid, and other equipment of Airline, only in areas designated by the City.

(K) *Use of Ground Transportation.* Airline shall have the right to load and unload persons, property, cargo, and mail by motor vehicles or other means of conveyance, operated by itself or provided by third-party suppliers, as Airline may desire or require in the operation of its Air Transportation Business, via routes and at locations designated by the City; provided, however, that the City reserves the right to require such third-party supplier or suppliers to secure a permit from the City, to comply with all applicable Rules and Regulations, and to pay any applicable fees to the City to conduct such activity at the Airport.

(L) *Modification of Leased Premises.* Airline shall have the right to conduct the following activities within its Leased Premises:

(i) build, install, maintain and operate facilities and equipment for all activities related to its Air Transportation Business at the Airport, including: check-in and ticket counters; reservations offices; administrative offices; operations offices; lockers, restrooms, and related facilities for its employees; and baggage, cargo, and mail handling and storage space; provided, however, that the particular Leased Premises are designed to be used for said purpose or that said use has been approved by the City;

(ii) install and maintain personal property, including furniture, furnishings, supplies, machinery, and equipment deemed necessary or prudent for the operation of its Air Transportation Business; title to such personal property shall remain with Airline, subject to the provisions of this Agreement;

(iii) install and maintain wall treatments and other identifying signs, subject to the prior approval of the City, and provided that such signs shall be substantially uniform in size, type, and location with those of other Signatory Airlines, harmonious and in keeping with the pattern and decor of the Terminal Buildings, and consistent with the City's graphics standards and standards for mounting; and

(iv) construct modifications, finishes, and improvements deemed necessary or prudent for the operation of its Air Transportation Business, subject to the approval and permitting requirement provisions of Article VIII.

(M) *Airline Clubs.* Airline shall have the right to furnish and operate a preferred customer, VIP club, or similar private club. In addition to its space rents, Airline shall pay a concession fee if it provides goods or services for a charge, which concession fee shall be the applicable concession fee rate for like sales payable at the Airport; provided that no such payment shall be required with respect to: (i) goods or services obtained from concessionaires already obligated to make

payments to the City with respect to such goods or services, (ii) the rent of conference room space within the club, and (iii) reciprocal club membership fees. Notwithstanding the above, club membership fees shall be exempt from concession fees. At Airline's option, such preferred customer or VIP club may be shared with one or more other airlines.

(N) *Handling Arrangements.* Airline shall have the right to enter into or conduct handling arrangements as part of its Air Transportation Business at the Airport.

(i) The rights granted to Airline pursuant to this Article may be exercised on behalf of Airline by its Affiliates, by other Signatory Airlines, or by third-party suppliers; provided, however, that the City reserves the right to require such third-party suppliers to secure a permit from the City, to comply with all applicable Rules and Regulations, and to pay any applicable fees to the City to conduct such activity at the Airport.

(ii) Airline may exercise on behalf of its Affiliates or other Signatory Airlines any of the rights granted Airline herein, so long as Airline is concurrently exercising those same rights in the operation of Airline's own Air Transportation Business at the Airport, subject to Rents, Fees, and Charges applicable to such activities.

(O) *Airport Access.* Airline shall have the right of ingress to and egress from the Airport including its Leased Premises and the public areas and public facilities of the Terminal Buildings, for Airline's employees, agents, contractors, passengers, guests, invitees, licensees, suppliers of materials and providers of service, and its or their equipment, vehicles, machinery, and other property; provided, however, that the foregoing shall not preclude the City from: (i) subjecting such persons to the City's Rules and Regulations, (ii) requiring such persons to enter into an agreement with the City when such access is required on an ongoing basis, or (iii) imposing any charge, permit or license fee for the right to do business at the Airport; further provided, however, that ingress to and egress from the Airport may be conditioned on adherence to security requirements, and may be limited on temporary bases for security reasons.

(P) *Right to Purchase Services and Products.* Airline shall have the right to purchase or contract for the purchase of the following services and products subject to the limitations contained herein:

(i) Airline may purchase or otherwise obtain products of any nature, including aircraft, engines, accessories, gasoline, oil, grease, lubricants, fuel, propellants, passenger supplies and other materials, equipment, supplies, articles, and goods, used or acquired by Airline in connection with or incidental to Airline's Air Transportation Business at the Airport from any person or company; provided, however, that the City reserves the right to require such person or company to secure a permit from the City, to comply with all applicable Rules and Regulations, and to pay any applicable fees to the City to conduct such activity at the Airport.

(ii) Airline shall have the right to contract with a third party or Airlineowned ground handler to provide to it or to perform for it any of the services or functions which it is entitled to perform hereunder, provided that such third party must maintain any permits and pay all fees required by the City. The contractual relationship between any third party and Airline shall not affect in any way the fulfillment of Airline's obligations, including those of insurance and indemnification for activities, hereunder.

(iii) Any suppliers, contractors or agents performing services for, or selling products to, Airline at the Airport shall conform to applicable performance standards, lease requirements, and the City's Rules and Regulations, including any permit requirement or payment of fees required by the City.

(Q) *Communications and Weather Equipment, Multi-User Flight Information Display System (MUFIDS) and Public Address System.* Airline shall have the right to use the following communications equipment, flight information displays, and public address systems in conjunction with the conduct of its Air Transportation Business:

(i) Subject to the prior approval of the City and conditions stated below, Airline shall have the right to install, maintain, and operate, alone or in conjunction with any other Signatory Airline(s), or through a nominee, such radio, telecommunications (both wireline and wireless), meteorological, aerial navigation, and computer equipment, facilities and associated wiring, as may be necessary for the conduct of Airline's Air Transportation Business at the Airport. The location of such equipment and facilities, method of installation, and type of equipment shall be subject to the prior approval of the City. The City may require modification, removal, or relocation of such equipment if it interferes with other communication, meteorological, or aerial navigation systems operated by the City, other tenants, or governmental agencies. Such modification, removal, or relocation shall be at the City's sole cost. The City shall have the right to charge a fee, surcharge, or rental charge for any equipment location outside of Airline's Leased Premises. The City retains the right to impose reasonable and non-discriminatory access fees to thirdparty telecommunications and data service providers

(ii) Airline shall provide electronic flight arrival and departure information through City-installed systems and shall cooperate with the City's installation and maintenance of centralized and remote flight information displays.

(iii) Airline shall have the right to use, in common with others so authorized, the public address system serving the Terminal Buildings. Airline shall not install, cause to be installed, or use any other public address system at the Terminal Buildings without the prior approval of the City.

(iv) Airline shall comply with the Airport's RF Systems Antenna/Radio Frequency Policy, as amended from time to time.

(R) *Food and Beverage.* Airline shall have the following rights to prepare, package, and/or distribute food and beverages with respect to the conduct of its Air Transportation Business at the Airport:

(i) Airline shall have the right to purchase, prepare, and/or package food and beverages to be distributed at no cost to passengers of Airline, its Affiliates, or Partners without paying the applicable concession fee. Airline shall pay a concession fee for all food and beverages purchased, prepared, and/or packaged to be sold at the Airport; provided that no such payment shall be required with respect to food and beverages obtained from vendors already obligated to make payments to the City with respect to such food and beverages. Moreover, if Airline provides in-flight food and beverage preparation services to other airlines other than its Affiliates or Partners, Airline shall pay a concession fee. The concession fee to be paid by Airline shall be the applicable concession fee rate paid by in-flight food catering concessionaires located at the Airport.

(ii) If Airline purchases food and beverages from an off-Airport caterer for delivery to Airline at the Airport, said caterer shall have a contract with, or permit from, the City to do business at the Airport, and said caterer shall be subject to a concession fee equal to the concession fees paid by in-flight food catering concessionaires located at the Airport.

(iii) Airline shall have the right to distribute food and/or beverages to passengers at no cost from Airline's Leased Premises in the event of service delays or other emergencies. Airline shall also have the right to distribute food and/or beverages at no cost to the general public from Airline's Leased Premises; provided, however, that such distribution must be in connection with holidays and/or promotional events.

(iv) Airline shall have the right to install soft drink and/or snack vending machines in its non-publicly accessible Leased Premises for the sole use of Airline's employees, contractors, and agents. Such sales shall not be subject to a concession fee. Vending machines shall not be within the view of the general public. Vending machine locations are subject to the prior approval of the City.

(S) *Employee Parking.* The City may, but is not required to, designate parking areas at the Airport available to Airline's employees while at work at the Airport, subject to the payment of monthly fees as the City shall determine from time to time. The City shall have the right to relocate, re-designate, or otherwise change the location of such parking areas, if any, as needed.

Section 302. Prohibition Against Exclusive Rights

It is hereby specifically understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right to provide aeronautical services to the public as prohibited by Section 308(a) of the Federal Aviation Act of 1958, as amended, and the City reserves the right to grant to others the privilege and right of conducting any or all activities of an aeronautical nature.

Section 303. Restrictions on Exercise of Rights and Reservation of Rights to City

The rights established in this Article shall not be exercised so as to interfere with the City's operation of the Airport for the benefit of all aeronautical users, and shall be subject at all time to the restrictions herein and reservation of rights by the City.

(A) *No Interference with Operations.* If the City determines that Airline or its contractors are exercising the rights and privileges granted to Airline pursuant to this Article (i) in a manner which interferes with the operation or maintenance of the Airport; (ii) in a manner which adversely affects the health, safety or security of the public or other users of the Airport; or (iii) in a manner which fails to comply with the City's Rules and Regulations or terms of this Agreement, the City shall give Airline Notice of such determination including the specific reasons therefor. Airline shall promptly commence and diligently pursue actions necessary to correct the conditions or actions specified in such Notice. If such conditions or actions are not, in the opinion of the City, promptly corrected after receipt of such Notice or if such conditions or actions required corrective action over a period of time, and Airline has not, in the reasonable opinion of the City, promptly commenced and diligently pursued all such corrective action, then upon 10 days Notice from the City to Airline, the City may suspend Airline's or its contractor's access to the Airport. Notwithstanding the foregoing provision, the City shall have the right, upon Notice to Airline, to immediately suspend operations of Airline or of said contractors if such action is necessary to protect the health, safety or security of the public or other users of the Airport or in emergency situations.

(B) *Integration with Systems.* Airline shall not knowingly do, or permit to be done, anything that may interfere with the effectiveness or accessibility of the drainage, sewer, water, communications, heating or ventilation, air conditioning, natural gas, sprinkler, alarm or fire protection systems, fire hydrants and hoses, or any other part of the utility, electrical, or other systems installed or located from time to time at the Airport.

(C) *Right to Designate Location.* The City reserves the right to designate the locations within which all of the activities conducted at the Airport, including the activities authorized herein, shall be conducted, and to reasonably change

such designations from time to time; provided, however, that the City shall comply with the provisions of this Agreement if Airline's Leased Premises, or any portion thereof, are relocated as a result of any re-designation.

(D) *Airport Access.* The City may, from time to time, temporarily or permanently close or restrict specific roadways, taxiways, taxi lanes, runways, apron areas, doorways, and any other area at the Airport; provided, however, that, unless an emergency situation exists, to the extent that the City deems it practical, Airline shall be notified with regard to such closings in order to minimize the disruption of services being provided. The City shall have the right at any time or times to relocate, reconstruct, change, alter, or modify any such means of access provided for pursuant to this Agreement or otherwise, either temporarily or permanently; provided that a reasonably convenient and adequate means of access, ingress, and egress shall exist or be provided in lieu thereof. The City shall reasonably notify Airline of any such action.

(E) *Telecommunication and Data Networking Infrastructure.* The City, acting in its capacity as proprietor of the Airport, retains the right to act as or designate the provider of wireless and wireline public telecommunications services and public data networking infrastructure for the general public in the public accessible areas of the Airport. The City shall have the sole right to determine the location of, and install or cause to be installed, all public telephones, public telefax, wireless access, and other public telecommunications devices and conduit in any part of the Airport, provided that doing so does not (i) unreasonably interfere with Airline's operations authorized hereunder or (ii) substantially diminish the space contained in or the functionality of Airline's Leased Premises. Upon reasonable prior notification by the City, the City shall be entitled to reasonable access to Airline's Leased Premises to install or service such devices. The City shall be entitled to all income generated by such telephones and devices and shall have the right to collect reasonable and non-discriminatory charges for access to the telecommunications/data networking infrastructure except for systems or components which are owned by Airline.

(F) *Informational Devices.* The City reserves the right to install or cause to be installed informational devices, including static and electronic advertising, in all public accessible areas of the Terminal Buildings; provided, however, that such installation shall not unreasonably interfere with the operations of Airline authorized herein. The City has the right to enter Airline's Leased Premises to install or service such devices. The City shall be entitled to all income generated by such devices. The City will use its best efforts to restrict the content of advertising messages displayed in informational devices located within Airline's Common Use Space and Preferential Use Gates that are deemed to be incompatible with Airline's Air Transportation Business.

(G) *All Other Rights.* Any and all rights and privileges not specifically granted to Airline for its use of and operations at the Airport pursuant to this Agreement are hereby reserved for and to the City.

(H) *Strict Construction of Rights.* The rights granted to Airline hereunder may be exercised by Airline only to the extent such rights are necessary or incidental to the conduct by Airline of its Air Transportation Business at the Airport.

Section 304. Hazards

Airline shall not do, authorize to be done, or fail to do anything at the Airport which may: (i) create or contribute to a nuisance, (ii) in any way obstruct or interfere with rights of others using the Airport, or (iii) create a hazardous condition so as to increase the risks normally attendant upon operations permitted herein.

(A) *Noise Abatement.* Airline shall not engage in any activity prohibited by the City's applicable noise abatement procedures included in the Rules and Regulations, as they may be promulgated from time to time.

(B) *Engine Runups.* Airline shall perform aircraft engine runups only at locations and during time periods approved by the City, in its sole discretion.

(C) *Disabled Aircraft.* As soon as possible after release from proper authorities, Airline shall promptly remove any of its disabled aircraft from the Airfield Operations Area or Aircraft Parking Positions, shall place any such disabled aircraft only in such storage areas as may be designated by the City, and shall store such disabled aircraft only upon such terms and conditions as may be reasonably established by the City. If Airline fails to promptly remove its disabled aircraft from the Airfield Operations Area or Aircraft Parking Positions, the City may remove said aircraft and take other reasonable and appropriate action under the circumstances. The City shall add the cost of such removal or other action, plus actual administrative costs, including time and expenses, as an additional charge due hereunder on the first day of the month following the date of such work. The City's rights under this Section are in addition to all other rights and remedies provided to the City hereunder.

(D) *Aircraft Apron Operations:*

(i) Airline shall not operate the engines of aircraft so as to endanger passengers present on the aircraft apron.

(ii) The City retains the right to review and approve all aircraft push out, power-out, and/or power-back operating procedures at each Aircraft Parking Position, which approval shall not be unreasonably delayed or denied.

Section 305. Airport Security

(A) Airline shall not do or permit its agents, employees, and its contractors or suppliers while such contractors or suppliers are providing services to Airline, to do anything at the Airport that would be in conflict with or violate the requirements of any federal, state, or local law, regulation or security directive regarding airport security, as they may be amended from time to time, or the Airport Security Program.

(B) Airline shall be responsible for obtaining and coordinating any security badging, vehicle decals, and/or any other actions required to ensure that Airline's agents, employees, contractors, or suppliers are in compliance with the City's security plan, and any federal, state, or local law, regulation and security directive regarding airport security, as they may be amended from time to time. Airline shall be responsible for all costs associated with obtaining such badge and/or access privileges.

Section 306. Impact on Airport Certification

Airline shall not knowingly do or permit its agents, directors, or employees to do anything at the Airport that would be in conflict or violate the requirements of Part 139 of the Federal Aviation Regulations, "Certification and Operations: Land Airports Serving Certain Air Carriers," as amended from time to time, or any successor regulation, order, or directive, or that would jeopardize the Airport's operating certificate obtained pursuant to such Federal regulations.

Section 307. 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, including Airline's Leased Premises, for navigation or flight in said airspace for landing on, taking off from, or operating at the Airport.

Section 308. Airline Summary

Upon request by the City, Airline shall provide to the City a written summary containing the following information and such additional information as the City may reasonably request from time to time:

(A) The names, addresses, and telephone numbers of Airline officials responsible for station operations, flight operations, properties, and facilities, including a 24-hour emergency contact. Airline shall update information as needed.

(B) The published schedules of Airline's flight activity at the Airport.

(C) The description of Airline's fleet and identification of the type and series of aircraft. Airline shall reasonably notify the City of the introduction of an aircraft that is not being operated by Airline at the Airport on the date of this Agreement.

ARTICLE IV
PREMISES

Section 401. General

The City intends to maximize the utilization and flexibility of current Airport facilities to meet changing air service demands.

Section 402. Leased Premises

(A) The City hereby leases to Airline, subject to the provisions of Article III, the Leased Premises as shown on Exhibit(s) B. Airline accepts the Leased Premises in AS IS condition, with no warranties or representations, expressed or implied, oral or written, made by the City or any of its agents or representatives.

(B) Airline acknowledges that the City requires no commitment by Airline to lease space at the Airport as a condition precedent to entering into this Agreement.

(C) If space changes are made consistent with the provisions of this Agreement, revised exhibits may be substituted for those herein without the necessity for amendment of this Agreement; which substitution may be made by Notice to Airline from the City.

(D) Airline agrees that the measurements obtained from the City's ComputerAided Drafting and Design ("CADD") drawings of the Terminal Buildings shall be used for determining the amount of space in the Terminal Buildings, including the Leased Premises, and for calculating the Terminal Rental Rates. Such CADD drawings are the basis for the exhibits to this Agreement. As the spaces in the Terminal Buildings and the Leased Premises change from time to time, the City may revise the exhibits to this Agreement by notifying Airline that it is substituting new exhibits; provided, however, that (i) all CADD measurements shall be done in compliance with the Lambert-St. Louis International Airport, Planning and Engineering, Area Measurement Policy, Measurement Rules, dated January 12, 2005, as shown in Exhibit D; (ii) Airline

shall be notified by the City, including a copy of any such substituted exhibit; and (iii) no such changes to Airline's Exclusive Use Space or Preferential Use Gates shall be made without the consent of Airline, which consent shall not be unreasonably delayed or withheld.

Section 403. Preferential Use Gates

Airline shall have a priority in using its Preferential Use Gates as follows:

(A) Airline's right to its Preferential Use Gates shall be subject to an average Gate utilization requirement of 4 flight departures each day per Gate assigned to Airline. For purposes of this Section, flight departures by Affiliates and Partners shall be counted towards Airline's average Gate utilization requirement.

(B) Airline shall have the right to permit the occasional use of any of its Preferential Use Gates by other airlines to accommodate non-routine operational anomalies. Such use shall not be considered a sublease arrangement.

(C) If Airline fails to meet the average Gate utilization requirement set forth in Subsection 403(A) during any given six-month period, Airline may be subject to losing its preferential right to one or more Gates, so that, thereafter, Airline will meet the average Gate utilization requirement with its remaining Preferential Use Gates. If Airline is required by City to relinquish any Gate(s) in accordance with Subsection 403(D), such Gate(s) shall be deleted prospectively from Airline's Leased Premises and Airline's rent obligation with respect to such Gate(s) shall cease.

(D) If City requires Airline to relinquish one or more of its Preferential Use Gates, City and Airline will confer to determine whether Gates should be relinquished, and if so, which Gates should be relinquished. If after 15 days of good faith negotiations no agreement is reached, the City shall select the Gate(s) to be relinquished. In making such selection, the City shall take into consideration the best interest of the traveling public and the operations of the Airport, and will also be guided by the following factors:

(i) all known planned Gate uses in the 180 days immediately after the relinquishment;

(ii) Airline's historical Gate utilization;

(iii) Airline's operational space adjacencies;

(iv) specialized fixtures required for Airline's operations; and

(v) the compatibility of any new proposed operations and work force with Airline's and its Affiliates' operations and work force.

Section 404. Passenger Loading Bridges

(A) Airline shall have the right to use the City-owned passenger loading bridges and appurtenant equipment at each of Airline's Preferential Use Gates in accordance with the provisions of this Agreement.

(B) If passenger loading bridges are not supplied by the City, Airline shall have the right to install and use its own passenger loading bridges and appurtenant equipment at its Preferential Use Gates.

Section 405. Accommodation In City-Controlled Facilities

The City may retain under its exclusive control and possession certain facilities in the Terminal Buildings, including, initially, the facilities described and shown on Exhibit B. It is the intent of the City to use, at its discretion, any of the City-controlled facilities to accommodate: (i) airlines not requiring permanent facilities or airlines requiring temporary accommodation pending allocation of permanent facilities, and (ii) the needs of Signatory Airlines and Nonsignatory Airlines. Upon Airline's request, the City may grant to Airline the right to use, in common with other airlines, designated Citycontrolled facilities subject to Airline's payment of applicable fees.

Section 406. Accommodation in Preferential Use Gates

The City may grant Requesting Airline(s) the right of use in common of all or a designated portion of Airline's Preferential Use Gates and rights of ingress and egress subject to and in accordance with the terms and conditions of this Agreement.

(A) The right to use Airline's Preferential Use Gates (and associated Aircraft Parking Positions, appurtenant equipment, and ancillary support space which are reasonably necessary for the effective use of such Gates), shall be scheduled so as not to interfere with Airline's scheduled deplaning, enplaning, and servicing activities or those of any Affiliate or Partner, or any other airline that Airline services under any then-existing handling agreement. In accommodating Requesting Airline(s) in Airline's Preferential Use Gates, the City shall provide for departure not later than one hour before Airline's next scheduled arrival and for arrival not earlier than one hour after Airline's scheduled departure. Airline, its Affiliates, and Partners shall have priority over other users with respect to overnight parking on Airline's assigned Aircraft Parking Position, provided that Airline, its Affiliates, and Partners may be required to remove a parked

aircraft from its Assigned Parking Position during regular hours of operations to accommodate use by others in accordance with the provisions of this Article. Airline's off-schedule operations in its Preferential Use Gates shall take precedence over the use of a Requesting Airline; provided, however, that if Airline's off-schedule operations interfere with the Requesting Airline's use of Airline's Preferential Use Gates, Airline shall work with, and shall make best efforts to accommodate, Requesting Airline at another Gate.

(B) As a condition to any grant of rights to the Requesting Airline in accordance with this Section, the City shall require Requesting Airline to pay Airline, and Airline shall be entitled to collect from the Requesting Airline the Nonpreferential Gate Use Fee, as well as reasonable charges for the Requesting Airline's use of Airline's proprietary systems and equipment.

(C) When granted use of space under the provisions of Sections 406 and 407, Requesting Airlines shall have the right in all cases to ground-handle their own operations or to be handled by the operator of their choice.

(D) City shall require that the Requesting Airline enter into an agreement to pay Airline the fees and charges specified in this Section, and to indemnify the City and Airline in connection with Requesting Airline's use of Airline's Preferential Use Gates and associated Aircraft Parking Positions, and shall require the Requesting Airline to provide a payment guarantee and proof of insurance. The terms of the indemnification and the required insurance shall be those set out in Article XI; provided, however, that Airline may request to be named as an additional insured.

Section 407. Procedures for Accommodation in Preferential Use Gates

(A) If a Requesting Airline, including any airline seeking to expand its scheduled service or an airline seeking to begin scheduled service at the Airport, needs Gate space at the Airport, and such need cannot reasonably be met by use of Gates not leased to other Signatory Airlines, the City on behalf of the Requesting Airline shall make a request of all Signatory Airlines leasing Preferential Use Gates for accommodation. The request shall be made to the person(s) designated to receive communications hereunder with a copy to the local station manager, and shall identify the need for such request. Airline shall make reasonable efforts to accommodate such request and shall provide a response to the Requesting Airline and the City within 15 days.

(B) If no Signatory Airline volunteers to accommodate the Requesting Airline's operational needs or requirements for Gate space at reasonable costs and on other reasonable terms, the City may, upon 30 days notification to Airline, grant the Requesting Airline the right of use in common with Airline one or more of Airline's Preferential Use Gates subject to the conditions contained herein. In making such determination, the City shall take into consideration the best interest of the traveling public and the operations of the Airport, and will be guided by all pertinent factors, including Airline's historical and then-present Gate utilization, the known planned use for such premises in the 180 days immediately after the request, the compatibility of such Requesting Airline's proposed operations and work force including ground-handling operations with Airline's and its Affiliates' and Partners' operations and work force, and the security of Airline's and the Requesting Airline's operations. The City may request that planned uses and requirements be documented and submitted in writing to the City, but the Cityshall treat such planned uses and requirements as confidential, proprietary information, to the extent allowable by law.

(C) Requesting Airline has the right to make improvements and alterations necessitated by any required long-term accommodation, the scope of which shall be subject to approval by Airline and the City. Approval shall not be unreasonably withheld.

(D) Upon the termination of such use in common with Airline, Requesting Airline shall be responsible for returning all Gate and other facilities used by the Requesting Airline to the condition received, normal wear and tear excepted, unless Airline and the City release Requesting Airline from this requirement.

Section 408. Consolidation of Operation

(A) If the City needs additional facilities and it reasonably determines that Airline is under utilizing its Leased Premises and is able to consolidate its operation without sacrificing its operational integrity (or that of its Affiliates, Partners, or of those airlines under contract with Airline for ground-handling services and being handled in the same facilities), the City may, upon consultation with Airline and after 60 days prior Notice to Airline, recapture a portion of the Leased Premises and require Airline to consolidate its operations into its remaining Leased Premises.

(B) For purposes of this Section, under-utilization shall be reasonably determined by the City, taking into account the then-normal space utilization standard by all airlines at the Airport, Airline's space requirements to accommodate normal operating procedures of Airline, its Affiliates and Partners, planned use by Airline for such premises in the next 180 days and normal seasonal variations, and any related labor agreement. The City shall report its findings to Airline.

(C) Through Notice to the City, Airline may request the City to reconsider its determination of under-utilization within 30 days of receipt of the City's Notice to consolidate. In such event, Airline shall provide documentation to show future plans for service and other information requested by the City. The City shall make a reasonable determination which it believes best meets its overall goals for the Airport.

(D) If the City elects to proceed with the consolidation of space after such reconsideration, the City shall give Airline Notice within 10 days of such decision.

(E) If there is no Event of Default with respect to Airline, the City shall pay all reasonable costs associated with the relocation of Airline's equipment, fixtures, furniture, and signage, and shall reimburse Airline for the undepreciated value of the tenant's improvements that cannot be relocated pursuant to the provisions of this Section; provided, however, that in lieu of reimbursing the undepreciated value of Airline's tenant improvements, the City may replace such tenant improvements with like improvements in the consolidated space. If Airline is under an Event of Default pursuant to, and has received Notice in accordance with, Section 1301, Airline shall consolidate into its remaining Leased Premises at its sole cost and expense.

Section 409. Relinquishment of Abandoned Space

If the City reasonably determines that Airline has abandoned or constructively abandoned all or a portion of its Leased Premises, the City may, but is not obligated to, upon 30 days Notice to Airline, terminate this Agreement with respect to, and delete from Airline's Leased Premises hereunder, such abandoned or constructively abandoned space. For purposes of this Section, abandoned or constructively abandoned space shall be determined by the City in its sole discretion but taking into account planned use by Airline for such premises in the following 180 days and normal seasonal variations. Airline may request the City to reconsider its determination of abandonment by giving Notice to the City. In such event, Airline shall provide documentation to show future plans for service, events of force majeure, if any, and other information requested by the City. The City shall make the determination that it believes best meets its overall goals for the Airport.

Section 410. Relocation of Leased Premises

In order to optimize use of Airport facilities, the City reserves the right to reassign any or all of Airline's Leased Premises after Notice, followed by a consultation period of no less than 90 days. In making such determination, the City shall take into consideration the best interest of the traveling public and the operations of the Airport, and will be guided by all pertinent factors, including Airline's historical and then-present space utilization, the known planned use for such premises, and Airline's operational space adjacencies. If any such reassignment occurs, Airline shall be assigned new space reasonably comparable in size, quality, finish, and location. Airline's costs shall not increase as a result of any relocation unless Airline requests additional space and/or replacement space in a different Cost Center. Airline's relocation of any of its Leased Premises resulting from such reassignment shall be at the City's sole expense. Airline shall be reimbursed for its reasonable out-of-pocket expenses incurred as part of the relocation and for the undepreciated value of its tenant improvements that cannot be relocated; provided, however, that in lieu of reimbursing the undepreciated value of Airline's tenant improvements, the City may replace such tenant improvements with like improvements in the new space.

ARTICLE V
RENTS, FEES, AND CHARGES

Section 501. Participating Commitment

In consideration for the rights and privileges available to Airline in accordance with Subsection 506(D), Section 602, and Article VII, Airline may elect to become a Participating Airline by signing and delivering to the City the form shown as Exhibit H.

Section 502. Terminal Building Rents

(A) Airline shall pay the City for the use of its Exclusive Use Space and Preferential Use Gates a monthly rent equal to the applicable Terminal Rental Rate calculated in accordance with Section 603 multiplied by the amount of space in Airline's Exclusive Use Space and Preferential Use Gates set forth in Section 402.

(B) Airline shall pay the City for the use of Common Use Space and Joint Use Space a monthly rent based on the Terminal Rental Rate calculated in accordance with Section 603, and the applicable Common Use Formula and Joint Use Formula.

(C) Notwithstanding the provisions in Subsections 603(A) and (B), the annual Terminal Rental Rate applicable to Apron-Level Unenclosed Space shall be $12.00 per square foot per year, or $1.00 per square foot per month, for the term of this Agreement.

Section 503. Landing Fees

(A) Airline shall pay to the City for the use of the Airfield Operations Area monthly Landing Fees calculated by multiplying Airline's Landed Weight for that month by either the Mitigated Landing Fee Rate or the Unmitigated Landing Fee Rate, whichever is applicable pursuant to Sections 606 and 607; provided, however, that for purposes of the annual calculation of Rents, Fees, and Charges under Section 602, the City shall make the following assumptions:

(i) Airline will pay the Mitigated Landing Fee Rate; and

(ii) for purposes of the applicable Landing Fee Rate mitigation adjustments made in accordance with

Subsection 607(B), the Landed Weight of all Participating Airlines and their Affiliates will be deemed equal to 100% of the comparable Landed Weight for the 12-month period ending December 31, 2005.

(B) If Airline was operating at the Airport on September 30, 2005, and if Airline does not return an executed Agreement to the City by November 22, 2005, Airline shall pay monthly landing fees based on the Unmitigated Landing Fee Rate beginning on the first day of the month when the Mitigated Landing Fee Rate is first offered, and continuing for a period of time equal to the period measured starting on November 22, 2005, and ending on the day in which Airline returns an executed Agreement to the City (the "Late Penalty Period"); provided, however, that for the purposes of this section, Airline's Late Penalty Period shall be rounded up to the last day of the nearest calendar month. The Late Penalty Period shall not exceed 6 months.

Section 504. Passenger Loading Bridge Charges

(A) Unless otherwise provided for in one or more separate agreements, Airline shall pay the City $2,500 each month for its use of each City-owned passenger loading bridge that is assigned to Airline.

(B) If the City proceeds with the passenger loading bridge program set forth in Section 707, Airline shall pay the City for the use of any passenger loading bridge acquired under such program a monthly Passenger Loading Bridge Charge calculated in accordance with Section 604.

Section 505. Other Fees and Charges

(A) *Utilities.* With respect to its Leased Premises and Airline-installed facilities, trade fixtures, equipment and personal property, Airline agrees to pay all water, sewage, electricity, gas and other utility charges which are charged to Airline for the use thereof, whether such charges are separately assessed or metered to Airline, as appropriate. All such utility payments to the City are made in trust for the benefit of the public utility providing the service. Utility charges for areas that are separately metered shall be paid monthly, or on such other billing schedule as is established by the City, according to actual use by Airline. For those areas not separately metered, including the Leased Premises, charges for utility services (other than illumination which is to be provided by the City and which is included in the base rental rate) shall be assessed by the City on a proportionate basis related to the total area or the number of fixtures served, as the City may reasonably determine. The City may install utility meters in Airline's Leased Premises where it is economically and mechanically feasible.

(B) *Other.* Airline shall pay all other charges which are assessed by City for the use of other Airport facilities or for services that may be provided by City to Airline from time to time, including employee parking and issuance of security identification badges.

Section 506. Security Deposit

(A) *Amount and Form of Security Deposit.* Upon execution of this Agreement, or upon the assignment of this Agreement to Airline, Airline shall provide the City with an irrevocable letter of credit, contract bond, or other security or instrument acceptable to the City ("Security Deposit") in an amount equal to 3 months of estimated Rents, Fees, Charges, estimated PFC remittals, and any other estimated payments due the City pursuant to this Agreement, as determined by the City based on published flight schedule and anticipated space assignments for Airline's operations. The amount of the Security Deposit may be adjusted from time to time to reflect changes in Airline's financial obligations to the City. The Security Deposit shall guarantee the faithful performance by Airline of all of its obligations hereunder and the payment of all Rents, Fees, and Charges, and of all PFC remittances due to the City. The Security Deposit shall be in such form and with such company licensed to do business in the State of Missouri as shall be acceptable to the City, within its reasonable discretion. The Security Deposit is not the sole or exclusive remedy of the City and shall not be construed, in and of itself, as adequate assurance of Airline's future performance.

(B) *Term of Security Deposit.* Airline shall maintain the Security Deposit until the completion of the year-end adjustment in accordance with Section 609 following the expiration or early termination of this Agreement. Airline shall provide at least sixty (60) days prior Notice of the date on which any Security Deposit expires or is subject to cancellation.

(C) City's Right to Use Security Deposit; Replenishment. If Airline commits or is under an Event of Default pursuant to Section 1301, the City shall have the right to use the amounts of such Security Deposit to pay Airline's Rents, Fees, and Charges, PFC remittances, or any other amounts owed to the City by Airline then due and payable, or to apply the proceeds to any cost or expense or material damages incurred by the City as a result of Airline's default, or Event of Default under Section 1301. If any such Security Deposit, or portion thereof, is used as stated in this Subsection, Airline shall replenish or provide a renewal or replacement Security Deposit up to the full amount set forth in Subsection 506(A) within 10 days of being notified to do so by the City. The City's rights under this Section shall be in addition to all other rights and remedies provided to the City hereunder.

(D) *Waiver of Security Deposit Requirement.* Notwithstanding the provisions of Subsections 506(A)-(C), the City will waive the Security Deposit obligation if it determines that Airline qualifies for relief from such obligation. To qualify for such relief, Airline must:

(i) be a Participating Airline;

(ii) not be under an Event of Default pursuant to, and not have received Notice in accordance with, Section 1301;

(iii) have provided regularly scheduled service to the Airport during the prior 12 consecutive months; and

(iv) have made timely payments of all applicable Rents, Fees, and Charges, and PFC remittances during such 12 month period.

If, after having waived the Security Deposit obligation in accordance with this Subsection, the City determines that Airline has not continued to satisfy the requirements for relief, or if Airline commits or is under an Event of Default pursuant to Section 1301, Airline shall immediately provide a Security Deposit in accordance with the provisions of Subsection 506(A). The provisions of this Subsection shall be inapplicable during any holdover period not authorized in accordance with Section 202.

Section 507. Statistical Report

(A) Airline shall complete and submit to the City no later than the 15th day of each month, on forms similar to those attached hereto as Exhibit C, reports summarizing statistics and information for Airline's prior month of operations at the Airport necessary for the computation of Rents, Fees, and Charges established hereunder, and such other statistical and financial data that the City determines is necessary for the computation and administration of Airline's financial obligations hereunder, including the following data:

(i) total number of flight departures at each gate assigned to Airline;

(ii) total number of originating and connecting passengers;

(iii) total number of domestic enplaned and deplaned passengers;

(iv) total number of international enplaned and deplaned passengers;

(v) total number of landings by type of aircraft and Maximum Gross Certificated Landed Weight by type of aircraft;

(vi) total pounds of air cargo enplaned and deplaned;

(vii) total pounds of air mail enplaned and deplaned; and

(viii) total amount of food and beverage purchased to be sold, if any, in accordance with the provisions of Subsection 301(R).

The information submitted by Airline to City pursuant to this Subsection shall be in addition to any other information required elsewhere in this Agreement to be submitted by Airline.

(B) The City shall have the right to rely on said activity reports in determining Rents, Fees, and Charges due hereunder. Airline shall have full responsibility for the accuracy of said reports. Late payment and payment deficiencies due to incomplete or inaccurate activity reports shall be subject to the late payment and late penalty charges as set forth in Subsection 509(E).

(C) The acceptance by the City of any Airline payment shall not preclude the City from verifying the accuracy of Airline's reports or computations, or from recovering any additional payment actually due from Airline. Interest on any additional amount due shall accrue from the date the payment was originally due, at the rate prescribed as calculated in Subsection 509(E).

Section 508. Airline Records and Audit

(A) Airline shall maintain books, records, and accounts, including computerized records, relevant to the determination and payment of any Rents, Fees, and Charges, PFC remittals, and other payments due to the City in accordance with this Agreement including: records of its aircraft arrivals and departures; gate utilization; originating and connecting, enplaned and deplaned, domestic and international passengers; aircraft landings; enplaned and deplaned air cargo and mail; food and beverage purchased for resale; and sublease and subcontracted services arrangements at the Airport. Each such item of information shall be maintained for a period of at least three years following the expiration or early termination of this Agreement, and longer if necessary for pending litigation. Airline may maintain such books, records and accounts at its corporate offices, but shall make such material available at the Airport upon 15 day Notice.

(B) The City and such persons as may be designated by it, including its auditors and financial consultants, shall have the right, during normal business hours, with 10-day Notice to Airline, to examine, audit, and make copies of such books,

records, and accounts, including computerized records. Except as otherwise provided, the cost of such examination or audit shall be borne by the City; provided, however, that the cost of such audit shall be reimbursed to the City by Airline if: (i) the audit reveals an underpayment by Airline of at least 5% for Rents, Fees and Charges, PFC remittance, or other payment payable by Airline hereunder for any Fiscal Year, as determined by such audit, or (ii) Airline has failed to maintain accurate and complete books, records, and accounts in accordance with this Section.

(C) If Airline fails to maintain true and complete books, records, and accounts resulting in an underpayment of Rents, Fees, and Charges by Airline to the City, the City may recalculate the total amount of Rents, Fees, and Charges, PFC remittances, or other payments due to the City by Airline in accordance with this Agreement. In such case Airline shall remit to the City within 15 days of receipt of a demand or invoice from the City the delinquent amount plus interest, fees and charges as provided for in Subsection 509(E).

Section 509. Payment Provisions

(A) *Terminal Building Rents and Passenger Loading Bridge Charges.* Terminal Building rents for the use of the Leased Premises, including Passenger Loading Bridge Charges shall be due and payable on the first day of each month in advance without invoice from the City.

(B) *Landing Fees.* Landing fees for the preceding month shall be due and payable, without invoice from the City, on or before the 15th day of each month, and shall be transmitted to the City together with Airline's monthly statistical report as required in Section 507.

(C) *Other Fees.* All other Rents, Fees, and Charges required hereunder shall be due and payable within 20 days of the date of the invoice.

(D) *Form of Payment.* Airline shall pay all sums due hereunder in lawful money of the United States of America, without notice or demand, without deduction or setoff, by wire transfer or check made payable to the "Treasurer, City of St. Louis," which check shall be delivered postage or other charges prepaid to:

By U.S. Mail:
Airport Assistant Director of Finance
Lambert-St, Louis International Airport®
P.O. Box 10036
Lambert Station
St. Louis, Missouri 63145

By Express Mail:
Airport Assistant Director of Finance
Lambert-St. Louis International Airport®
10701 Lambert International Boulevard
St. Louis, Missouri 63145

By Wire Transfer:
Routing Number: 081000210-1001018702
Bank Name: USBank (Checking)
Account Name: Airport Revenue Fund
(include a description of the transfer (e.g. "ABC Airline Account")

or as hereafter the City may designate by Notice to Airline.

(E) *Interest Charges and Late Charges on Overdue Payment.* If Airline fails to make payment of any sums due hereunder by the due dates set forth herein, Airline shall pay to the City, in addition to all other remedies available to the City and all other payments to be made by Airline to the City, an interest charge equal to 1.5% for each month of the overdue amount, and costs and attorney's fees reasonably incurred by the City in attempting to obtain payment, if any. Payments received later than 30 calendar days from their respective due date shall be assessed an additional one-time late charge of 5% of the amount due, in addition to applicable interest charges.

Section 510. No Other Rents, Fees, and Charges

(A) The City shall impose no other rents, fees or charges, direct or indirect, on Airline for the exercise and enjoyment of the rights, licenses, and privileges granted herein except those Rents, Fees, and Charges provided for in this Agreement.

(B) The provisions contained in Subsection 510(A) shall not preclude the City from:

(i) imposing fees and charges for the use of specified equipment or facilities at the Airport;

(ii) imposing fines, penalties, or assessments for the enforcement of the City's Rules and Regulations;

(iii) imposing fees on third-party service providers, contractors, or suppliers;

(iv) seeking reimbursement from Airline for the cost of services provided to Airline in compliance with

any federal, state, or local law, rule, or regulation which is enacted or amended subsequent to execution of this Agreement;

(v) assessing and collecting PFCs as allowed by federal law;

(vi) imposing guarantee payments in accordance with Section 512;

(vii) imposing any charges resulting from year-end adjustments in accordance with Section 609; or

(viii) imposing charges for any services or facilities provided subsequent to the execution of this Agreement, the cost of which is not included in the calculation of Rents, Fees, and Charges.

(C) The City has charged and continues to charge certain gross receipt payments upon the airline rate base, the proceeds of which are transferred annually from the Airport revenue fund to the general fund of the City. The City believes such charge is appropriate pursuant to federal law, City ordinance, and the Trust Indenture. It is expressly understood that nothing contained herein shall limit Airline's right to challenge the gross receipt payments, or the City's right to assert legal or equitable defenses against any such challenge.

Section 511. Security Interests

(A) All PFCs collected by Airline for the benefit of the City that are in the possession or control of Airline are held in trust by Airline on behalf and for the benefit of the City. To the extent that Airline holds any property interest in such PFCs, and notwithstanding that Airline may have commingled such PFCs with other funds, Airline hereby pledges to the City and grants the City a first priority security interest in such PFCs, and in any and all accounts into which such PFCs are deposited to the extent of the total amount of such PFCs (net of the airline compensation amounts allowable in accordance with 14 C.F.R. §158.53) held in such accounts.

(B) As a guarantee by Airline for the payment of all Rents, Fees, and Charges, and all PFC remittances due to the City, Airline hereby pledges to the City and grants the City a security interest in all of its leasehold improvements and fixtures located on or used by Airline at the Airport.

Section 512. Airline as Guarantor of its Affiliates

Airline hereby unconditionally guarantees all Rents, Fees, and Charges, and all PFC remittances of any of its Affiliates accrued during the period of such designation, to the extent that such Affiliate's operations at the Airport were performed for the benefit or in the name of, or under a shared IATA flight designator code with, Airline. Upon receipt of Notice of default by any such Affiliate, Airline shall pay all amounts owed to the City on demand in accordance with the payment provisions of this Agreement.

ARTICLE VI
CALCULATION OF RENTS, FEES, AND CHARGES

Section 601. General

Effective January 1, 2006, for the six-month period ending June 30, 2006, and for each Fiscal Year thereafter for the term of this Agreement, Rents, Fees, and Charges shall be calculated based on the principles and procedures set forth in this Article. The methodology for the calculation of Rents, Fees, and Charges described in this Article is illustrated in Exhibit E.

Section 602. Coordination Process

(A) On or about March 15 of each year, the City shall: (i) provide Airline's properties representative with a copy of the Airport's draft Operating and Maintenance Expense and Capital Improvement budgets for the ensuing fiscal year; and (ii) request the data required to be provided by Airline in accordance with Subsection 602(B). Within 30 days of such action, the City shall convene a meeting with the properties representatives of the Participating Airlines to discuss the Airport's draft budgets. The City shall give due consideration to the comments and suggestions made by the Participating Airlines at that meeting.

(B) On or about April 1 of each year, the Signatory Airlines, including Airline, shall provide the City with an estimate of each of their total Revenue Aircraft Arrivals and the Maximum Certificated Gross Landed Weight of all aircraft expected to be landed at the Airport during the ensuing Fiscal Year. If Airline is a Participating Airline, Airline also shall make best efforts to provide the City with a similar estimate for each one of its Affiliates.

(C) On or about May 15 of each year, the City shall provide Airline's properties representative with a copy of a preliminary calculation of Rents, Fees, and Charges for the ensuing Fiscal Year. For rate setting purposes, the calculations shall be made on the basis of costs, expenses, and other factors estimated by the City and estimates of total Landed Weight provided by the Signatory Airlines (or estimated by the City to the extent that any Signatory Airline, including Airline, fails to provide estimates of Landed Weight pursuant to Subsection 602(B)).

(D) On or about June 1 of each year, the City shall convene a meeting with the properties representatives of the

Participating Airlines to review and discuss the City's preliminary calculation of Rents, Fees, and Charges for the ensuing Fiscal Year. The City shall give due consideration to the comments and suggestions made by the properties representatives of the Participating Airlines at that meeting. Based on consideration of those comments and suggestions, and upon the Airport's final Operating and Maintenance Expenses and Capital Improvement budgets approved by the City's Board of Aldermen, the City shall prepare a final calculation of Rents, Fees, and Charges for the ensuing Fiscal Year, and will make best efforts to provide a copy to Airline no later than the last business day of the month preceding the start of the new Fiscal Year. Notwithstanding anything else to the contrary, the City's final calculation of Rents, Fees, and Charges shall take effect on the first day of each Fiscal Year.

Section 603. Terminal Rental Rates

(A) The total costs attributable to each of the Terminal Buildings shall be calculated by adding together the following:

(i) direct and indirect Operation and Maintenance Expenses allocable to each of the Terminal Buildings;

(ii) Amortization of Equipment Purchases and Capital Outlays allocable to each of the Terminal Buildings and put into service on or after July 1, 1997, but before January 1, 2006;

(iii) Equipment Purchases and Capital Outlays allocable to each of the Terminal Buildings and put into service on or after January 1, 2006;

(iv) depreciation and interest charges attributable to each Capital Improvement made in, or allocable to, each of the Terminal Buildings and put into service before July 1, 1997;

(v) Amortization of each Capital Improvement made in, or allocable to, each of the Terminal Buildings and put into service on or after July 1, 1997;

(vi) fifty percent (50%) of the total costs in the Terminal Roadways Cost Center allocated among each of the Terminal Buildings based on the ratio that the Usable Space in each of the Terminal Buildings is to the aggregate Usable Space in all Terminal Buildings; and

(vii) any replenishment of the Debt Service Reserve Account, and the Renewal and Replacement Fund allocable to each Terminal Building, as may be required by the Trust Indenture.

(B) The total costs attributable to each of the Terminal Buildings shall then be reduced by the amount of rent payable for Apron-Level Unenclosed Space in accordance with Subsection 502(C), to derive the net cost attributable to each of the Terminal Buildings.

(C) The annual Terminal Rental Rate applicable to the East Terminal Cost Center and the West Terminal Cost Center shall then be calculated by dividing the net costs attributable to each Cost Center in accordance with Subsections 603(A) and (B), by the Usable Space in each of the respective Terminal Buildings. The respective monthly Terminal Rental Rates shall be 1/12 of the annual Terminal Rental Rates.

(D) The City shall establish annually a terminal rental rate applicable to Nonsignatory Airlines equal to 125% of the respective Terminal Rental Rate calculated in accordance with Subsection 603(C).

(E) The City shall establish annually fair and reasonable charges for the use of the International Facilities.

Section 604. Passenger Loading Bridge Charges

The Passenger Loading Bridge Charge applicable to Subsection 504(B), shall be computed as follows:

(A) The total cost of the Passenger Loading Bridges Cost Center shall be calculated by adding together the following:

(i) direct and indirect Operation and Maintenance Expenses, if any, allocable to the Passenger Loading Bridges Cost Center; and

(ii) Equipment Purchases and Capital Outlays, if any, allocable to the Passenger Loading Bridges Cost Center; and

(iii) the Amortization of each new passenger loading bridge acquired by the City during the term of this Agreement as a result of the City's passenger loading bridge program set forth in Section 707.

(B) The annual Passenger Loading Bridge Charge applicable to each new passenger loading bridge shall be calculated by dividing the total cost and charges allocable to the Passenger Loading Bridges Cost Center in accordance with Subsection 604 (A), by the total number of passenger loading bridges then available for use as a result of the City's passenger loading bridge program set forth in Section 707. The monthly Passenger Loading Bridge Charge shall be 1/12 of the annual Passenger Loading Bridge Charge.

Section 605. [Reserved]

Section 606. Landing Fee Rate

(A) The total costs of the Airfield Cost Center shall be calculated by adding together the following:

(i) direct and indirect Operation and Maintenance Expenses allocable to the Airfield Cost Center;

(ii) Amortization of Equipment Purchases and Capital Outlays allocable to the Airfield Cost Center and put into service on or after July 1, 1997, but before January 1, 2006;

(iii) Equipment Purchases and Capital Outlays allocable to the Airfield Cost Center and put into service on or after January 1, 2006;

(iv) depreciation and interest charges attributable to each Capital Improvement made in, or allocable to, the Airfield Cost Center and put into service before July 1, 1997;

(v) Amortization of each Capital Improvement made in, or allocable to, the Airfield Cost Center and put into service on or after July 1, 1997;

(vi) Amortization of land investment associated with the Airfield Cost Center and made on or after July 1, 1997;

(vii) 4% annual interest on the net cost of land investment associated with the Airfield Cost Center made prior to July 1, 1997; and

(viii) any replenishment of the Debt Service Reserve Account, and the Renewal and Replacement Fund allocable to the Airfield Cost Center, as may be required by the Trust Indenture.

(B) The "Airfield Requirement" shall then be calculated by subtracting the following revenue items from the total costs of the Airfield Cost Center:

(i) Nonsignatory Airline landing fees;

(ii) general aviation landing fees, if any;

(iii) military use fees, if any; and

(iv) fuel flowage fees.

(C) Based on the Airfield Requirement, two different Landing Fee Rates shall then be calculated, as follows:

(i) the "Unmitigated Landing Fee Rate" shall be calculated by dividing the Airfield Requirement by the aggregate Landed Weight of all Signatory Airlines for the particular Fiscal Year; and

(ii) the "Mitigated Landing Fee Rate" shall by calculated by subtracting from the Airfield Requirement an amount equal to the amount transferred from the Airport Contingency Fund into the Airport Revenue Fund (if any) for landing fee rate mitigation, as described in Section 607 below, to produce the "Mitigated Airfield Requirement," and then dividing the Mitigated Airfield Requirement by the aggregate Landed Weight of all Signatory Airlines for the particular Fiscal Year; provided, however, that for purposes of the annual calculation of Rents, Fees, and Charges under Section 602, the City shall make the assumptions set forth in Section 503.

(D) The City shall establish annually a landing fee rate applicable to Nonsignatory Airlines that have signed an airline operating agreement equal to the landing fee rate calculated in accordance with this Section.

Section 607. Landing Fee Rate Mitigation

(A) Subject to the availability of funds and annual appropriations, the City shall transfer a total of $40 million (or such smaller amount to be determined by the City as a result of the reductions to be calculated in accordance with Subsection 607(B)), in annual installments, which amounts shall be subtracted from the Airfield Requirement to mitigate landing fee rates over the five fiscal years (FY 2007-FY 2011). The maximum allocation by Fiscal Year of the amount to be transferred and made available for Landing Fee Rate mitigation is as follows:

FY 2007	$12,000,000
FY 2008	$10,000,000
FY 2009	$ 8,000,000
FY 2010	$ 6,000,000
FY 2011	$ 4,000,000

$40,000,000

The final allocation by Fiscal Year of the amount to be transferred and made available for Landing Fee Rate mitigation shall be made at the discretion of the City with the objective of easing the financial impact of the Airfield Cost Center by smoothing out year-to-year variations in Landing Fee Rates payable by all airlines serving the Airport.

(B) The total amount available for Landing Fee Rate mitigation (and, proportionally, the amount allocated for such purpose in each Fiscal Year), shall be adjusted based on the actual aggregate Landed Weight of all Participating Airlines and their Affiliates during each Fiscal Year, compared with the aggregate Landed Weight of all Participating Airlines and their Affiliates for the 12-month period ending December 31, 2005 ("CY 2005"), as shown below:

Rate Mitigation Pro-Forma

LANDED WEIGHT REQUIREMENT	APPLICABLE MITIGATION				
If the aggregate Landed Weight of Participating Airlines and their Affiliates equals at least x% of comparable Landed Weight of those airlines in CY 2005,	then, the following amounts1 will be available for Landing Fee Rate mitigation in each Fiscal Year:				
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
100 %	$6,000,000	$5,000,000	$4,000,000	$3,000,000	$2,000,000
101 %	$12,000,000	$7,000,000	$5,000,000	$3,500,000	$2,100,000
102 %	$10,000,000	$6,000,000	$4,000,000	$2,200,000	
103 %	$8,000,000	$4,500,000	$2,500,000		
104 %	$6,000,000	$3,000,000			
105 %	$4,000,000				

[1] Actual amounts available for Landing Fee Rate mitigation are subject to the provisions of Subsection 607(A).

Section 608. Mid-Year Rate Adjustment

If, at any time during any Fiscal Year, the City estimates that the total costs attributable to any of the Terminal Buildings, the total costs of the Airfield Cost Center, or the aggregate Landed Weight for all Signatory Airlines, including Participating Airlines and their Affiliates, will vary 10% or more from the estimates used in setting Rents, Fees, and Charges in accordance with the provisions of Section 602, such rates may be adjusted based on the new mid-year estimates and in accordance with the principles and procedures set forth in this Article; provided, however, that for purposes of calculating the Landing Fee Rate mitigation in accordance with Section 607, the City may consider variations in the aggregate Landed Weight for all Participating Airlines and their Affiliates of 1% or more. Such adjustments shall be made at the City's discretion and the resulting new rates shall be effective for the balance of such Fiscal Year. The City shall notify Airline of a meeting for the purpose of discussing any such rate adjustment, along with a written explanation of the basis for such rate adjustment, 30 days prior to the effective date of the new rates. Unless extraordinary circumstances warrant additional adjustments, the City shall limit any such mid-year rate adjustments to no more than once during each Fiscal Year.

Section 609. Year-End Adjustment to Actual and Settlement

(A) If Airline is a Participating Airline, and if Airline has not met its Participating Commitment for the previous Fiscal Year, the difference between the amount of Airline's Rents, Fees, and, Charges paid during such Fiscal Year and the amount of the applicable Participating Commitment owed to the City for that period shall be paid by Airline in a lump sum upon 30 days Notice.

(B) As soon as possible following the completion of the annual audit for each Fiscal Year, but no sooner than 30 days thereafter, the City shall provide Airline with an accounting of the total costs actually incurred, revenues and other credits actually realized (reconciled to the audited financial statements of the City), and actual enplaned passengers and total Landed Weight during such Fiscal Year with respect to each of the components of the calculation of Rents, Fees, and Charges, and the City shall recalculate the Rents, Fees, and Charges, and provide to Airline a settlement required for the Fiscal Year based on those actual numbers. Following reasonable notification, the City shall convene a meeting with the Signatory Airlines to discuss the calculation of the year-end settlement and shall give due consideration to the comments

and suggestions made by the Signatory Airlines before finalizing the settlement calculations.

(i) If the amount of Airline's Rents, Fees, and Charges paid during such Fiscal Year is more than the amount of Airline's Rents, Fees, and Charges required (as recalculated pursuant to Subsection 609(A)), such excess amount shall be credited by the City to Airline in equal monthly installments over the remaining months of the then-current Fiscal Year; provided, however, that if Airline is under an Event of Default pursuant to, and has received Notice in accordance with, Section 1301, the City may apply such excess to pay any and all amounts owed to the City by Airline, or to pay any cost or expense or material damages incurred by the City as a result of Airline's default.

(ii) If the amount of Airline's Rents, Fees and Charges paid during such Fiscal Year is less than the amount of Airline's Rents, Fees, and Charges required (as recalculated pursuant to Subsection 609(A)), such deficiency shall be paid by Airline to City in equal monthly installments over the remaining months of the then-current Fiscal Year; provided, however, that if Airline is under an Event of Default pursuant to, and has received Notice in accordance with, Section 1301, such deficiency and all outstanding Rents, Fees, and Charges shall be paid immediately.

Section 610. Covenant Not To Grant More Favorable Rents, Fees and Charges

(A) The City shall not enter into an agreement with any airline providing scheduled or charter passenger or all-cargo air transportation service to and from the Airport, having comparable leased premises, facilities, rights, and privileges and imposing similar obligations to those of Airline hereunder, which grants more favorable rents, fees, or charges to said airline than those granted to Airline hereunder unless the City also makes a substantially similar agreement available to Airline; provided, however, that the City reserves the right to charge for City controlled space and facilities on a non-discriminatory per use basis.

(B) The provisions of Subsection 610(A) shall not be construed to apply to any air service incentive program, or similar programs, that the City may choose to offer, as allowed by applicable federal law, regulation, or policy.

ARTICLE VII
AIRPORT EXPANSION AND CAPITAL IMPROVEMENTS

Section 701. Airport Expansion

As the City may deem necessary to protect the interest of the public, the City may incur costs to acquire land; plan, design and construct facilities; or purchase and install equipment to preserve, rehabilitate, protect, enhance, expand, or improve the Airport, or any part thereof, during the term of this Agreement in accordance with the provisions of this Article.

Section 702. Five-Year Capital Improvement Program

The City has developed a five-year (FY 2006-FY 2010) Capital Improvement Program ("5-Year CIP") for the Airport, which is attached and incorporated herewith as Exhibit F.

(A) The Capital Improvements identified in the 5-Year CIP are hereby approved by Airline. Accordingly:

(i) the City may proceed with each and all of those Capital Improvements without additional review by the Participating Airlines; provided, however, that City shall adhere to the general timing, budget estimates, and funding sources shown in Exhibit F;

(ii) the City may pay the Net Costs associated with such Capital Improvements by using funds lawfully available for such purposes, and may borrow funds in amounts sufficient to finance such projects;

(iii) the City may recover through Rents, Fees, and Charges a proper allocation of the Net Costs of such Capital Improvements through an Amortization beginning in the Fiscal Year of beneficial use, in accordance with the provisions of Article VI.

(B) Contemporaneously with the coordination process set forth in Section 602, and otherwise at any time during each Fiscal Year as needed, the City shall report to all Participating Airlines on the progress of its implementation of the 5-Year CIP, including then-current cost estimates, funding sources, and expenditures to date.

Section 703. Review and Approval of Material Changes to 5-Year CIP

(A) If, following receipt of bids for a Capital Improvement, the projected cost of such Capital Improvement is greater than 110% of the total cost as shown in Exhibit F, the City shall convene a meeting with the Participating Airlines to review and discuss the project. Following such meeting, the Capital Improvement shall be deemed approved for purposes of Section 702(A) unless a Majority-in-Interest gives Notice to the City within 30 days of such meeting that the Capital Improvement is disapproved.

(B) If a Capital Improvement listed in the 5-Year CIP is disapproved in accordance with Subsection 703(A), the City may:

(i) reduce the scope and cost of the Capital Improvement so that the project's projected total cost is no greater than 110% of the total cost shown in Exhibit F for that Capital Improvement, and proceed to undertake the Capital Improvement as modified;

(ii) proceed to undertake the Capital Improvement; provided, however, that the City shall not recover through Rents, Fees, and Charges a project Net Cost greater than the Net Cost resulting from a total estimated cost that is no greater than 110% of the total cost shown in Exhibit F; or

(iii) not proceed with the Capital Improvement at that time.

Section 704. Long-Term Solution for Baggage Screening

The City and Airline recognize that it is in the best interest of the traveling public to develop a long-term solution for screening baggage for explosives as an integrated part of the outbound baggage conveyor systems at the Airport. The City has developed a comprehensive plan for such "in-line" explosives detection systems ("EDS") for each of the Terminal Buildings that include building and parking structure modifications and conveyor systems to accommodate new or relocated EDS equipment that would be provided and installed by the Transportation Security Administration ("TSA"). The City reserves the right to design and construct the Capital Improvements necessary to accommodate the in-line EDS without Majority-In-Interest approval, and to include the Net Cost of such Capital Improvements in the Rents, Fees, and Charges so long as the City applies for and obtains a commitment from TSA (or other appropriate federal agency) to provide no less than 75% of the total cost of such Capital Improvements in federal grants-in-aid. Contemporaneously with obtaining a federal grant commitment, the City shall review and discuss with the Signatory Airlines such in-line EDS-related Capital Improvements to ensure that the proposed projects are deemed to be efficient technical solutions given the state of available technology at that time.

To the extent permitted by law and FAA policy, and to the extent feasible within the context of the City's 5-Year CIP, the City will use its best efforts to seek approval to collect and use PFCs to fund the City's share of the costs of the Capital Improvements referenced in this Section so as to reduce, to the extent possible, the Net Cost of such Capital Improvements.

Section 705. Additional Capital Projects

(A) Airline recognizes that, from time to time, the City may consider it necessary, prudent, or desirable to undertake Capital Improvements other than those identified in the 5-Year CIP ("Additional Capital Improvements"), and that the Net Cost of such Additional Capital Improvements may be recoverable through Rents, Fees, and Charges.

(B) Contemporaneously with the coordination process set forth in Section 602, and otherwise at any time during each Fiscal Year as needed, the City shall review and discuss all such proposed Additional Capital Improvements with the Participating Airlines. Following such meeting, the relevant Additional Capital Improvements shall be deemed approved unless a Majority-in-Interest notifies the City within 30 days of such meeting that such Additional Capital Improvements are disapproved.

(C) If such Additional Capital Improvements are not disapproved as provided in Subsection 705(B), the Net Costs attributable to such Additional Capital Improvements shall be recoverable through Rents, Fees, and Charges in accordance with the provisions of Article VI.

(D) Notwithstanding the provisions of Subsections 705(B) and (C), the City may undertake Additional Capital Improvements, and recover the Net Costs attributable to each such Additional Capital Improvement through Rents, Fees, and Charges without Majority-In-Interest approval, if such Additional Capital Improvement is undertaken:

(i) to comply with federal, state, or local law, regulation, policy, grant agreement or airport certification requirements, or mandated by executive order or by an executive agency (state or federal) having jurisdiction over the activities at the Airport;

(ii) to comply with a requirement of the Trust Indenture;

(iii) as an emergency repair, replacement, or improvement to maintain the Airport's functional capability;

(iv) to settle claims, satisfy judgments, or comply with judicial orders rendered by a court of competent jurisdiction against the City, and pertaining to the Airport;

(v) to repair casualty damage at the Airport not covered by insurance proceeds, if any;

(vi) to acquire land or rights to land to mitigate aircraft noise, or provide for sound insulation as part of a noise compatibility program approved by the federal government in accordance with the provisions of 14 C.F.R. Part 150;

(vii) to conduct environmental investigation and remediation at the Airport as required by applicable Environmental Laws and Environmental Permits; provided, however, that the City will use its best efforts to recover such costs from the party at fault, if such party is identified;

(viii) for safety reasons;

(ix) as a substitute project for a Capital Improvement that is identified in the 5-Year CIP, which Capital Improvement is not to be undertaken due to changed circumstances at the Airport and is to be deleted from Exhibit F; provided, however, that:

(1) the substitute project is functionally equivalent, or is deemed by the City to be a better technical solution, to the Capital Improvement to be deleted from Exhibit F;

(2) the Net Cost of such substitute project is equal to or less than the Net Cost of the Capital Improvement being deleted; and

(3) for purposes of calculating Rents, Fees, and Charges, the Net Cost of such substitute project is allocated to the same Cost Center as that shown on Exhibit F for the Capital Improvement being deleted; or

(x) as a substitute project for a Capital Improvement that is identified in the 5-Year CIP, which Capital Improvement is not to be undertaken at the request of the Participating Airlines, and is to be deleted from Exhibit F; provided, however, that:

(1) the Net Cost of such substitute project is equal to or less than the Net Cost of the Capital Improvement being deleted; and

(2) for purposes of calculating Rents, Fees, and Charges, the Net Cost of such substitute project is allocated to the same Cost Center as that shown on Exhibit F for the Capital Improvement being deleted.

When undertaking Additional Capital Improvements, and consistent with prudent business practices, the City will apply for all available federal and state grants-in-aid, and will seek approval for collection and use of Passenger Facility Charges to the extent permitted by law or FAA policy.

Section 706. Capital Outlays

Equipment Purchases and Capital Outlays shall not be subject to Majority-InInterest approval. For the purposes of calculating Rents, Fees, and Charges in accordance with Article VI, the cost of Equipment Purchases and Capital Outlays shall be allocated to the applicable Cost Center and expensed in the Fiscal Year in which they occur. The City will make its best efforts to disclose all proposed Equipment Purchases and Capital Outlays for each Fiscal Year as part of the coordination process in accordance with Section 602. Airline recognizes, however, that certain unbudgeted Equipment Purchases and Capital Outlays may be required to be undertaken during the course of any Fiscal Year in order to properly operate, maintain, or repair the Airport facilities. The City reserves the right to undertake such Equipment Purchases and Capital Outlays as it deems necessary; provided, however, that the City shall not subdivide Capital Improvements into smaller projects solely for the purpose of re-characterizing such Capital Improvements as Equipment Purchases and Capital Outlays to avoid a Majority-InInterest review in accordance with Subsection 705(B).

Section 707. Passenger Loading Bridge Program

Airline acknowledges that it is the City's long-term policy to own all the passenger loading bridges at the Terminal Buildings. Notwithstanding any other provision in this Agreement, the City may elect during the term of this Agreement to: (i) replace any existing City-owned passenger loading bridges, (ii) purchase passenger loading bridges to be installed at Gates lacking such equipment, and/or (iii) enter into negotiations with Airline to acquire and/or replace any or all Airline-owned passenger loading bridges at the Airport.

Section 708. Expenditures for Planning and Preliminary Design

Airline recognizes that, from time to time, the City may engage with outside professionals to provide planning and preliminary design services to define the scope and costs of proposed Capital Improvements. The City reserves the right to undertake such services without a Majority-In-Interest approval, and the City reserves the right to include the Net Costs of such services in the Rents, Fees, and Charges upon completion of such Capital Improvements, or if and when such projects are ultimately disapproved and/or cancelled. Net Costs of planning and preliminary design for projects that proceed to construction shall be amortized over the useful life of the project. Net Costs of planning and preliminary design of projects that are disapproved and/or cancelled shall be amortized over five years. This Section shall relate only to preliminary design efforts required to define the scope, configuration, technical specifications and estimated cost of a proposed Capital Improvement, but not final design or construction documents. Contemporaneously with the coordination process set forth in Section 602, the City shall review and discuss with the Participating Airlines any actions proposed to be taken in accordance with this Section during the upcoming year.

Section 709. Effect of Construction on Leased Premises

(A) The City shall have the right, at such times as may be reasonable for purposes of maintaining or constructing improvements, modifications, or expansions to the Airport, to close, relocate, reconstruct, change, alter, or modify the Leased Premises and/or the means of access to the Leased Premises pursuant to this Agreement or otherwise, either temporarily or permanently; provided, however, that the City shall provide:

(i) reasonable notification of the construction activities to Airline; and

(ii) adequate means of ingress and egress for the Leased Premises or, in lieu thereof, alternate premises of comparable size, condition, utility, and location to the Leased Premises, to the extent reasonably possible, with adequate means of ingress and egress.

(B) If reasonable alternate premises are provided to Airline by the City in accordance with Subsection 709(A)(ii), Airline shall vacate the Leased Premises, or portions thereof, and relocate to the alternate space. The City shall pay all costs resulting from such relocation, including the undepreciated value of Airline's improvements; provided, however, that in lieu of reimbursing the undepreciated value of Airline's improvements, the City may replace such tenant's improvements with like improvements in the alternate space.

(C) If no alternate premises are provided to Airline by the City in accordance with Subsection 709(A)(ii), and if any part of the Leased Premises is rendered untenantable, as determined by the City, as a result of an action taken by the City under this Section, the rents payable hereunder with respect to the Leased Premises shall be abated ratably in the proportion that the untenantable area bears to the total Leased Premises of the same category or type of space. Such abatement in rent will continue until such time as the affected Leased Premises are restored adequately for Airline's use.

ARTICLE VIII
TENANT IMPROVEMENTS

Section 801. Alterations and Improvements by Airline

Airline may construct and install, at Airline's sole expense, such improvements in its Leased Premises as Airline deems to be necessary for its operations. The plans and specifications, location, and construction schedule for such improvements, including any substantial alteration or addition thereto, must be submitted to and approved by the City prior to the commencement of any and all such construction or installation. Airline shall comply with the requirements of all applicable laws and building codes and the City's Rules and Regulations governing tenant construction, alterations, and improvements. No reduction or abatement of Rents, Fees, and Charges shall be allowed for any interference with Airline's operations by such construction. All such alterations and improvements by Airline shall be subject to the following:

(A) The City shall have the right to refuse approval of such plans and specifications if the external appearance of such alteration or improvement of facilities in publicly-viewed areas does not meet the City's requirements for substantial uniformity of appearance of facilities on the Airport, or, if the type or time of construction of such alteration or improvement, or the location thereof does not meet the City's requirements for safe use of the Airport and appurtenances by other authorized persons. The City may, at its own cost, inspect any such alterations or improvements.

(B) All improvements made to Airline's Leased Premises and permanent additions or alterations thereto made by Airline, except those financed by the City, shall be and remain the property of Airline until expiration of the term of this Agreement. Upon expiration or early termination of this Agreement, said additions and alterations shall become the property of the City; provided, however, that any trade fixtures, signs, equipment, and other movable personal property of Airline shall remain the property of Airline, subject to the terms of Article XIV.

(C) Airline shall promptly pay all lawful claims made against the City and discharge all liens filed or which exist against the Leased Premises, any other portion of the Airport, or Airline's trade fixtures or trade equipment arising out of or in connection with the failure to make payment for work done or materials provided by Airline, its contractors, subcontractors, or materialmen. Airline shall have the right to contest the amount or validity of any such claim or lien without being in default hereunder; provided, however, that while contesting the amount and validity of any such claims or liens Airline shall provide the City, at the City's request, with a performance bond in an amount equal to the amount of the claim or lien. Airline shall give timely Notice to the City of all such claims and liens.

(D) Airline shall use, and shall cause each of its officers, directors, employees, agents, contractors, and suppliers to use, the highest degree of care when entering upon any property owned by the City in connection with the work. Airline shall comply, and shall cause each of its officers, directors, employees, agents, contractors, and suppliers to comply, with any and all instructions and requirements for the use of City-owned property.

(E) In any contract relating to the construction or installation of improvements in the Leased Premises, Airline shall require each of its contractors and suppliers to:

(i) carry a policy of Builders Risk Insurance in accordance with Section 1101(B)(v); and

(ii) furnish performance and payment bonds in the full amount of any contract in a form acceptable to the City. Payment bonds shall comply with the coverage requirements and conditions of Section 107.170 of the Missouri Revised Statutes, as amended. Copies of the bonds shall be given to the City for approval before work begins. Any sum or sums derived from said performance and payment bonds shall be used for the completion of said construction and the payment of laborers and material suppliers, as the case may be.

(F) Upon the completion of the improvements hereunder, Airline shall submit to the City a copy of its acceptance letter certifying completion, a certified copy of any certificate or permit which may be required by any federal, state or local government or agency in connection with the completion or occupancy thereof by Airline, and a certified set of "as built" drawings.

Section 802. Nondisturbance of Airport Tenants and Operations

Any work by Airline and its contractors shall be conducted in an orderly and proper manner, and shall not otherwise disturb, create a hazard, or interfere with other projects on, or the operations of, the Airport. Airline shall promptly comply, and shall cause its contractors to comply, with any reasonable request from the City to correct its conduct or that of its contractors. If Airline or its contractors fails to comply with the provisions of this Section, the City shall have the right to stop any or all work being performed, until such compliance is achieved, without terminating this Agreement.

ARTICLE IX
OPERATION AND MAINTENANCE OF AIRPORT

Section 901. Division of Responsibility

A schedule identifying the division of responsibility for operations and maintenance between the City and Airline is attached hereto as Exhibit G and made a part hereof.

Section 902. Maintenance by the City

(A) The City shall operate, maintain, keep in good repair, and clean all of the public areas and facilities of the Airport, including the Common Use Space and the Joint Use Space; the structures associated with the Terminal Buildings; and common use systems owned and operated by the City.

(B) The City shall be responsible for maintaining the Airport utility systems as follows:

(i) *Electrical.* The City shall maintain the electrical system mains up to the distribution points. In addition, the City shall maintain the electrical circuits beyond the distribution points to the extent that such electrical circuits are an integral part of the public, common, or joint use systems owned and operated by the City.

(ii) *Plumbing.* The City shall maintain the plumbing system mains, supplies, and sewers up to the dedicated plumbing lines of Airline.

(iii) *HVAC.* The City shall maintain the Heating, Ventilating and Air Conditioning ("HVAC") system mains, and be responsible for the supply of steam and chilled water, up to the dedicated lines of Airlines. That City shall maintain the HVAC systems and units serving the publicly accessible areas of the Terminal Buildings, including the Common Use Space, the Joint Use Space, and the Gate areas.

(C) Airline shall be charged for the cost, plus actual administrative costs, of any repair, maintenance, or cleaning performed by the City that is caused by the negligence or willful misconduct of Airline, its employees, agents, contractors, or suppliers. Such charge shall constitute part of Airline's Rents, Fees and Charges payable on the month following the date of invoicing by the City for such work.

Section 903. Maintenance by Airline

(A) *Cleaning.* Airline shall, at its sole cost and expense, perform or cause to be performed services which will at all times keep its Exclusive Use Space and Preferential Use Gates clean, neat, orderly, sanitary and presentable.

(B) *Removal of Trash.* Airline, at its sole cost and expense, shall remove from its Exclusive Use Space and Preferential Use Gates all trash and refuse, and shall dispose of it in a manner approved by the City.

(C) *Maintenance and Repairs.* Airline shall repair and maintain in good condition (casualty damage excepted) the Leased Premises and all alterations or improvements thereto, except for those items for which the City is responsible pursuant to Section 902. Maintenance and repairs shall be in quality and class equal to or better than the original work to preserve the Leased Premises in good order and condition, based on a standard of care reflecting prudent property management. Airline shall repair all damage to the Leased Premises caused by Airline or its sublessors, and the employees, agents, contractors, suppliers, passengers, or invitees of Airline or sublessors.

(D) *Utilities.* Airline shall be responsible for maintaining the utility systems as follows:

(i) Electrical. Airline shall maintain the electrical circuits beyond the distribution points to the extent that such electrical circuits serve Airline's Exclusive Use Space.

(ii) Plumbing. Airline shall maintain the dedicated plumbing lines, including sewer lines, serving Airline's Exclusive Use Space.

(iii) HVAC. Airline shall maintain the HVAC systems and units within Airline's Exclusive Use Space serving such space.

(E) *Passenger Loading Bridge Maintenance.* On or about July 1 of each year, Airline shall submit to the City for City's approval, which approval shall not be unreasonably withheld or denied, a 12-month maintenance schedule for each City-owned passenger loading bridge associated with each of Airline's Preferential Use Gates. Airline shall report to the City at the close of each Fiscal Year any repair and maintenance completed on each such passenger loading bridge, and the cost expended for all repairs and maintenance. Airline shall pay all costs of operating, repairing and maintaining such passenger loading bridges.

Section 904. City Right to Enter, Inspect, and Require Corrective Action

(A) The City shall have the right at reasonable times to enter upon any of the Leased Premises for any of the purposes listed below:

(i) to inspect the Leased Premises for any purpose necessary for or incidental to or connected with the City's obligations hereunder, or in the exercise of the City's capacity as Airport owner;

(ii) to identify those items of maintenance, cleaning, or repair required of the Airline or the City, pursuant to this Article;

(iii) to perform such maintenance, cleaning, or repair as the City reasonably deems necessary, and which is the responsibility of the City hereunder;

(iv) for fire protection, safety, or security purposes;

(v) to make structural additions and alterations to the Airport;

(vi) as provided in Section 905; and

(vii) upon the expiration or early termination of this Agreement.

(B) The City shall provide reasonable notification and such right of entry shall not unreasonably interfere with Airline's use or occupancy of its Leased Premises, except if the situation endangers the health or safety of persons or the safety of operations at the Airport. The right of inspection reserved to the City shall impose no obligation on the City to make inspections to ascertain the condition of the Leased Premises and shall impart no liability upon the City for failure to make such inspections. The failure of the City to inspect or monitor or notify Airline of a default or of a hazardous or unsafe condition with respect to Airline's operations hereunder shall not release Airline from its liability to perform its obligations hereunder or impose any liability on the City, and in any other event where the City determines that it is necessary or desirable to do so to preserve the Airport or any portion thereof or to correct any conditions likely to cause injury or damage.

(C) Airline shall perform all corrective work required of it that is identified in such inspection(s) within 30 days of receipt of a notification from the City. If correction cannot reasonably be completed within such 30 day period, this period may be extended at the sole discretion of the City. Matters affecting public health, safety, and welfare, including trash and debris problems, shall be corrected promptly after the City notifies the Airline's station manager or his designee either orally or in writing via hand-delivery.

Section 905. Failure to Maintain by Airline

If City determines that Airline has failed to properly clean, remove trash and refuse, maintain, or repair the Leased Premises as required in Section 903, the City shall provide to Airline a list of deficiencies, reflecting the amount of time to be reasonably allowed for Airline to correct same. If Airline fails to correct such deficiencies within the time allowed and has not registered an objection as to its obligation to do so, the City, following 5 days further notification by the City to Airline, may enter upon the Leased Premises and correct the listed deficiencies. The City shall add the cost of such work, plus actual administrative costs, to the Rents, Fees and Charges due hereunder on the first day of the month following the date of such work, and such cost shall be and constitute a part of the Rents, Fees and Charges. Subsequent to receipt of the further notification of intent to perform repairs, maintenance, or cleaning from the City, Airline shall not undertake performance of such repairs, maintenance, or cleaning without specific prior authorization from the City.

Section 906. City Obligations

Except as specifically provided for herein, the City shall not be under any duty or obligation to Airline to repair, maintain, or clean the Leased Premises or any portion thereof, or any facilities or equipment constructed thereon. The City shall not be responsible or liable to Airline for any claims for compensation for any losses, damages, or injury, including lost profits, sustained by Airline resulting from failure of the Airport structures or utility systems, or caused by the natural physical conditions on the Airport, whether on the surface or underground, including stability, moving, shifting, settlement of ground, or displacement of materials by fire, water, windstorm, tornado, act of God, state of war, terrorism, civilian commotion or riot, or any other cause or peril beyond the control of the City, except to the extent covered by the City's insurance or as may be caused by the City's negligence, willful misconduct, or bad faith.

ARTICLE X
COMPLIANCE WITH LAWS

Section 1001. Observance and Compliance with Laws

(A) Airline, its officers, directors, employees, agents, and its contractors and suppliers while such contractors and suppliers are providing services to Airline, shall comply with:

(i) all applicable federal, state and local laws and ordinances, including directives of the FAA applicable to the Airline's operation at the Airport;

(ii) the Rules and Regulations governing the Airport; and

(iii) the provisions of the Airport certification manual, as it may be amended from time to time. Airline shall make reasonable efforts to cause its passengers, guests and invitees to comply as well.

(B) Upon Airline's request, the City shall promptly provide a copy of the Rules and Regulations and the Airport certification manual. The City shall also provide copies of amendments or additions to the Rules and Regulations to Airline's station manager or his designee in the regular course of business. The City acknowledges that compliance with such amendments or additions will not be expected until Airline is notified of such amendments or additions as provided in this Subsection.

(C) Notwithstanding anything to the contrary, references herein to a statute or law shall be deemed to be a reference to (i) such statute or law as it may be amended from time to time, (ii) all ordinances, regulations, rules, executive orders, policies and instructions pertaining to or lawfully promulgated pursuant to such statute or law as they now exist or may be amended from time to time, and (iii) all future statutes, laws, ordinances, regulations, rules, executive orders, policies, and instructions pertaining to the same or similar subject matter as they now exist or may be amended from time to time.

Section 1002. Compliance with Environmental Laws

Airline warrants and covenants that in conducting any activities or business at the Airport, including any activities directly related or incidental to its Air Transportation Business, Airline shall comply with any and all applicable Environmental Laws. Airline further covenants and warrants as follows:

(A) *Environmental Permits.*

(i) Airline shall obtain and maintain any and all Environmental Permits required by applicable Environmental Laws to conduct the activities in which Airline engages at the Airport.

(ii) Airline shall comply with any requirement imposed by an Environmental Permit obtained by the City that is applicable to Airline or Airline's activities at the Airport; provided, however that the City shall adequately notify Airline of such Environmental Permit and associated requirements, including all applicable deadlines for compliance.

(iii) The City and Airline shall cooperate to ensure compliance with the terms and conditions of any Environmental Permit to insure safety and to minimize cost of compliance.

(B) *Duty to Notify City.* In the event of any release or threatened release of Hazardous Materials caused by Airline, its employees, agents, contractors, suppliers, passengers, guests, or invitees, and which is required by applicable Environmental Laws or Rules and Regulations to be reported by Airline, whether as a result of negligent conduct or otherwise, at, on, under or about the Airport, or any portion thereof, or in the event any written claim, demand, complaint or action is made or taken against Airline that pertains to Airline's failure or alleged failure to comply with any Environmental Laws or Environmental Permits at the Airport, Airline shall notify the City as soon as reasonably practical of all known facts pertinent to such release, threatened release, claim, demand, complaint, action, or notice, and shall provide the City with copies of any and all such claims, demands, complaints, notices, or actions so made. If Airline is required, by any Environmental Laws, Environmental Permits, or governmental agency, to file any written notice or report of a release or threatened release of Hazardous Materials at, on, under or about the Airport, or any part thereof, Airline shall

simultaneously provide a copy of such notice or report to the City.

(C) *Environmental Remediation.* Airline shall undertake all necessary steps required under applicable Environmental Laws and Environmental Permits to remedy and remove at its cost any Hazardous Material, or environmental condition or damage to the extent caused by, or resulting from, the activities, conduct or presence of Airline or its agents, employees, contractors, or suppliers at the Airport, whether resulting from negligent conduct or otherwise ("Remediation Work"). Such Remediation Work shall be performed at Airline's expense. Except in the event of an emergency, such Remediation Work shall be performed after Airline submits to the City a written plan for completing such Remediation Work and receives the prior approval of the City through Notice; provided, however, that the City's approval shall not be unreasonably withheld or delayed. The City expressly reserves the right to review and approve any proposed: remedial investigations, remedial work plans, interim and final remedies, institutional controls or other associated documents prior to submittal to the relevant governmental agencies responsible for enforcing Environmental Laws or Environmental Permits. Specific cleanup levels for any Remediation Work by Airline shall be designed to meet and satisfy the requirements of all applicable Environmental Laws and Environmental Permits, as determined by the governmental agency responsible for enforcing Environmental Laws or Environmental Permits. Neither an ongoing remediation, including any testing or monitoring, nor the use of institutional controls, shall either unreasonably or materially impair or interfere with the City's use and enjoyment of its property or the Airport, or that of current and future tenants. The City shall have the right to conduct a reasonable review and inspect all such Remediation Work at any time using consultants and representatives of its choice.

(D) *Access for Environmental Inspection.* Upon reasonable notification to Airline, the City shall have reasonable access to the Leased Premises to inspect the same in order to confirm that Airline is using the Leased Premises in accordance with all applicable Environmental Laws and Environmental Permits. Airline shall cooperate fully with any such inspections provided that such inspections shall not unreasonably interfere with Airline's operations. If the City's inspection results in any type of written report, the City shall provide Airline a reasonable opportunity to timely review and comment on a draft of the report. Airline shall provide to City for its review and comment copies of: any and all notices of alleged non-compliance issued by governmental agencies responsible for enforcing Environmental Laws or Environmental Permits; draft official submittals (proposed final drafts) prepared by, or on behalf of, Airline responding to such alleged non-compliance; and any and all consent orders or administrative determinations, whether preliminary or final, issued by such governmental agencies. The City agrees to maintain the confidentiality of the documents produced in accordance with this Subsection to the extent consistent with the City's legal obligations.

(E) *Corrective Action by City.* If Airline fails to comply with any applicable Environmental Laws or Environmental Permits governing its activities at the Airport, or if Airline fails to conduct necessary Remediation Work in a timely manner as required under this Section, the City, as required by applicable Environmental Laws and Environmental Permits, in addition to the rights and remedies described elsewhere herein and any other rights and remedies otherwise available to the City, may enter the Leased Premises and take all reasonable and necessary actions to conduct Remediation Work to remove Hazardous Materials or other contaminants and insure such compliance with such Environmental Laws and Environmental Permits. All Remediation Costs incurred by the City shall be paid or reimbursed by Airline. Remediation Work, if necessary, shall be performed in accordance with the provisions of Subsection 1002(C), but only after first having provided Notice to Airline of such failure to comply, and 30 days within which Airline may demonstrate why no such alleged failure is present, or to timely remedy such alleged failure that may be present. If Airline's compliance reasonably requires more than 30 days to complete, the City may enter the Leased Premises and take such reasonable and necessary measures to achieve compliance only upon Airline's failing to timely begin curing such noncompliance within such 30 day period and to continue diligently working to achieve compliance thereafter.

(F) *Review of Environmental Documents.* At the reasonable request of the City, Airline shall make available for inspection and copying, at reasonable times, any and all non-privileged documents and materials Airline has prepared pursuant to any applicable Environmental Laws or Environmental Permits, or submitted to any governmental agency, which documents and materials relate to environmental issues, Environmental Laws or Environmental Permits and which pertain to the Airport or the Leased Premises, and which would be discoverable in litigation.

(G) *Cumulative Remedies.* All remedies of the City as provided herein with regard to environmental pollution, contamination, damage, or any actual or threatened violations of any Environmental Laws or Environmental Permits are deemed to be cumulative in nature. The City's right to indemnification as provided under this Section shall survive the expiration or early termination of this Agreement.

Section 1003. Passengers with Disabilities

Airline shall be responsible for providing boarding assistance to individuals with disabilities as required by 14 C.F.R. Part 382 and 49 C.F.R. Part 27; provided, however, that Airline may use the mechanical lift devices owned and made available by the City in accordance with the provisions of a separate passenger mobile lift device permit that may be granted to Airline by the City.

Section 1004. Nondiscrimination

(A) Airline for itself, its personal representatives, successors in interest, and assigns, agrees that no person on the grounds of race, creed, color, national origin, sex, age, or disability shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in (i) the use of the Airport; or (ii) the construction of any improvements on, over, or under the Airport, and the furnishing of services thereon.

(B) Airline shall comply with all applicable nondiscriminatory requirements that may be imposed pursuant to the Federal Aviation Act of 1958, as amended; the Civil Rights Act of 1964, as amended; 49 C.F.R. Parts 21, 23, and 26, as said regulations may be amended; and state and local laws.

Section 1005. Prevailing Wage

Airline shall include in all service contracts pertaining to the Leased Premises language specifying the minimum prevailing wages to be paid and fringe benefits to be provided by the service contractor to employees of said service contractor in accordance with the provisions of the Revised Code of The City of St. Louis, Chapter 6.20.

ARTICLE XI
INSURANCE, DAMAGE, AND INDEMNIFICATION

Section 1101. Insurance

(A) *General.* Airline at all times during the term hereof, shall cause St. Charles County, Missouri, St. Clair County, Illinois, St. Louis County, Missouri, the City, their officers, agents and employees and Airline to be insured on an occurrence basis against the risk of all claims and demands by third persons for bodily injury (including wrongful death) and property damage arising or alleged to arise out of the activities or omissions of Airline, its officers, agents, and employees pursuant to this Agreement both on the Leased Premises and the Airport.

(B) *Risks and Minimum Limits of Coverage.* Airline shall procure and maintain the following policies of insurance:

(i) Commercial General Liability Including Aircraft Liability with War Risk Allied Perils in an amount not less than $500 million; provided, however, that War Risk Allied Perils coverage may be provided by the FAA War Risk Insurance Program, or other program generally available in the marketplace. Such coverage shall be single limit liability with no annual aggregate.

(ii) Automobile Liability Insurance in an amount not less than $10 million combined single limit per occurrence (for automobiles used by Airline in the course of its performance hereunder, including Airline's non-owned and hired autos). In addition, Airline shall carry excess coverage in the amount of $25 million to Airline automobile liability insurance.

(iii) Workers' Compensation and Employer's Liability Insurance in accordance with Missouri laws and regulations. With respect to Workers' Compensation Insurance, if Airline elects to be self-insured, Airline shall comply with the applicable requirements of law. Airline shall require that all its subcontractors or licensees similarly provide such coverage (or qualify as a self-insured) for their respective employees. City, its officers, employees, or agents shall not be liable or responsible for any claims or actions occasioned by Airline's failure to comply with the provisions of this Subparagraph and that the indemnification provisions hereof shall apply to this Section. It is expressly agreed that the employees of Airline are not employees of the City for any purpose, and that employees of the City are not employees of Airline.

(iv) Contents Insurance. Airline shall be solely responsible for obtaining insurance policies that provide coverage for losses of Airline owned property. The City shall not be required to provide such insurance coverage or be responsible for payment of Airline's cost for such insurance.

(v) Builders Risk Insurance. During any period of construction or reconstruction for which Airline contracts, Airline shall carry, or shall require its contractor or contractors to carry, a policy of Builders Risk Insurance in an amount sufficient to insure the value of the work. The City shall be named Loss Payee on Builders Risk coverage to the extent of the City's interest therein (except to the extent coverage relates to Airline's equipment and personal property). Airline may elect to self-insure for individual projects with a total cost of $50,000 or less.

(vi) Other Property Coverage. Airline shall provide an "All Risk" insurance policy providing protection from direct loss arising out of any fortuitous cause other than those perils or causes specifically excluded by norm and which covers Airline's improvements to the Leased Premises, trade fixtures, and equipment. The City shall be named Loss Payee on such coverage to the extent of the City's interest therein (except to the extent coverage relates to Airline's equipment and personal property).

(C) *Issuers of Policies.* The issuer of each policy required herein shall be a financially sound insurance company authorized to issue insurance policies in the State of Missouri. Acceptable insurers include insurance companies with an "A.M. Best Company" rating of at least an "A," or other insurers or insurance syndicates of similar recognized responsibility.

(i) Form of Policies. The insurance may be in one or more policies of insurance.

(ii) Non-waiver. Nothing the City does or fails to do shall relieve Airline from its duties to provide the required coverage hereunder, and the City's actions or inactions shall not be construed as waiving the City's rights

hereunder.

(iii) Insured Parties. Each policy by endorsement, except those for Workers' Compensation, Employer's Liability, and the FAA War Risk Insurance Program, shall name the City, its officers, agents, and employees as "additional insured" on the certificate of insurance, including all renewal certificates, to the extent of Airline's indemnification obligations hereunder. Inclusion as an "additional insured" is not intended to, and shall not, make the City a partner or joint venturer with Airline in its operations.

(iv) Deductibles. Airline shall assume and bear any claims or losses to the extent of any deductible amounts and waives any claim it may ever have for the same against the City, its officers, agents, or employees; provided, however, that nothing herein stated shall diminish Airline's rights or increase Airline's obligations in respect to its undertakings or hold harmless defense and indemnification set forth in Section 1103 hereof.

(v) Cancellation. Each policy shall expressly state that it may not be cancelled, materially modified or nonrenewed unless 30 days advance Notice is given in writing to the City by the insurance company, or authorized representative of Airline.

(vi) Subrogation. Each policy shall contain an endorsement by which the issuer waives any claim or right in the nature of subrogation to recover against the City, its officers, agents, or employees.

(vii) Endorsement of Primary Insurance. Each policy hereunder except Workers' Compensation shall be primary insurance to any other insurance available to the Additional Insured and Loss Payee with respect to claims arising hereunder.

(viii) Liability for Premium. Airline shall be solely responsible for payment of all insurance premiums required pursuant to this Agreement, and the City shall not be obligated to pay any premiums; provided, however, that if Airline fails to obtain the insurance as required herein or make premium payments, the City may, without further notification, effect such insurance or make such payments on Airline's behalf and, after Notice to Airline, the City may recover the cost of those payments with the installment of Rents, Fees, and Charges next due, plus 15% administrative charge, from Airline.

(ix) Proof of Insurance. Within thirty (30) days of the effective date of this Agreement and at any time during the term hereof, Airline shall furnish the City with certificates of insurance. At least 5 days prior to the expiration of any such policy, Airline shall submit to the City a certificate showing that such insurance coverage has been renewed. If such coverage is canceled or reduced, Airline shall, within 15 days after the date of such notice from the insurer of such cancellation or reduction in coverage, file with the City a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon reasonable notification by the City to Airline, the City shall have the right to examine Airline's insurance policies.

(D) *Maintenance of Coverage.* Notwithstanding the proof of insurance requirements set forth above, it is the intention of the parties hereto that Airline, continuously and without interruption, maintain in force the required insurance coverages set forth above.

(E) *City Right to Review and Adjust Coverage Limits.* The City reserves the right at reasonable intervals during the term of this Agreement to cause the insurance requirements of this Article to be reviewed, at its sole cost, by an independent insurance consultant experienced in insurance for public airports, taking into consideration changes in statutory law, court decisions, or the claims history of the airline industry as well as that of Airline, and, based on the written recommendations of such consultant, and in consultation with Airline, to reasonably adjust the insurance coverages and limits required herein but not more often than every 24 months.

Section 1102. Airline Actions Affecting Insurance

Airline shall not knowingly do or permit to be done anything, either by act or failure to act, that may cause the cancellation or violation of the provisions, or any part thereof, of any policy of insurance for the Airport, or that may cause a hazardous condition so as to increase the risks normally attendant upon operations permitted by this Agreement. If such Airline's act, or failure to act, causes cancellation of any policy, then Airline shall immediately, upon notification by the City, do whatever is necessary to cause reinstatement of said insurance. Furthermore, if Airline does or permits to be done any act or fails to do any act which causes an increase in the City's insurance premiums, Airline shall immediately remedy such actions and/or pay the increase in premiums, upon Notice from the City to do so; but in any event, Airline will hold the City harmless for any expenses and/or damage resulting from any such action.

Section 1103. Damage to Premises

(A) *Minor Damage.* If any part of the Leased Premises, or adjacent facilities directly and substantially affecting the use of the Leased Premises, is partially damaged by fire or other casualty, but said circumstances do not render the Leased Premises untenantable as determined by the City, the same shall be repaired to usable condition with due diligence by the City as provided in this Section.

(B) *Substantial Damage.* If any part of the Leased Premises, or adjacent facilities directly and substantially affecting the use of the Leased Premises, is so extensively damaged by fire, or other casualty, as to render any portion of said Leased Premises untenantable but capable of being repaired, as determined by the City, the same shall be repaired to usable condition with due diligence by the City as provided in this Section. In such case, the rents payable hereunder with respect to affected Leased Premises shall be paid up to the time of such damage and shall thereafter be abated ratably in the proportion that the untenantable area bears to the total Leased Premises of the same category or type of space. Such abatement in rent will continue until the affected Leased Premises are restored adequately for Airline's use. The City shall use its best efforts to provide alternate facilities to continue Airline's operation while repair, reconstruction, or replacement is being completed, at a rental rate not to exceed that provided herein for comparable space, provided that Airline's rental costs shall not increase as a result of any such alternate facilities unless Airline requests additional space and/or space replacement of a classification at higher rental rates concurrent with such reassignment to alternate facilities.

(C) *Total Damage.*

(i) If any part of the Leased Premises, or adjacent facilities directly and substantially affecting the use of the Leased Premises, is damaged by fire or other casualty, and is so extensively damaged as to render any portion of said Leased Premises incapable of being repaired, as determined by the City, the City shall notify Airline as soon as practicable under the circumstances after the date of such damage of its decision whether to reconstruct or replace said space. However, the City shall be under no obligation to replace or reconstruct such premises. The rents payable hereunder with respect to affected Leased Premises shall be paid up to the time of such damage and thereafter shall cease until such time as replacement or reconstructed space shall be available for use by Airline.

(ii) If the City elects to reconstruct or replace affected Leased Premises, the City shall use its best efforts to provide alternate facilities to continue Airline's operation while repair, reconstruction, or replacement is being completed, at a rental rate not to exceed that provided herein for comparable space. However, if such damaged space shall not have been replaced or reconstructed, or the City is not diligently pursuing such replacement or reconstruction, within 6 months after the date of such damage or destruction, Airline shall have the right, upon giving the City 30 days advance Notice, to delete the affected Leased Premises from this Agreement, but this Agreement shall remain in effect with respect to the remainder of said Leased Premises, unless such damaged or destroyed premises prevent Airline from operating its Air Transportation Business at the Airport.

(iii) If the City elects not to reconstruct or replace affected Leased Premises, the City shall meet and consult with Airline on ways to permanently provide Airline with adequate replacement space for affected Leased Premises. Airline shall have the right, upon giving the City 30 days advance Notice, to delete the affected Leased Premises from this Agreement, but this Agreement shall remain in full force and effect with respect to the remainder of said Leased Premises, unless the loss of such premises prevents Airline from operating its Air Transportation Business at the Airport.

(D) *Scope of Restoration of Premises.*

(i) The City's obligations to repair, reconstruct, or replace affected Leased Premises under the provisions of this Section shall in any event be limited to using due diligence and best efforts to restore affected Leased Premises to substantially the same condition that existed prior to any such damage and shall further be limited by the provisions of Subsections 1103 (A)-(C). If the City elects to repair, reconstruct, or replace affected premises as provided in this Section, then Airline shall proceed with due diligence and at its sole cost and expense to repair, reconstruct, or replace its signs, fixtures, furnishings, equipment, and other items provided or installed by Airline in or about the Leased Premises in a manner and in a condition at least equal to that which existed prior to said damage or destruction.

(ii) In lieu of the City's repair, reconstruction, or replacement of the affected premises, as provided in this Section, if Airline requests to perform said function with respect to damage under Subsections 1103(A) and (B), the City may, in its sole discretion, allow Airline to do so. Any such work by Airline must be done in accordance with the requirements of Section 801. The City shall reimburse Airline for the cost of such work performed by Airline. Airline shall be considered to be doing such work on its own behalf and not as an agent or contractor of the City.

(E) *Damage From Airline Negligence.* Notwithstanding the provisions of this Section, if damage to or destruction of the Leased Premises is due to the negligent or willful acts of Airline, its agents, servants, or employees, or those under its control, there shall be no abatement of rent during the restoration or replacement of said Leased Premises. In addition, Airline shall have no option to delete the affected Leased Premises from this Agreement. To the extent that the costs of repairs pursuant to this Section shall exceed the amount of any insurance proceeds payable to the City by reason of such damage or destruction, Airline shall pay the amount of such additional costs to the City.

Section 1104. Indemnification

(A) Airline shall defend, indemnify, and hold harmless St. Charles County, Missouri, St. Clair County, Illinois, St. Louis County, Missouri, the City, their respective officers, agents and employees (the "Indemnified Parties") from and

against any and all loss, liability, penalties, damages of whatever nature, causes of action, suits, claims, demands, judgments, injunctive relief, awards, settlements, costs, and expenses, including payments of claims of liability resulting from any injury or death of any person or damage to or destruction of any property including all reasonable costs for investigation and defense thereof (including but not limited to attorneys' fees, court costs and expert fees) of any nature, arising out of and in connection with this Agreement, the conduct of Airline's Air Transportation Business, or Airline's use of its Leased Premises or other areas or facilities at the Airport by Airline, its agents, employees, contractors, or subcontractors, including, but not limited to:

(i) the acts or omissions of Airline, its agents, employees, contractors, or suppliers;

(ii) Airline's use or occupancy of the Airport and the Leased Premises; and

(iii) any violation by Airline in the conduct of Airline's Air Transportation Business or its use of its Leased Premises or other areas or facilities at the Airport of any provision, warranty, covenant, or condition of this Agreement. Airline shall, at its own cost and expense, defend all such claims, demands and suits, whether frivolous or not.

(B) Airline shall defend, indemnify, pay, and hold harmless the Indemnified Parties from and against all applicable taxes and assessments for which the City may become liable and which by law may be levied or assessed on the Leased Premises, or which arise out of the operations of Airline or by reason of Airline's occupancy of its Leased Premises except for any taxes or assessments based on the gross or net income or gross or net receipts of the City that are not allocable to airline-related receipts. However, Airline may, at its own risk, cost, and expense, and at no cost to the City, contest, by appropriate judicial or administrative proceedings, the applicability or the legal or constitutional validity of any such tax or assessment, and the City will, to the extent permitted by law, execute such documents as are necessary to permit Airline to contest or appeal the same. Airline shall be responsible for obtaining bills for all of said taxes and assessments directly from the taxing authority and shall promptly deliver to the City, upon request by the City, copies of receipts of payment. If the City receives any tax billings falling within the scope of this paragraph, it will forward said billings to Airline. Airline shall, at its own cost and expense, defend all such claims, demands and suits, whether frivolous or not.

(C) Airline shall defend, indemnify, and hold harmless the Indemnified Parties from and against any claim, suit, demand, action, liability, loss, damage, judgment, or fine, and all costs and expenses of whatever kind or nature associated therewith in any way arising from or based in whole or substantial part upon claim or allegation of a violation of any federal, state, or local laws, statutes, resolutions, regulations, ordinance, or court order affecting the Airport, by Airline, its agents, employees, contractors, or suppliers, in conjunction with Airline's use and/or occupancy of the Leased Premises or its operations at the Airport. Airline will, at its own cost and expense, defend all such claims, demands and suits, whether frivolous or not. Airline shall include the substance of this Subsection (C) in every sublease, contract or other agreement which Airline may enter into related to its activities at the Airport, and any such sublease, contract or other agreement shall specifically provide that the City is a third-party beneficiary of this and related provisions. This provision does not constitute a waiver of any other condition of this Agreement prohibiting or limiting assignments, subletting or subcontracting.

(D) If a prohibited incursion into the air operations area occurs, or if the Airfield Operations Area or sterile area security is breached, by or due to the negligence or willful act or omission of any of Airline's employees, agents, contractors, or suppliers, and such incursion or breach results in a civil penalty action against the City, Airline shall assume the defense of any such action and be responsible for any civil penalty or settlement amount required to be paid by the City as a result of such incursion or breach. The City shall notify Airline of any allegation, investigation, or proposed or actual civil penalty sought for such incursion or breach. Civil penalties and settlement and associated expenses reimbursable under this paragraph include but are not limited to those paid or incurred as a result of violation of FAA or TSA regulations or security directives.

(E) Airline's obligation to defend and indemnify past officers, employees, and agents of the City shall apply to such persons only for claims, suits, demands, actions, liability, loss, damages, judgments, or fines arising from events, occurrences, and circumstances during which said officers, employees, and agents held their office or position with the City.

(F) The City shall promptly notify Airline of each claim, action, proceeding, or suit in respect of which indemnity may be sought by the City against Airline hereunder, setting forth the particulars of such claim, action, proceeding or suit; shall furnish Airline with a copy of all judicial filings and legal process and any correspondence received by the City related thereto; and shall tender the defense of same to Airline.

(G) The duty to defend, indemnify, hold harmless, and reimburse shall apply to any claim, demands, or suits made against the City for which Airline is responsible pursuant to this Section. Provided, however, that upon the filing by anyone of a claim with the City for damages arising out of incidents for which Airline herein agrees to indemnify and hold the City harmless, the City shall promptly notify Airline of such claim and, if Airline does not settle or compromise such claim, then Airline shall undertake the legal defense of such claim both on behalf of Airline and on behalf of the City, at Airline's expense; provided, however, that Airline shall immediately notify City if a conflict between the interests of Airline and City arises during the course of such representation. Airline shall use counsel reasonably acceptable to the City Counselor of the City or his or her designee, after consultation with the Airport Director, in carrying out its obligations hereunder.

The provisions of this section shall survive the expiration or early termination of this Agreement. It is specifically agreed, however, that the City, at its option and at its own expense, may participate in the legal defense of any claim defended by Airline in accordance with this Section. 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 Article 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 shall not be construed as a waiver of the City's sovereign or other immunity.

(H) The City, at its own expense except as otherwise provided herein, shall be invited to attend and participate in all meetings (including those related to settlement) and to appear and participate in all judicial proceedings and to the extent of its interests, approve, in writing, the terms of any settlement related to any claim, action, proceeding or suit set forth in this Section.

(I) Notwithstanding the provisions of this Section, Airline shall have no obligation to defend, indemnify, or hold harmless the City for any consequential damages or for any amounts to be paid in connection with losses, liabilities, penalties, damages of whatever nature, causes of action, suits, claims, demands, injunctive relief, judgments, awards and settlements if the City is conclusively determined to be more than 50% liable due to contributory negligence.

(J) This Section shall survive the expiration or early termination of this Agreement. Airline understands and agrees that any insurance protection furnished by Airline pursuant to Section 1101 shall in no way limit Airline's responsibility to indemnify and hold harmless the City under the provisions of this Agreement.

Section 1105. City Not Liable

Unless otherwise expressly provided for in this Agreement, the City shall not in any event be liable to Airline for:

(A) any acts or omissions of Airline, its officers, directors, employees, agents, contractors, or suppliers, or for any conditions resulting from the operations or activities of Airline's directors, officers, employees, agents, contractors, or suppliers;

(B) Airline's failure to perform any of the obligations hereunder or for any delay in the performance thereof;

(C) any environmental condition in existence at the Airport, or any part thereof, which condition may interfere with Airline's business or other operations or activities, or which might otherwise cause damages to Airline through loss of business, destruction of property, or injury to Airline, its officers, directors, employees, agents, contractors, suppliers, passengers, invitees, or licensees except to the extent such conditions are caused by the City, its employees or agents; or

(D) bodily injury or any loss or damage to real or personal property or business income occasioned by flood, fire, smoke, earthquake, lightning, windstorm, hail, explosion, riot, strike, civil commotion, vandalism, malicious mischief, or acts of war or terrorism, or for any injury, loss or damage not caused by the negligence, willful misconduct, or bad faith of the City.

ARTICLE XII
MERGERS, ASSIGNMENT, AND SUBLETTING

Section 1201. Airline Mergers and Consolidations

If Airline consolidates with or merges into another company or permits one or more other companies to consolidate with or merge into it, or transfers or conveys all or substantially all of its property, assets and licenses to another company, the business entity resulting from or surviving such merger (if other than Airline) or consolidation or the company to which such transfer or conveyance is made shall (i) expressly assume in writing and agree to perform all of Airline's obligations hereunder, (ii) be qualified to do business in the State of Missouri, and (iii) if such business entity is not organized and existing under the laws of the United States of America or any state or territory thereof or the District of Columbia, furnish to the City an irrevocable consent to service of process in, and to the jurisdiction of, the courts of the State of Missouri with respect to any action or suit, in law or at equity, brought by the City to enforce this Agreement. If Airline is the surviving business entity in such a merger, the express assumption referred to in this Section shall not be required.

Section 1202. Airline Assignments

Airline shall not assign, transfer, convey, sell, mortgage, pledge, or encumber (hereinafter collectively referred to as "Assignment") this Agreement other than in connection with a transaction referenced in Section 1201 or sublet its Leased Premises without the advance approval of the City, which is to be given by Notice to Airline. No Assignment of this Agreement or sublet of the Leased Premises shall be effective without advance approval of the City. If Airline fails to obtain advance approval from the City of any such Assignment or sublet, the City, in addition to the rights and remedies set forth in Article XIII and by law, shall have the right, in its sole discretion, to hold Airline responsible for continued performance of its obligations throughout the Term of this Agreement, or to immediately terminate this Agreement, and the assignee or sublessee shall acquire no interest herein or any rights to use the Leased Premises.

Section 1203. City Approval of Assignments

No Assignment of this Agreement other than in connection with a transaction referenced in Section 1201 shall be effective without advance approval by the legislative body of the City, which may approve, condition or deny such Assignment in its sole discretion.

Section 1204. City Approval of Subleases

No sublease of Airline's Leased Premises shall be effective without approval by the City, which approval is to be given to Airline by Notice, and shall take into consideration the best interest of the traveling public and the operations of the Airport.

All subleases shall be subordinate to this Agreement. Without in any manner limiting the City's general right to approve, disapprove, or condition subleases, it shall not be unreasonable for the City to disapprove or condition a sublease of Airline's Leased Premises on any or all of the following circumstances, among others:

(A) The proposed sublease imposes excessive or otherwise unfair terms and conditions on the sublessee.

(B) An airline, including a Signatory Airline which is not leasing space directly from the City, proposes to sublease, in whole or in part, the Leased Premises, and the City determines that there is space in the Terminal Buildings available for lease directly from the City by the proposed sublessee; provided, however, that this paragraph shall not apply to subleases with Affiliates and Partners.

(C) The proposed sublease does not contain a provision which permits it to be terminated upon Notice from the City to the parties thereto of the availability of City-controlled space; provided, however, that this paragraph shall not apply to subleases with Affiliates and Partners.

(D) The proposed sublease does not recognize explicitly that it is subordinate to this Agreement.

The occasional use of a Preferential Use Gates by another airline to accommodate nonroutine operational anomalies shall not be considered a sublease arrangement for purposes of this Section.

Section 1205. Method of Obtaining Approval of Subleases

When requesting approval of a sublease under Sections 1202 and 1204, Airline shall include with its request a copy of the proposed agreement, if prepared, or a detailed summary of the material terms and conditions to be contained in such agreement. Any proposed agreement or detailed summary thereof shall provide information required by the City, including the following:

(A) the Leased Premises to be sublet;

(B) the terms;

(C) if a sublease, the rents and fees to be charged; and

(D) any other material term and condition of the sublease.

If approved, Airline shall submit a fully executed copy of such agreement to the City within 30 days after the commencement of the sublease.

Section 1206. Charges to Sublessees

The City shall not approve any sublease that includes charges other than the following:

(A) a reasonable charge for any services, equipment, and property provided by Airline;

(B) actual costs other than rental costs incurred by Airline; and

(C) reasonable rents not to exceed 115% of Airline's Rents, Fees, and Charges allocable to the subleased portion of the Leased Premises.

Section 1207. Airline to Remain Liable

Airline shall remain fully and primarily liable during the term of this Agreement for the payment of all of the Rents, Fees, and Charges due and payable to the City for the Leased Premises that are subject to a sublease, and shall remain fully responsible for the performance of all the other obligations hereunder, unless otherwise agreed to by the City.

ARTICLE XIII
DEFAULT AND TERMINATION

Section 1301. Events of Default

Each of the following constitutes an "Event of Default" under this Agreement:

(A) Airline fails to punctually pay when due any Rents, Fees, and Charges, or any other sum required to be paid hereunder, or fails to remit any PFC when due, or fails to comply with its PFC reporting requirements to the City, and such failure continues for a period of 15 days after Notice of non-payment or nonremittance has been given to Airline by the City.

(B) Airline fails to keep, perform and observe any promise, covenant or other provision of this Agreement for a period of 30 days after Notice specifying such failure by the City; provided, however, that any such failure which can be cured, but which cannot with due diligence be cured within such 30 day period, shall not give rise to the City's right to terminate this Agreement if corrective action is instituted by Airline within such 30 day period and diligently pursued until the failure is corrected.

(C) Any representation or warranty of a material fact made by Airline herein or in any certificate or statement furnished to the City pursuant to or in connection herewith proves untrue in any material respect as of the date of issuance or making thereof, and such materiality is then continuing.

(D) Airline discontinues its Air Transportation Business at the Airport for a period of 30 consecutive days or, after exhausting or abandoning any further appeals, Airline is prevented for a period of 30 consecutive days by action of any governmental agency other than the City from conducting its Air Transportation Business at the Airport.

(E) Airline fails to meet and maintain any of the Security Deposit requirements in accordance with Section 506.

(F) Airline fails to maintain the minimum required insurance coverage as required by Section 1101 for a period of 30 days after Notice specifying such failure by the City, provided that the City shall have the right to immediately suspend Airline's right to operate at the Airport until Airline has obtained the minimum required insurance coverage.

(G) Airline fails to maintain true and accurate books, records, and accounts resulting in an underpayment of Rents, Fees, and Charges by Airline to the City, and such underpayment continues for a period of 6 months.

(H) Airline becomes insolvent (as such term is defined under Section 101 of the Federal Bankruptcy Code, 11 U.S.C. § 101 et seq. (the "Bankruptcy Code"), or any successor statute thereto); or fails to pay its debts generally as they mature; or takes the benefit of any present or future federal or state insolvency statute; or makes a general assignment for the benefit of creditors.

(I) Airline files a voluntary petition in bankruptcy or a petition or answer seeking an arrangement of its indebtedness under the Bankruptcy Code or under any other law or statute of the United States or of any state thereof, or under any law or statute of another country; or consents to the appointment of a receiver, trustee, custodian, liquidator, or other similar official, of all or substantially all of its property; or an order for relief is entered by or against Airline under any chapter of the Bankruptcy Code.

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

(K) A petition under any chapter of the Bankruptcy Code or an action under any federal or state insolvency law or statute, or an action under any insolvency law or statute of another country is filed against Airline and is not dismissed or stayed within 60 days after the filing thereof.

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

(M) Airline becomes a corporation in dissolution.

(N) The letting, license, or other interest of or rights of Airline hereunder is transferred to, passed to, or devolved upon, by operation of law or otherwise, any other person, firm, corporation, or other entity, by, in connection with or as a result of any bankruptcy, insolvency, trusteeship, liquidation, or other proceedings or occurrence described in subparagraphs (H) through (M) of this Section.

(O) Airline enters into an assignment or sublease which is not approved by the City in accordance with the provisions

of Article XII, and, if a sublease, it is not terminated within 10 days after Notice from the City.

Notwithstanding any other provision of this Agreement, if, as of the effective date of this Agreement, Airline is a debtor in a Chapter 7 or Chapter 11 case under the Bankruptcy Code, such case shall not constitute an Event of Default, except for purposes of the Security Deposit requirements in accordance with Section 306.

Section 1302. Termination by the City

(A) Whenever an Event of Default has occurred, the City may at its option, immediately and without further notification of such Event of Default:

(i) Terminate this Agreement and/or Airline's rights granted hereby, but without discharging any of Airline's obligations hereunder and, at the City's further option, exclude Airline from its Leased Premises. If Airline uses, occupies, or fails to surrender or remove its property from its Leased Premises, or any portion thereof, without the consent of the City after this Agreement has been terminated or expires, Airline may be deemed a tenant at sufferance during the period of such use or failure and, in such event, Airline shall pay Rents, Fees, and Charges established by the City for Nonsignatory Airlines during such period. In such event, the City shall have, in addition to whatever other rights are available to the City, the right to all remedies provided under applicable laws, and reasonable costs, disbursements, and attorney fees including consequential damages incurred as a result of the holdover.

(ii) Without terminating this Agreement, exclude Airline from its Leased Premises and use its best efforts to lease such Leased Premises to a replacement airline. Airline shall remain liable for all Rents, Fees, and Charges and other payments due hereunder for the reminder of the term of this Agreement; provided, however, that any rents received from a replacement airline shall be credited against the amounts owed by Airline.

(B) In the event of an Event of Default, the City may exercise any and all of the rights provided to it in this Section irrespective of any subsequent cure by Airline, unless otherwise mutually agreed by Airline and the City.

(C) In accordance with the provisions of 14 C.F.R. Part 158, App. A(B)(7), as it may be amended from time to time, if any of Airline's Leased Premises is financed in whole or in part with PFC revenue, and if Airline has an exclusive lease or use agreement for facilities at the Airport ("Exclusive Facilities"), and if any portion of such Exclusive Facilities is not fully utilized and is not made available for use by potentially competing airlines, this Agreement may be terminated by the City.

(D) The remedies set forth in this Article shall be in addition to all other remedies which are or may be available to the City at law or in equity to enforce the performance and observance of any obligation, agreement or covenant of Airline hereunder, including collection of amounts due.

(E) All rights and remedies given to the City herein and all rights and remedies granted to the City by law shall be cumulative and concurrent. No termination of this Agreement or the taking or recovering of the Leased Premises shall deprive the City of any of the City's remedies or actions against Airline for Rents, Fees, and Charges or for damages or for the breach of any covenant herein contained, nor shall the bringing of any action for Rents, Fees, and Charges or breach of covenant, the resort to any other remedy herein provided for the recovery of Rents, Fees, and Charges, or any delay in exercising such rights, be construed as a waiver of the right to obtain possession of the Leased Premises.

(F) In no event shall this Agreement or any rights or privileges hereunder be an asset of Airline under any bankruptcy, insolvency, or reorganization proceedings.

Section 1303. Change of Term

Notwithstanding the provisions of Section 201, automatically and immediately upon the occurrence of an Event of Default described in Subsections 1301 (H) - (M), the term of this Agreement shall convert to month-to-month; provided, however, that the conversion of the term of this Agreement pursuant to this Section shall not discharge any of Airline's obligations hereunder nor affect any of the City's remedies set forth herein.

Section 1304. Termination by Airline

At any time that Airline is neither in default nor has committed an Event of Default hereunder, Airline may terminate this Agreement to the extent set forth below, at Airline's option, prior to the scheduled expiration date set forth in Section 201, by giving the City 60 days' advance Notice upon or after the happening and during the continuance of any of the following events:

(A) Any action of the FAA or any other federal, state, county, or municipal governmental agency refusing to permit Airline to operate into, from, or through the Airport such aircraft (licensed for use in scheduled air transportation) as Airline has previously operated regularly thereon, and the remaining in force of such refusal for a period of at least 60 days; provided however, that this provision shall not apply if occasioned by Airline's failure to comply with airworthiness or noise standards for aircraft as promulgated by FAA;

(B) Any failure by the City to keep, perform and observe any material promise, covenant, or other provision of this Agreement for a period of 30 days after Notice specifying such failure and requesting that it be remedied is given to the City by Airline; provided, however, that any such failure which can be cured, but which cannot with due diligence be cured within such 30 day period, shall not give rise to Airline's right to terminate this Agreement if corrective action is instituted by the City within such 30 day period and diligently pursued until the failure is corrected; or

(C) Airline is prevented from conducting its Air Transportation Business at the Airport for a period in excess of 90 consecutive days for any reason other than causes directly controlled by Airline.

ARTICLE XIV
SURRENDER OF PREMISES

Section 1401. Surrender of Premises

(A) *Surrender of Premises.* On expiration of the term of this Agreement or earlier termination as hereinafter provided, or on reassignment or reallocation of the Leased Premises as provided herein, Airline shall:

(i) peaceably surrender possession of the Leased Premises and other space made available to Airline hereunder in a clean, sanitary, and good condition, excepting only reasonable wear and tear (taking into account repair and maintenance required to be done by Airline), acts of God, fire, and other casualties, and the City shall have the right to take possession of said Leased Premises and other space made available to Airline hereunder; and

(ii) return the Leased Premises to the City in a condition such that Hazardous Materials which were placed, stored, used, generated, treated, released, discharged, disposed, and/or spilled on, under, or about the Leased Premises by Airline, its officers, directors, employees, agents, contractors, or suppliers do not exceed allowable levels established under applicable Environmental Laws and Environmental Permits in accordance with Section 1002 (C). If the City is required under applicable Environmental Laws to undertake actions to bring the Leased Premises into compliance with this provision, or any applicable Environmental Laws or Environmental Permits as a result of Airline's failure to timely correct same in accordance with Subsection 1002 (C), Airline shall reimburse the City for any Remediation Costs incurred by the City, as provided for in Subsection 1002(E). The City shall not be required to notify Airline to quit possession at the expiration date of the term of this Agreement.

(B) *Removal of Personal Property.* Provided Airline is not in default for nonpayment of Rents, Fees, and Charges, or any other payment due hereunder, or non-remittance of PFCs, Airline shall have the right, on expiration or early termination of this Agreement and within 30 days thereafter, to remove or dispose of all trade fixtures and equipment and other personal property installed or placed by Airline, in, on, or about the Airport. Airline shall not be entitled to remove non-trade fixtures without the advance consent of the City. If, following the expiration or early termination of this Agreement, the City has immediate need to accommodate a new tenant, the City may remove and store Airline's trade fixtures, equipment and personal property, at Airline's risk.

(C) *Removal Damages.* Airline shall repair any damage caused by the removal of its trade fixtures, equipment, or personal property. Removal shall be at Airline's expense. Notwithstanding the above, consideration shall be given to the intended long-term use of the premises and if the City determines that such premises would not be maintained for a period warranting the repairs indicated above, the City may alter or waive the repair requirement of this Subsection. If the Leased Premises are yielded or delivered to the City in need of repair, reconditioning, or restoration to the condition that existed when Airline first used the Leased Premises pursuant to this Agreement or any preceding agreement (reasonable wear and tear taking into account repair and maintenance required to be done by Airline excepted), after reasonable notification by the City to Airline, the City shall repair or recondition said Leased Premises and the cost thereof, plus actual administrative costs, shall be invoiced to Airline and payable immediately. The City shall determine the condition of the Leased Premises at the expiration or early termination of this Agreement.

(D) *Ownership of Fixtures and Personal Property Not Removed.* If, after 30 days following the expiration or early termination of this Agreement, Airline fails to remove its fixtures and other personal property from the Leased premises, such fixtures and personal property may be deemed abandoned. In addition to whatever other rights are available to the City, with prior notification of Airline, the City may: (i) remove, sell, or store Airline property at Airline's expense, or (ii) take title to Airline property in lieu of removal on behalf of Airline. If the City takes title to such property or otherwise disposes of the property, the City shall be entitled to all proceeds of sale of such Airline property as liquidated damages for the breach of this covenant to remove.

ARTICLE XV
MISCELLANEOUS PROVISIONS

Section 1501. Relationship of Parties

Nothing herein contained is intended or shall be construed to create or establish any relationship other than that of lessor and lessee, and nothing herein shall be construed to establish any partnership, joint venture or association or to make Airline the general representative or agent of the City for any purpose whatsoever.

Section 1502. Amendment

Except as otherwise expressly provided herein, this Agreement may not be changed, modified, discharged, or extended except by written amendment duly executed by the parties.

Section 1503. Subordination to Agreements with the United States

(A) This Agreement shall be subordinated to the provisions of any existing or future agreement between the City and the United States Government or governmental authority, relating to the operation or maintenance of the Airport, the execution of which has been or will be required as a condition precedent to the granting of federal funds or the approval to impose or use PFCs for the improvement or development of the Airport. Airline shall not cause the City to violate any assurances made by the City to the United States Government in connection with the granting of such federal funds or the approval of such PFCs.

(B) All provisions of this Agreement shall be subordinate to the rights of the United States of America to operate all of the Airport or any part thereof during time of war or national emergency. Such rights shall supersede any provisions of this Agreement inconsistent with the operation of the Airport by the United States of America.

Section 1504. Subordination to Trust Indenture

(A) This Agreement and all rights granted to Airline hereunder are expressly subordinated and subject to the lien and provisions of the pledges, covenants (including rate covenants), transfers, hypothecation, or assignments made by the City in the Trust Indenture and any Bond ordinance (including related documents authorized or approved by such ordinance) enacted by the City regarding the issuance of Bonds. The City expressly reserves the right to make such pledges and grant such liens and enter into covenants as it may deem necessary or desirable to secure and provide for the payment of Bonds, including the creation of reserves therefor; provided, however, that if the City adopts an amendment to the Trust Indenture that materially affects the method of calculation of Rents, Fees, and Charges as set forth in this Agreement, Airline may terminate this Agreement with Notice to the City no later than 30 days after the adoption of such amendment to the Trust Indenture.

(B) Airline understands that the City is and will be the issuer of Bonds. With respect to outstanding Bonds that may be issued in the future, the interest on which is intended to be excludable from gross income of the holders of such Bonds for federal income tax purposes under federal law, Airline shall not act, or fail to act (and will immediately cease and desist from any action, or failure to act) with respect to the use of the Leased Premises, if the act or failure to act may cause the City to fail to be in compliance with the provisions of federal law with respect to those types of Bonds, as it now exists or may be amended, supplemented, or replaced, or the regulations or rulings issued thereunder, nor will Airline take, or persist in, any action or omission that may cause the interest on the tax-exempt Bonds either (i) not to be excludable from the gross income of the holders thereof for federal income tax purposes; or (ii) to become subject to the alternative minimum tax for federal income tax purposes.

Section 1505. Certificate in Connection with Issuance of Bonds

In connection with any issuance of Bonds by the City, upon not less than 30 days prior request by the City, Airline shall deliver to the City a statement in writing certifying:

(A) that this Agreement is unmodified and in full force and effect (or if there have been modifications, a description of such modifications and that the Agreement as modified is in full force and effect);

(B) that to Airline's knowledge the City is not in default under any provision of this Agreement, or, if in default, the nature thereof in detail; and

(C) such further matters as may be reasonably requested by the City, it being intended that any such statement may be relied upon by the parties involved in such issuance of Bonds.

Section 1506. No Third Party Beneficiaries

This Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein expressed or implied shall give or be construed to give to any person or entity (including other Signatory Airlines) other than the parties hereto and their assigns any legal or equitable rights hereunder.

Section 1507. Counterparts

This Agreement may be executed in one or more counterparts.

Section 1508. Exhibits

All certificates, documents, exhibits, attachments, riders, and addenda referred to herein, including the exhibits referred hereto, are hereby incorporated into this Agreement by reference and made a part hereof as though set forth in full in this Agreement to the extent they are consistent with its conditions and terms.

Section 1509. Survival of Warranties

All warranties and covenants set forth in this Agreement shall survive the execution and performance of this Agreement.

Section 1510. Quiet Enjoyment

Upon payment of all amounts due hereunder and performance of the covenants and agreements on the part of Airline to be performed hereunder, the City shall not act or fail to act, except as otherwise provided by this Agreement, in a manner that will prevent Airline from peaceably having and, in accordance with the terms hereof, enjoying the Leased Premises and all rights, licenses, services, and privileges of the Airport and its appurtenances and facilities granted herein.

Section 1511. No Personal Liability

(A) The City shall not be liable for any acts or omissions of any airline or any condition resulting from the operations or activities of tenants or their representatives.

(B) No director, officer, employee, or agent of the City or Airline shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or because of any breach hereof or because of its or their execution of this Agreement. Any administrative complaint brought against the City relating to any aspect of this Agreement shall be brought against the City and not against named individual respondents.

Section 1512. Governing Law and Forum Selection

This Agreement is made and entered into in the State of Missouri, and Missouri law shall govern and apply to this Agreement. Any cause of action, claim, suit, demand, or other case or controversy arising from or related to this Agreement shall be brought only in a federal or state court in the City of St. Louis, Missouri. Airline and the City hereby admit and consent to the jurisdiction and venue of such courts. The provisions of this section shall survive the expiration or termination of this Agreement.

Section 1513. Communications and Notices

(A) Except as otherwise expressly provided in this Agreement, all communications, including notifications, requests, authorizations, approvals, demands, and consents provided for hereunder shall be in writing.

If to the City, to:

Airport Director
Lambert-St. Louis International Airport®
10701 Lambert International Boulevard
St. Louis, Missouri 63145

If to Airline, to:

President
Great Lakes Aviation, Ltd.
1022 Airport Parkway
Cheyenne, WY 82001

or to such other person or address as either the City or Airline may hereafter designate by Notice to the other in accordance with Subsection 1513(B).

(B) All Notices required by this Agreement shall be mailed via certified mail return-receipt requested, via overnight mail with receipt, or personally delivered to the City and Airline at the addresses set forth in Subsection 1513(A), with copy to:

If to the City:

Office of the City Counselor
Airport Legal Department
10701 Lambert International Boulevard
St. Louis, Missouri 63145

If to Airline:

President
Great Lakes Aviation, Ltd.
1022 Airport Parkway
Cheyenne, WY 82001

or to such other person or address as either the City or Airline may hereafter designate by Notice.

Except as otherwise expressly provided hereunder, any such Notice shall be deemed to have been given or made: (i) if sent by certified mail, 5 days after being deposited in the mails, postage prepaid and properly addressed; (ii) if via overnight mail, the next business day; and (iii) if delivered by personal service, when delivered to the addressee.

Section 1514. Force Majeure

(A) Neither party hereto shall be liable to the other for any failure, delay, or interruption in performing its obligations hereunder due to acts, events or conditions beyond its control, including acts of God, weather conditions, shortages of energy or materials, embargoes, riots, rebellions, sabotage, acts of a public enemy, war, terrorism, insurrection, strikes, boycotts, picketing, slowdowns, work stoppages or other labor actions affecting the rights or obligations of the City or Airline hereunder, their respective contractors or subcontractors, except to the extent that such failure, delay or interruption directly or indirectly results from failure on the part of the City or Airline to use reasonable care to prevent, or make reasonable efforts to cure, such failure, delay or interruption; provided, however, that, except as herein specifically provided, nothing in this Section is intended or shall be construed to abate, postpone or in any respect diminish Airline's obligations to make any payments due to the City pursuant to this Agreement.

(B) The City shall be under no obligation to supply any service if and to the extent and during any period that the supplying of any such service or the use of any component necessary therefor shall be prohibited or rationed by any law, ordinance, rule, regulation, requirement, order or directive of any federal, state, county or municipal government having jurisdiction.

Section 1515. Invalid Provisions

If any covenant, condition, or provision in this Agreement is held to be invalid, illegal, or unenforceable by any court of competent jurisdiction, or conclusively determined to be inconsistent with federal law or FAA grant assurances, 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 1516. No Waiver

No provision of this Agreement shall be deemed to have been waived by either party unless such waiver is in writing, signed by the party making the waiver and addressed to the other party, nor shall any custom or practice that may evolve between the parties in the administration of the terms of this Agreement be construed to waive or lessen the right of either party to insist upon the performance of the other party in strict accordance with the terms of this Agreement.

Section 1517. City's Rights and Remedies are Cumulative

All rights and remedies of the City as provided herein and under law are cumulative in nature.

Section 1518. Construction of Agreement

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

Section 1519. Timing

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

Section 1520. Representatives

The City and Airline shall each designate a representative who, except as otherwise provided hereunder, shall be authorized to act for the City and Airline, respectively, with respect to any actions to be taken by either of them under the terms of this Agreement. Except as specifically set forth herein, for the purposes of actions to be taken by it or by the City, the City's representative shall be the Airport Director. Airline's representative shall be designated in a Notice delivered to the City. Any party hereto may change its designated representative by Notice to the other party.

Section 1521. Approvals

(A) Whenever in this Agreement any approval is required, such decision shall be promptly rendered and shall not be unreasonably withheld or conditioned. No disapproval shall be valid if such disapproval constitutes an anticompetitive act as described by a federal agency having jurisdiction over such matters.

(B) Unless otherwise required by state or local law, wherever in this Agreement the approval, authorization, consent, certification, determination, waiver, or any other action of the City is required, it may be performed by the Airport Director, unless otherwise provided herein. In taking such actions, the Airport Director shall act reasonably, and take into consideration the best interest of the traveling public and the operations of the Airport.

(C) In all instances in this Agreement where consent or approval of one party is required for an action by the other party, such consent shall be in writing unless otherwise agreed by the parties.

Section 1522. Successors and Assigns

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

Section 1523. Authority to Execute

The person(s) executing this Agreement on behalf of Airline warrants to the City that Airline is a duly authorized and existing corporation, that Airline is qualified to do business in the State of Missouri, that Airline has full right and authority to enter into this Agreement, and that each and every person signing on behalf of Airline is authorized to do so.

Section 1524. Entire Agreement

This Agreement, including the attached exhibits, embodies the entire agreement between the City and Airline relating to the subject matter hereof, and supersedes all prior agreements and understandings, written or oral, express or implied, between the City and Airline relating thereto.

IN WITNESS WHEREOF, the parties hereto for themselves, their successors and assigns, have executed this Agreement as of date first written above.

THE CITY OF ST. LOUIS, MISSOURI, OPERATING LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®:
Pursuant to Ordinance _____, approved _____, 2007.

The foregoing Agreement was approved by the Airport Commission at its meeting on _____, 2007.

By: _____
Airport Commission Chairman Date

The foregoing Agreement was approved by the Board of Estimate and Apportionment at its meeting on _____, 2007.

By: _____
Secretary, Board of Estimate & Apportionment Date

APPROVED AS TO FORM ONLY:

_____
City Counselor Date

COUNTERSIGNED:

_____
Comptroller Date

ATTESTED:

_____
Register Date

GREAT LAKES AVIATION, LTD.

By:

_____

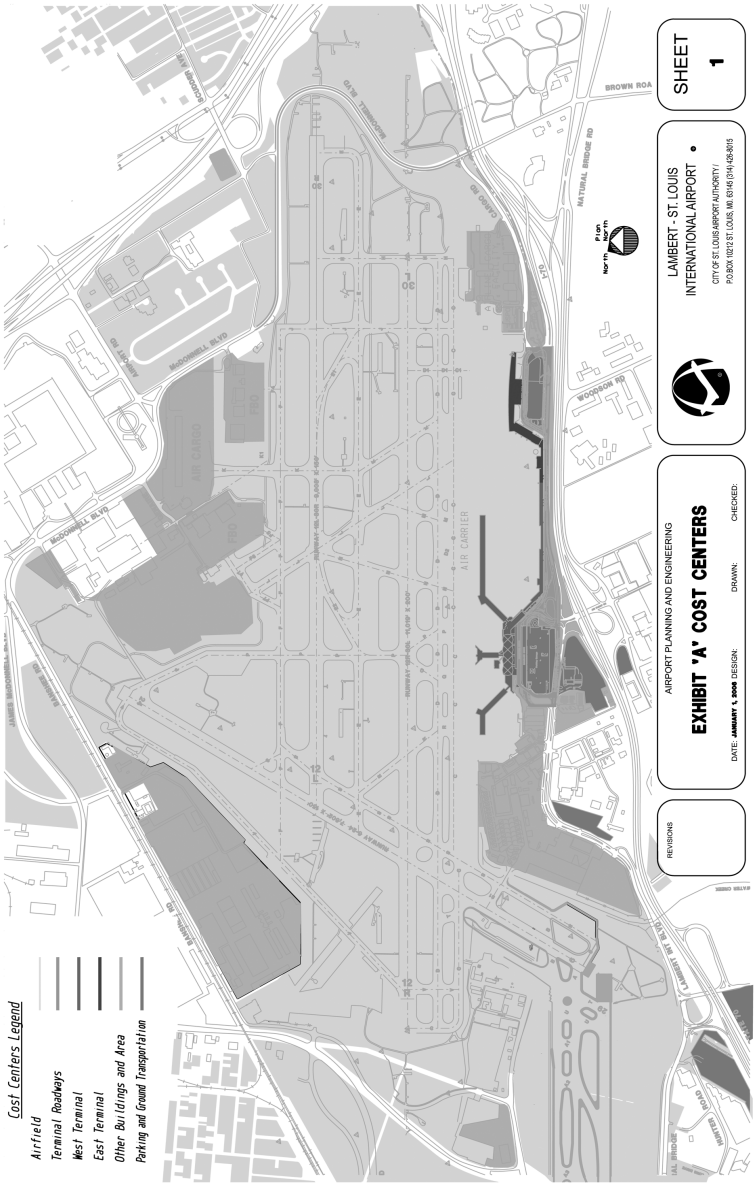
Title: Date

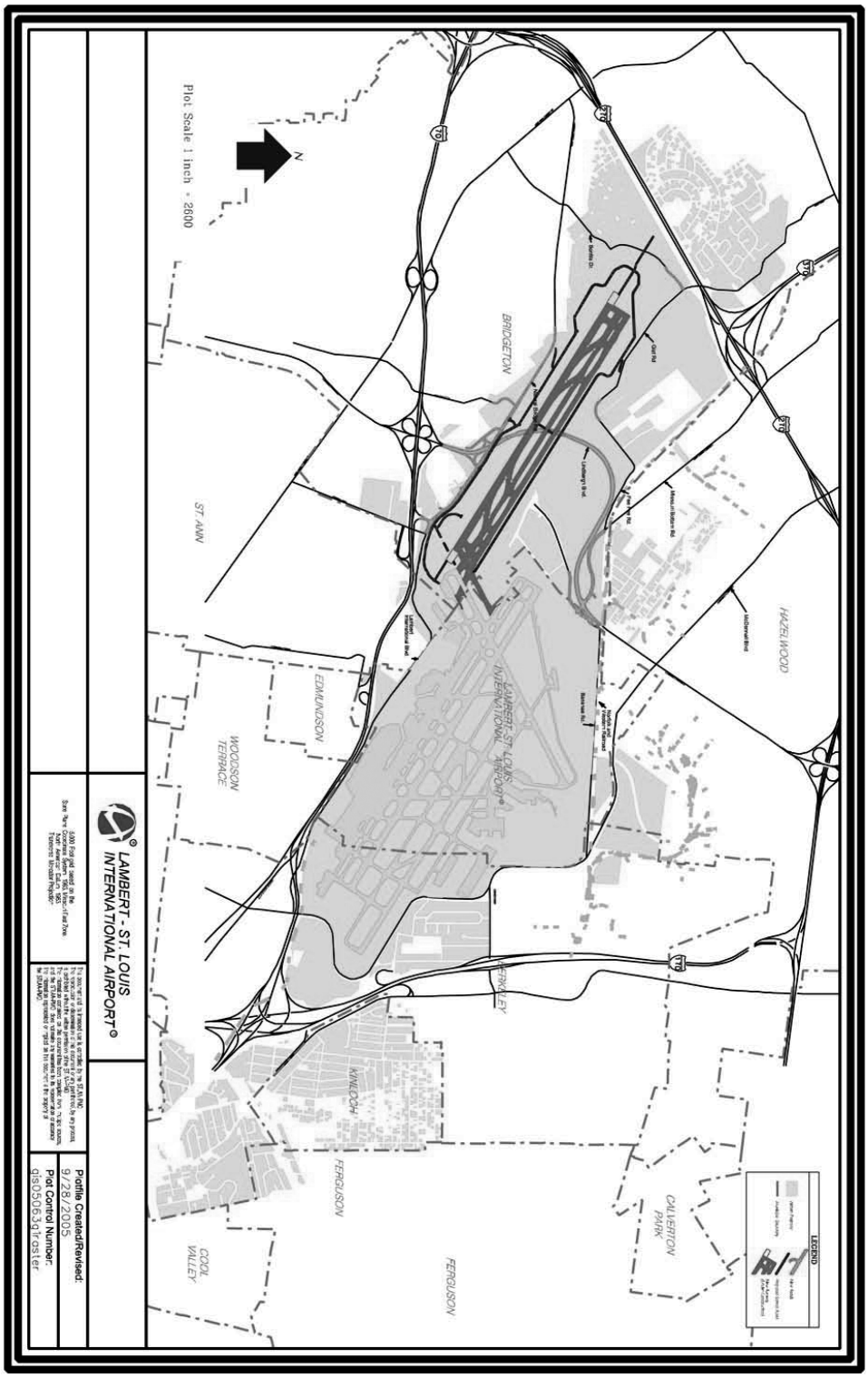
ATTESTED:

By:

Title: Date

EXHIBITS "A"
COST CENTERS

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FERGUSON
KINLOCH
FERGUSON VALLEY
COOL VALLEY
BRIDGETON
ST. ANN
EDMUNDSON
WOODSON TERRACE
LAMBERT - ST. LOUIS INTERNATIONAL AIRPORT®
Plot Scale 1 Inch = 2600
N
LAMBERT - ST. LOUIS INTERNATIONAL AIRPORT®
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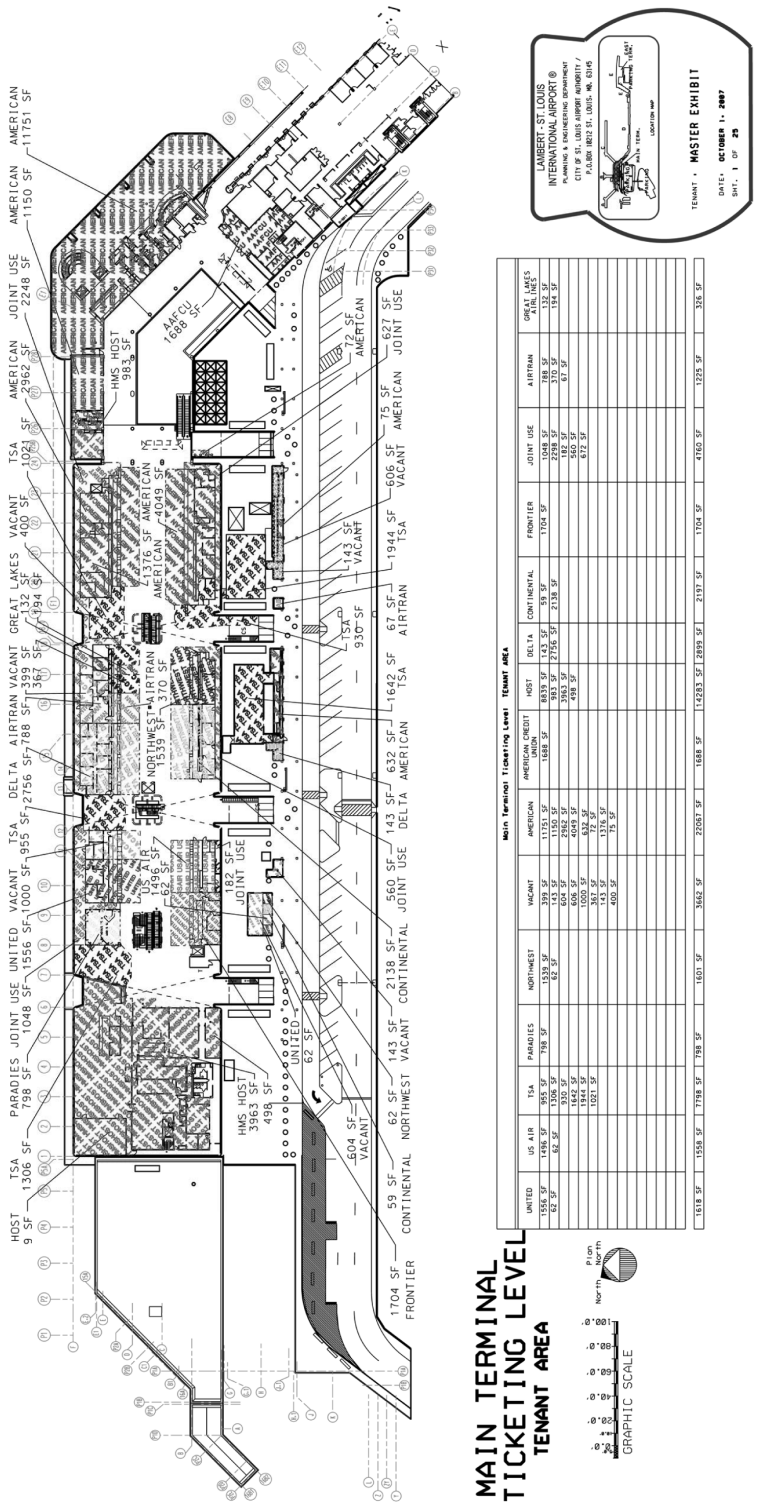
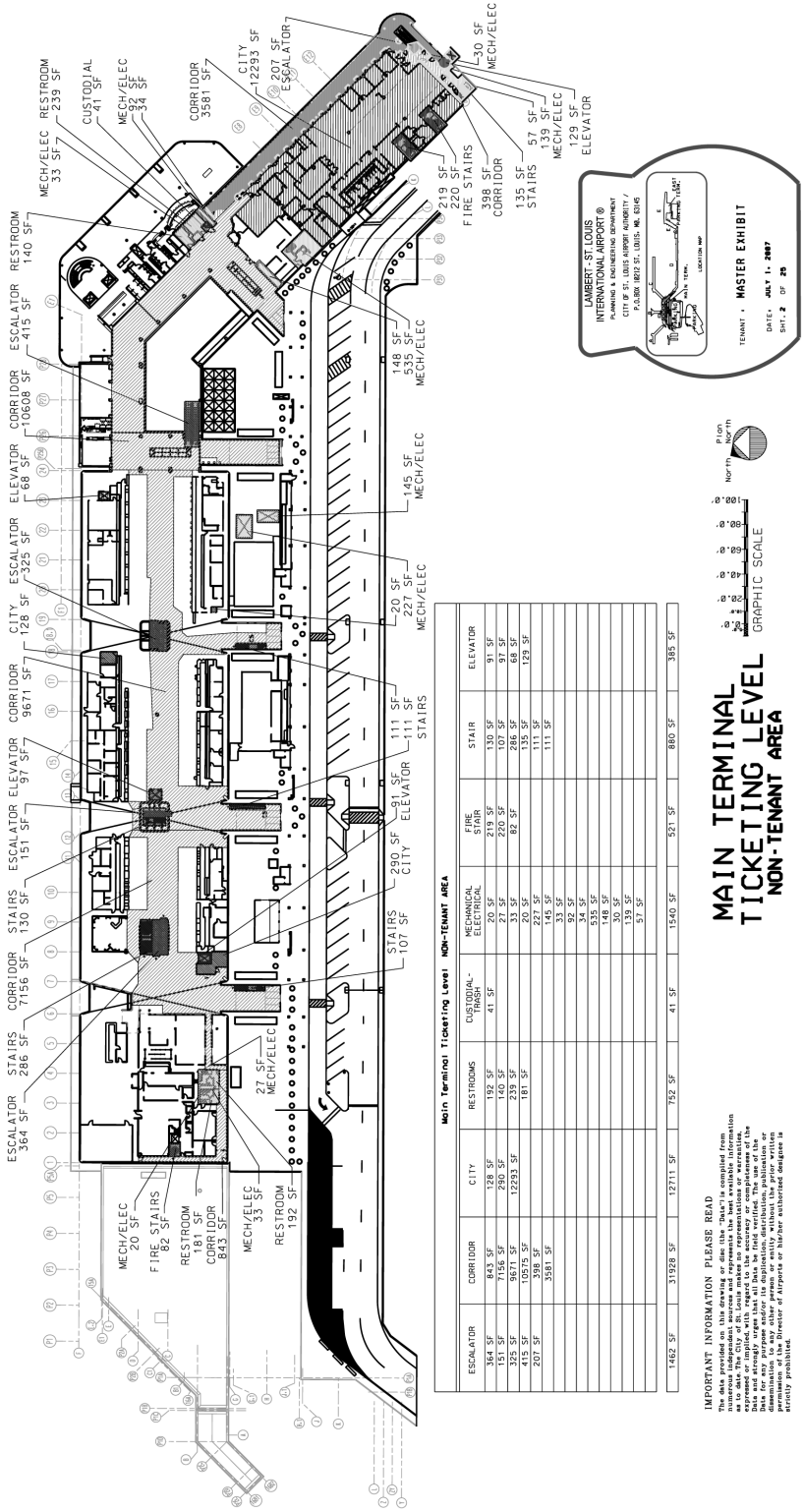
9/28/2005
Plot Control Number:
qis/506347cster

EXHIBIT "B"
LEASED PREMISES AND CITY GATES





Main Terminal Ticketing Level NON-TENANT AREA

ESCALATOR	CORRIDOR	CITY	RESTROOMS	CUSTODIAL-JANITORIAL	MECHANICAL ELECTRICAL	FIRE STAIRS	STAIR	ELEVATOR
364 SF	843 SF	128 SF	192 SF	41 SF	20 SF	219 SF	130 SF	91 SF
151 SF	7156 SF	290 SF	140 SF		27 SF	220 SF	107 SF	97 SF
325 SF	9671 SF	12293 SF	239 SF		33 SF	82 SF	286 SF	68 SF
415 SF	10575 SF		181 SF		20 SF		135 SF	129 SF
207 SF	398 SF				227 SF		111 SF	
	3581 SF				145 SF		111 SF	
					33 SF			
					92 SF			
					34 SF			
					535 SF			
					148 SF			
					30 SF			
					139 SF			
					57 SF			
1462 SF	31928 SF	12711 SF	752 SF	41 SF	1540 SF	521 SF	880 SF	385 SF

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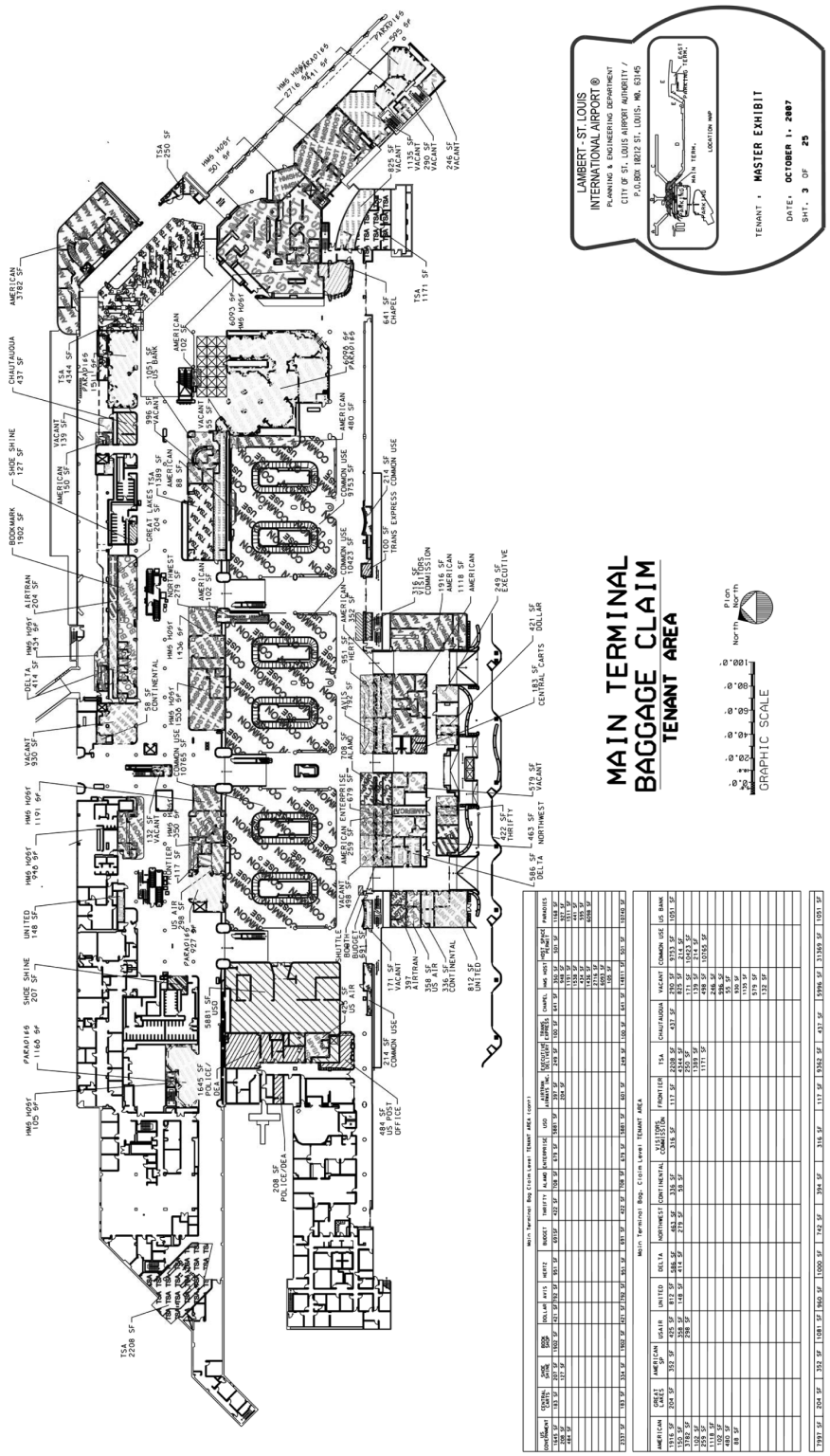
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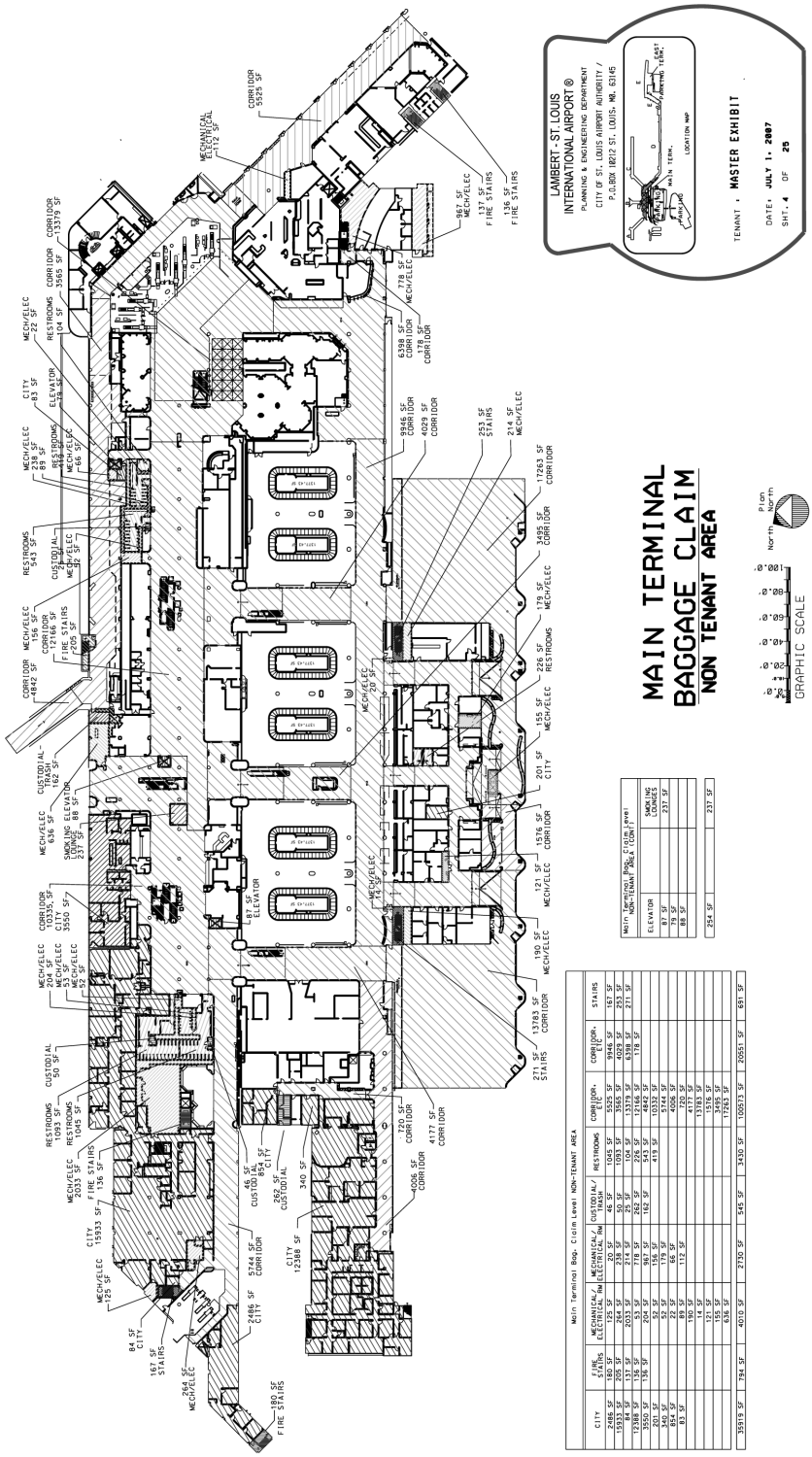
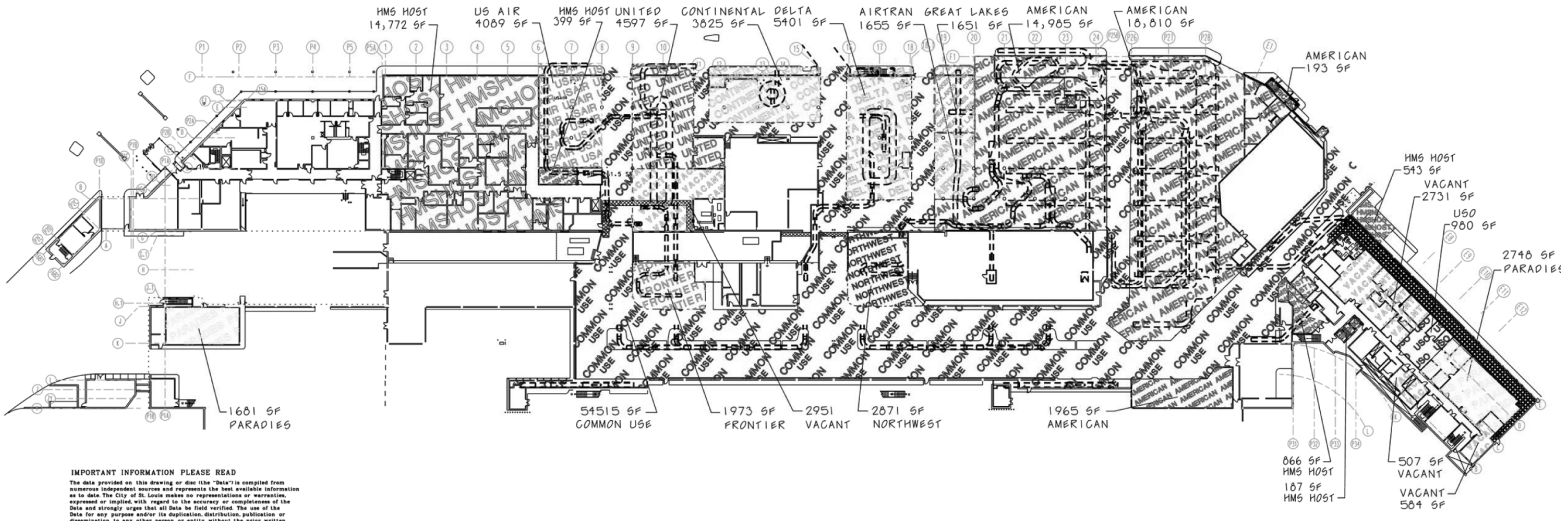
CITY OF ST. LOUIS AIRPORT AUTHORITY / P.O.BOX 10212 ST. LOUIS, MO. 63145
LOCATION MAP
MAIN TERM.
TENANT : MASTER EXHIBIT
DATE: OCTOBER 1, 2007
SHT. 3 OF 25
MAIN TERMINAL BAGGAGE CLAIM
TENANT AREA
GRAPHIC SCALE
North
Plan North
Main Terminal Bag. Claim Level TENANT AREA (cont)
Main Terminal Bag. Claim Level TENANT AREA



Main Terminal Bag. Claim Level NON-TENANT AREA								
CITY	STRS. & LANDS	MECHANICAL/ ELECTRICAL/ RM	MECHANICAL/ ELECTRICAL/ RM	CUSTODIAL/ HUSH	RESTROOMS	CORRIDOR, ETC.	CORRIDOR, ETC.	STAIRS
2486 SF	180 SF	125 SF	20 SF	46 SF	1045 SF	3525 SF	9946 SF	167 SF
13933 SF	180 SF	264 SF	128 SF	49 SF	1093 SF	3595 SF	10018 SF	133 SF
84 SF	137 SF	2033 SF	214 SF	25 SF	104 SF	13379 SF	6398 SF	271 SF
12388 SF	136 SF	53 SF	178 SF	262 SF	226 SF	12166 SF	178 SF	
5744 SF	136 SF	264 SF	114 SF	182 SF	243 SF	4402 SF		
201 SF		52 SF	156 SF		419 SF	10332 SF		
346 SF		52 SF	179 SF			3744 SF		
464 SF		22 SF	46 SF			4006 SF		
83 SF		89 SF	112 SF			720 SF		
		190 SF				4177 SF		
		14 SF				1319 SF		
		121 SF				1576 SF		
		155 SF				3485 SF		
		636 SF				17283 SF		
35918 SF	734 SF	4010 SF	2752 SF	545 SF	3430 SF	100573 SF	26057 SF	691 SF

Main Terminal Bag. Claim Level NON-TENANT AREA	
ELEVATOR	SMOKING LOUNGES
87 SF	237 SF
79 SF	
88 SF	
254 SF	237 SF



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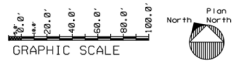
MAIN TERMINAL APRON LEVEL

TENANT AREA

Main Terminal Apron Level TENANT AREA

AMERICAN	US AIR	UNITED	DELTA	NORTHWEST	FRONTIER	CONTINENTAL	HMS HOST	PARADIES SPACE PERMIT	VACANT	COMMON USE	AIRTRAN	USO	GREAT LAKES
14985 SF	4089 SF	4597 SF	5397 SF	2871 SF	1973 SF	3825 SF	14772 SF	3084 SF	2951 SF	54515 SF	1655 SF	980 SF	1651 SF
18810 SF							399 SF	1681 SF	2731 SF				
193 SF							543 SF		432 SF				
1965 SF							866 SF		507 SF				
							187 SF		584 SF				
35953 SF	4089 SF	4597 SF	5397 SF	2871 SF	1973 SF	3825 SF	16767 SF	4765 SF	7205 SF	54515 SF	1655 SF	980 SF	1651 SF



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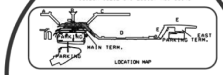
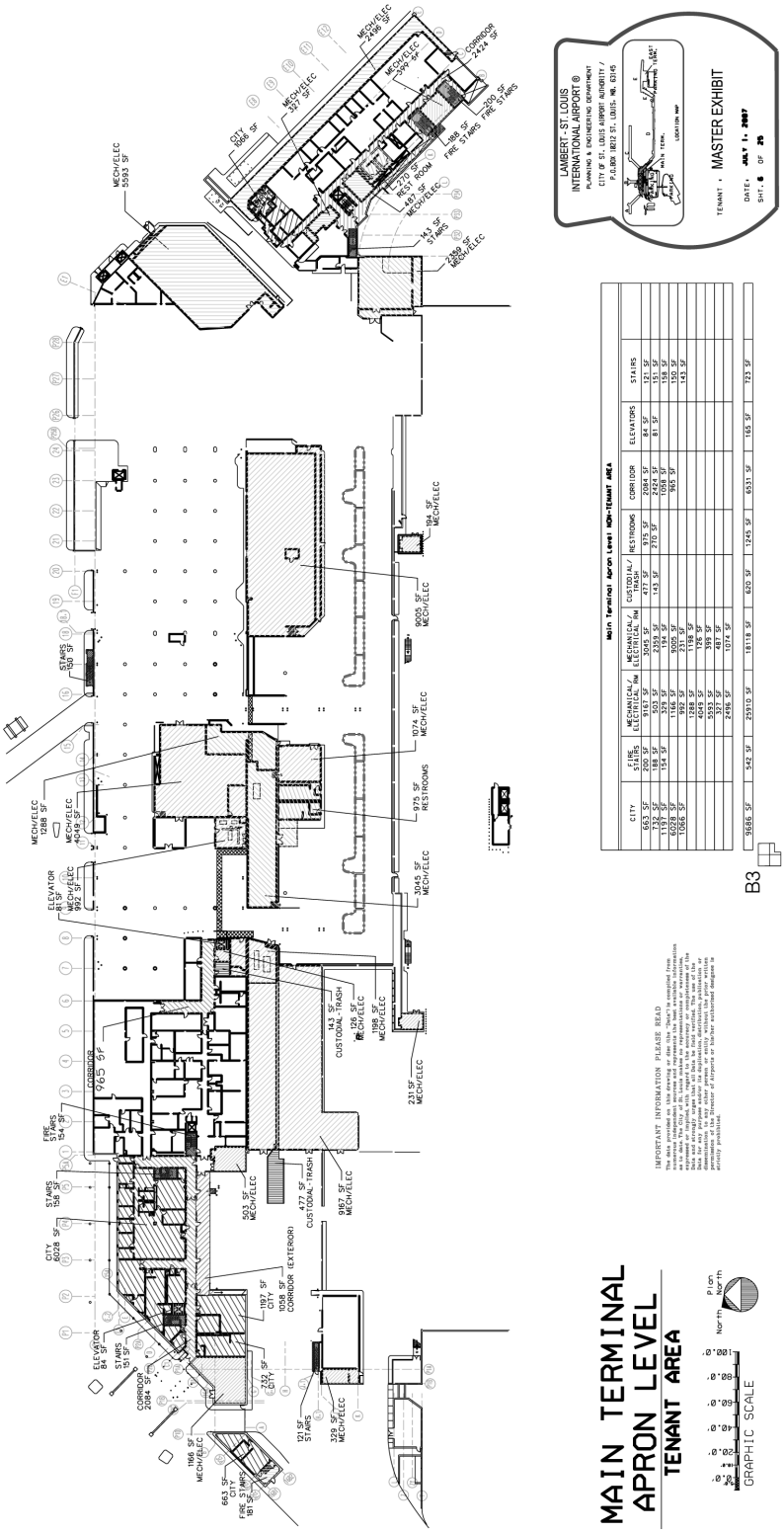


TENANT : **MASTER EXHIBIT**

DATE: OCTOBER 1, 2007

SHT. 5 OF 25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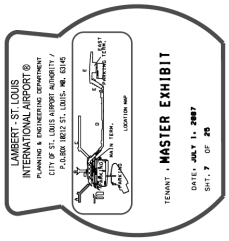
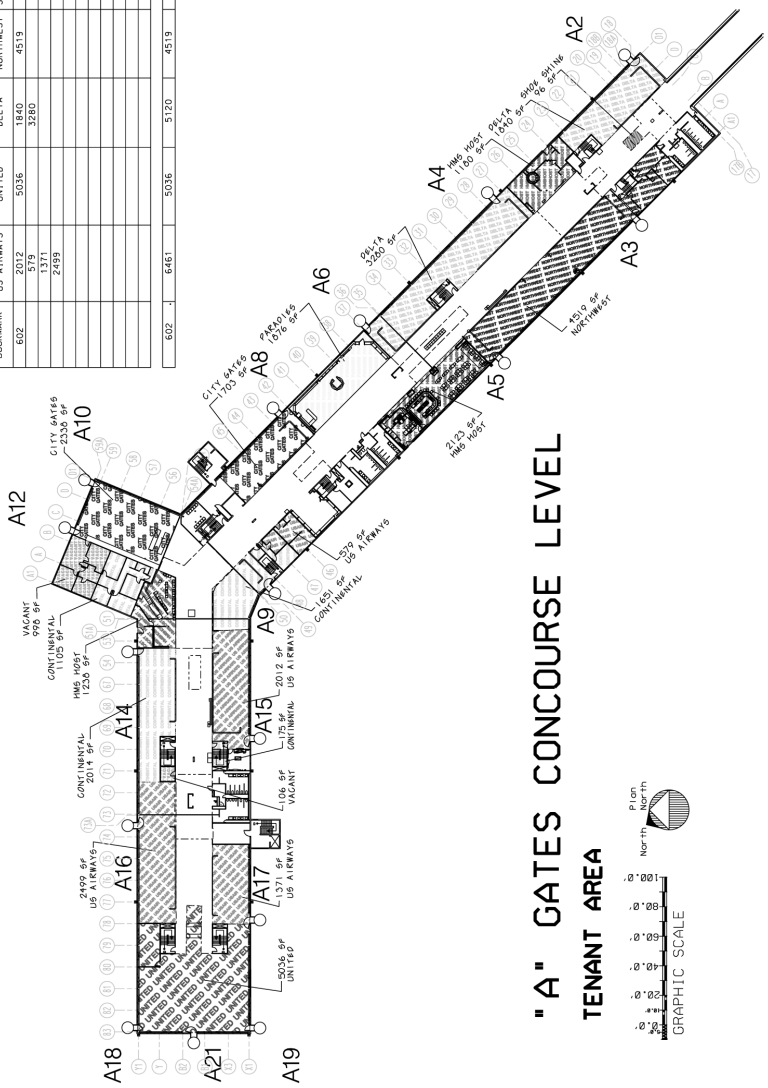
MAIN TERM.
LOCATION MAP
TENANT : MASTER EXHIBIT
DATE: JULY 1, 2007
SHT. 6 OF 25
Main Terminal Apron Level NON-TENANT AREA
CITY
FIRE STAIRS
MECHANICAL/ ELECTRICAL RM
MECHANICAL/ ELECTRICAL
CUSTODIAL/ TRASH
RESTROOMS
CORRIDOR
ELEVATORS
STAIRS
9686 SF
542 SF
2910 SF
1818 SF
620 SF
1245 SF
6531 SF
165 SF
723 SF
B3
IMPORTANT INFORMATION PLEASE READ
MAIN TERMINAL
APRON LEVEL
TENANT AREA
Plan North
GRAPHIC SCALE

"A" Gates TENANT AREA

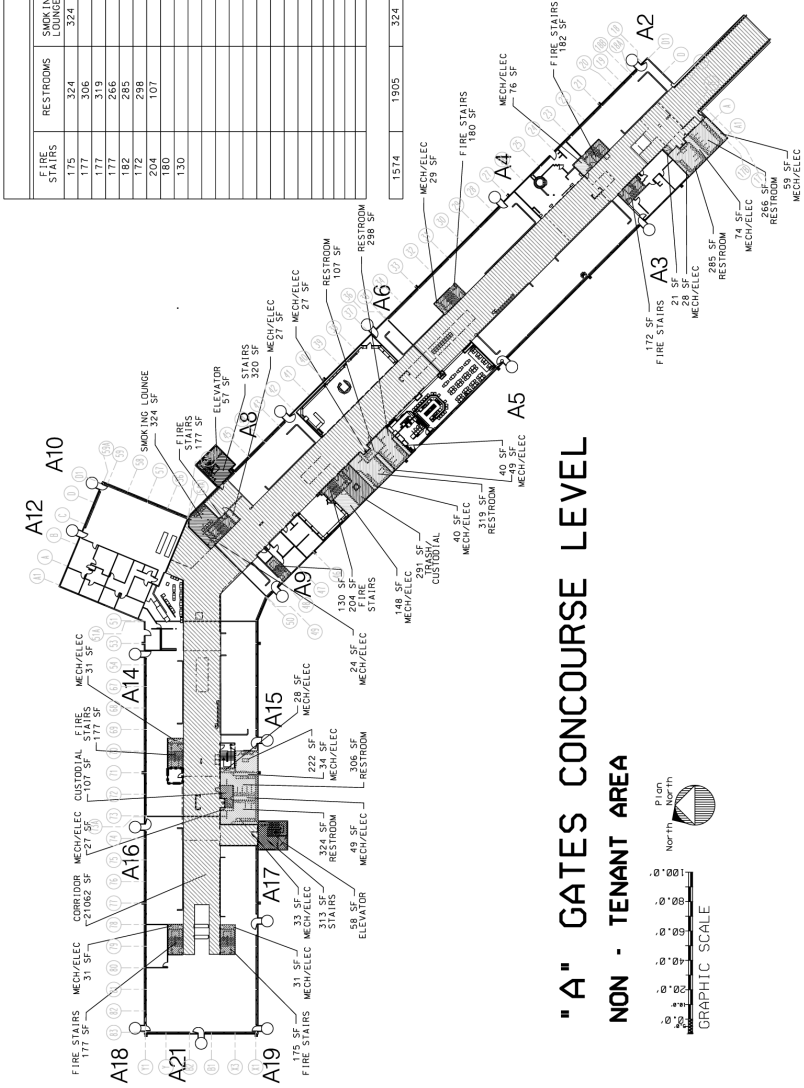
BOOKMARK	US AIRWAYS	UNITED	DELTA	NORTHWEST	SHOE SHINE	CONTINENTAL	HMS HOST NUMBER	HMS HOST SQF	PARADIES	CITY GATES	VACANT
602	2012	5036	1840	4519	96	2014		1180	1876	2338	998
	579		3280			175		2123		1703	106
	1371					1105		1238			
	2499					1651					
602	6461	5036	5120	4519	96	4945	-----	4541	1876	4041	1104

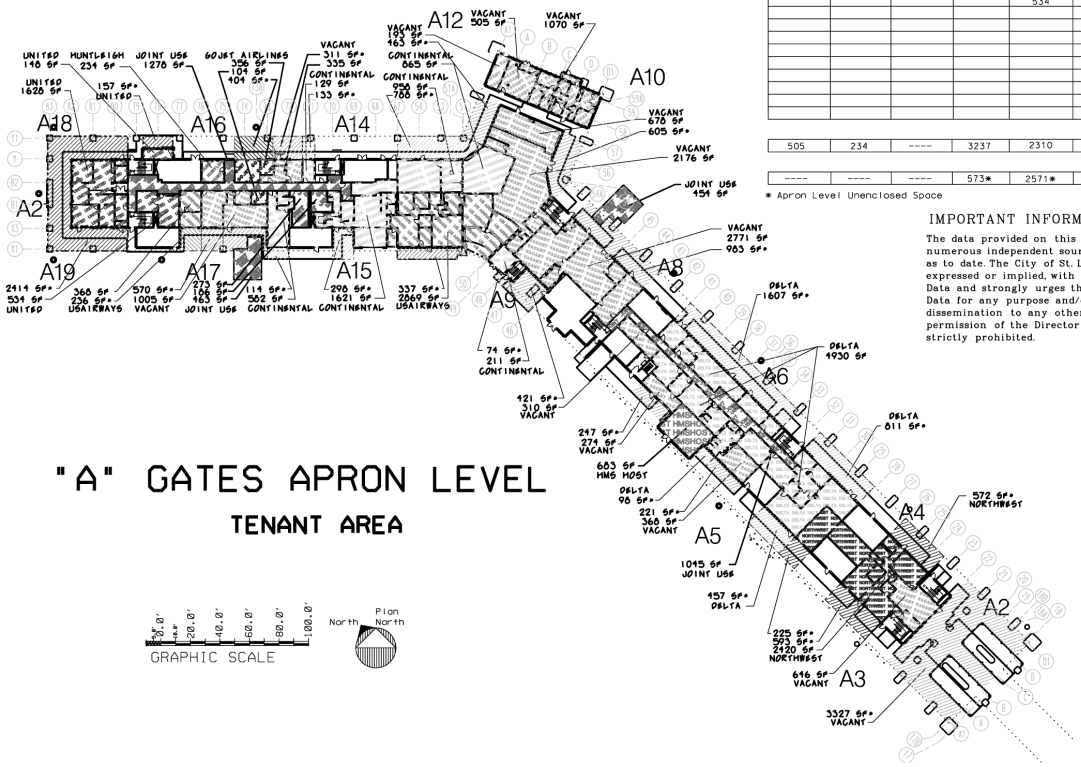




"A" Gates Non-Tenant Area

FIRE STAIRS	RESTROOMS	SMOKING LOUNGES	MECHANICAL/ ELECTRICAL RM	STAIRS	CUSTODIAL/ TRASH	CORRIDOR	ELEVATOR
175	324	324	222	320	291	21062	58
177	306		33	313	107		57
177	319		49				
177	266		34				
182	285		24				
172	298		148				
204	107		40				
180			49				
130			21				
			28				
			59				
			74				
			76				
			40				
			27				
			27				
			28				
			31				
			27				
			28				
			31				
			31				
1574	1905	324	1128	633	398	21062	115





"A" GATES APRON LEVEL

TENANT AREA

"A" GATES APRON LEVEL TENANT AREA												
SPACE	HUNTLEIGH	FRONTIER	USAIRWAYS	UNITED	DELTA	NORTHWEST	CONTINENTAL	HMS HOST		GO JET AIRLINES	VACANT	JOINT USE
								LOCATION	SOFT			
505	234		2869	1628	4930	2422	865		683	356	678	1045
			368	148			958			104	2176	454
				534			582				1005	1278
							129				2771	463
							1621				1070	273
							211				368	186
											310	
											274	
											193	
											646	
											335	
											570	
505	234	----	3237	2310	4930	2422	4366	----	683	460	10396	3699
----	----	----	573*	2571*	2973*	1390*	1407*	----	----	404*	7148*	----

* Apron Level Unenclosed Space

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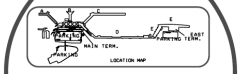
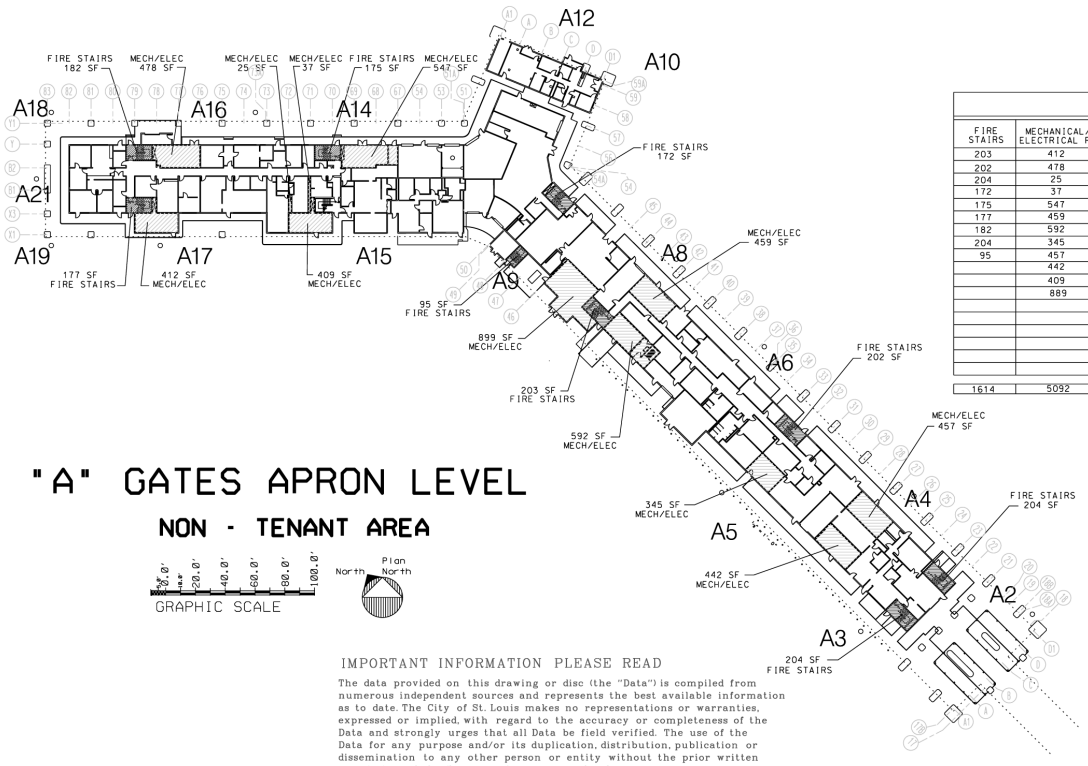


TENANT : **MASTER EXHIBIT**

DATE: JULY 1, 2007

SHT. 9 OF 25



"A" GATES APRON LEVEL NON- TENANT AREA						
FIRE STAIRS	MECHANICAL/ ELECTRICAL RM	CUSTODIAL/ TRASH	RESTROOMS	SMOKING LOUNGES		
203	412					
202	478					
204	25					
172	37					
175	547					
177	459					
182	592					
204	345					
95	457					
	442					
	409					
	889					
1614	5092					

"A" GATES APRON LEVEL

NON - TENANT AREA

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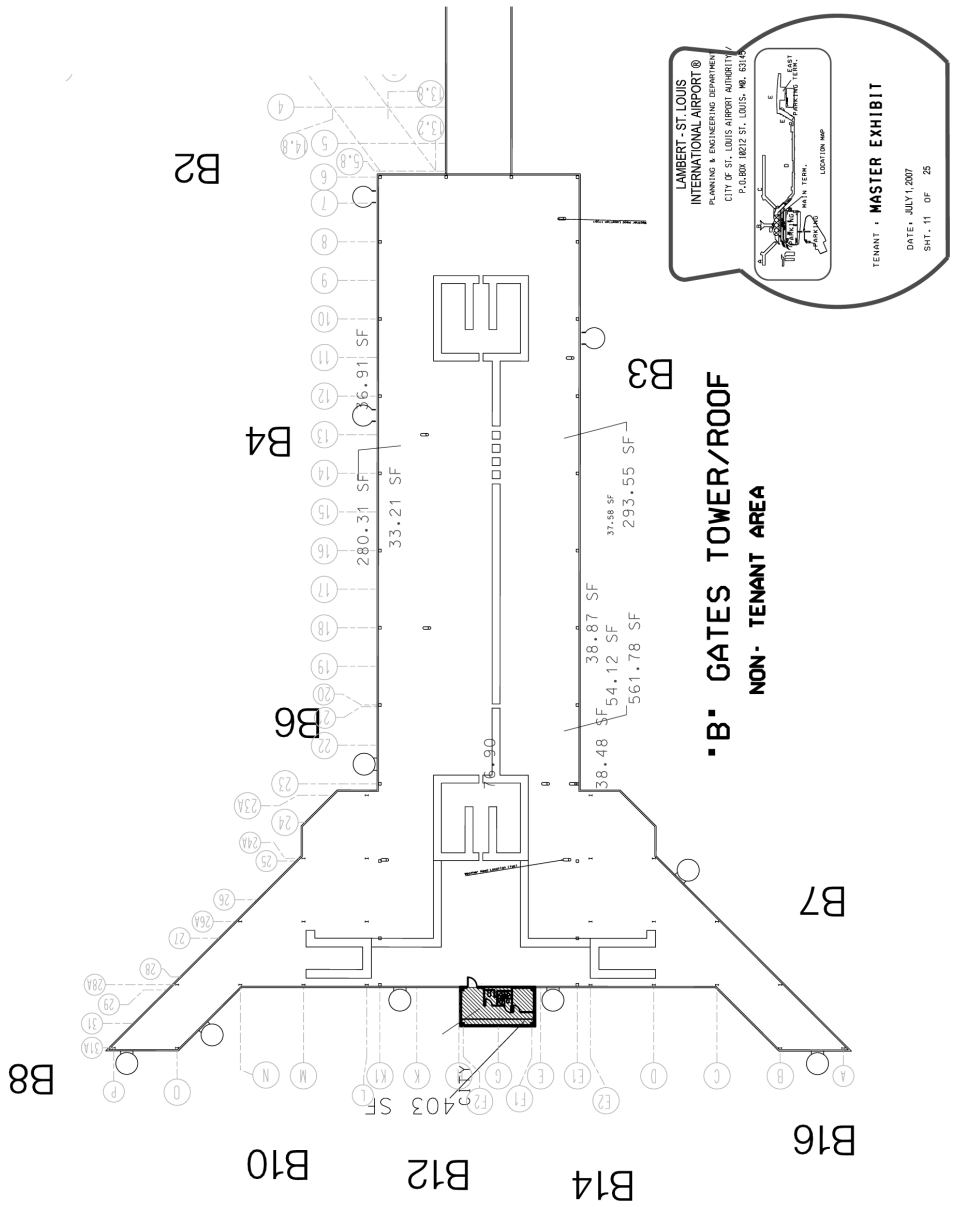
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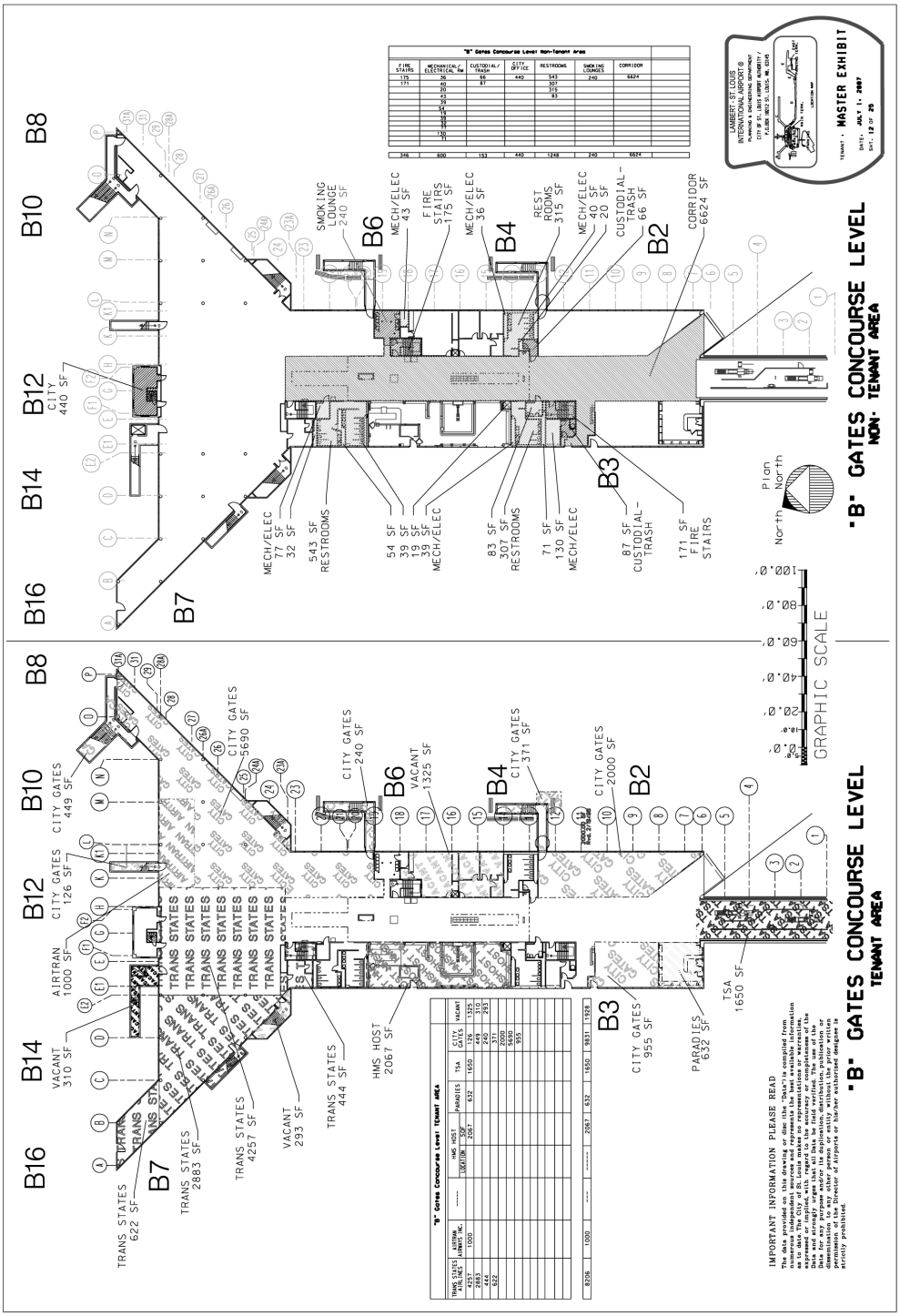
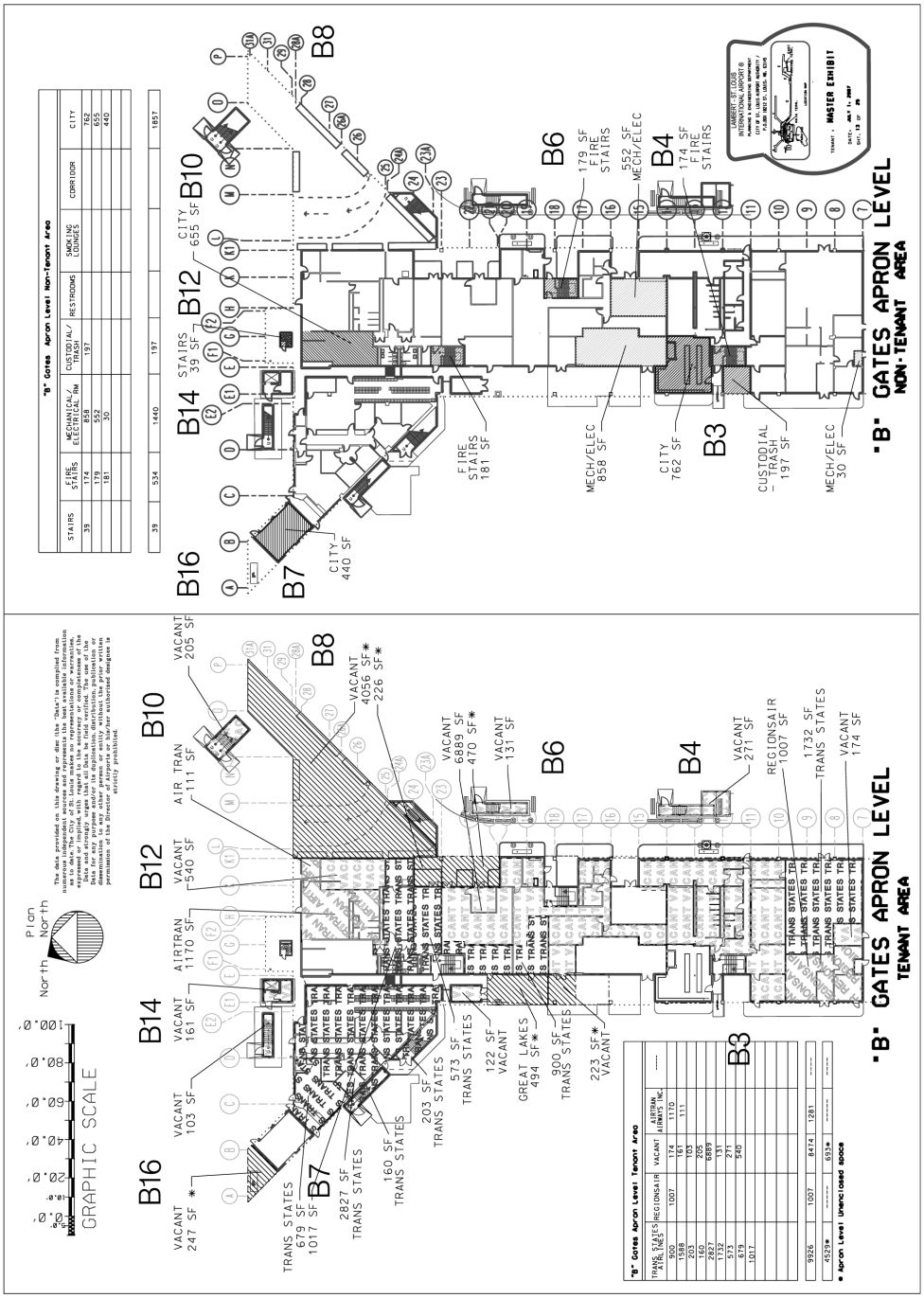
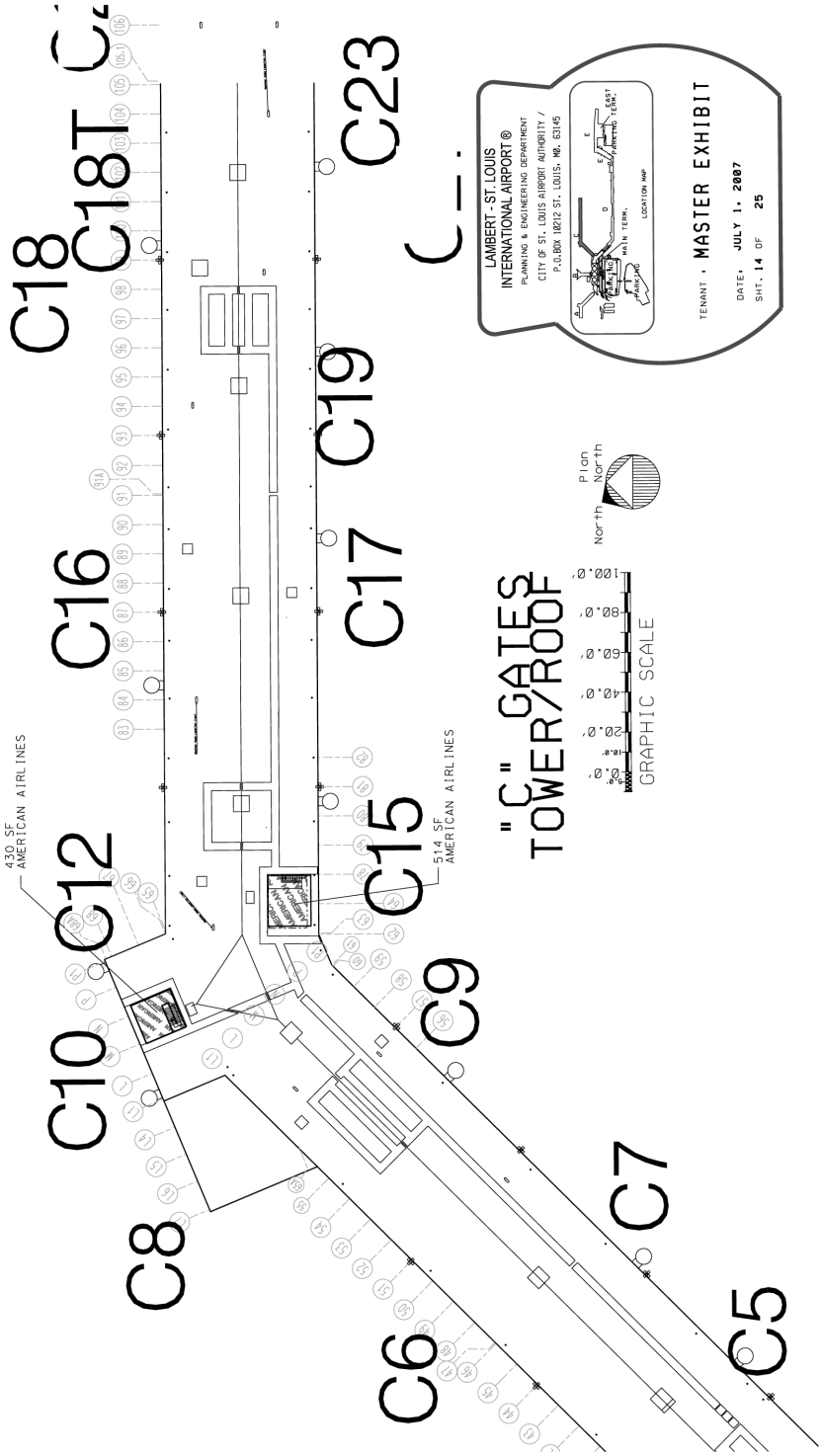
P.O.BOX 10212 ST. LOUIS, MO. 63145
LOCATION MAP
TENANT : MASTER EXHIBIT
DATE: JULY 1,2007
SHT. 11 OF 25
'B' GATES TOWER/ROOF
NON- TENANT AREA
B2
B3
B4
B6
B7
B8
B10
B12
B14
B16
280.31 SF
33.21 SF
36.91 SF
38.48 SF
38.87 SF
54.12 SF
561.78 SF
37.58 SF
293.55 SF
76.90
403 SF


"B" GATES CONCOURSE LEVEL
NON- TENANT AREA
"B" GATES CONCOURSE LEVEL
TENANT AREA
GRAPHIC SCALE
MASTER EXHIBIT
LAMBERT-ST LOUIS INTERNATIONAL AIRPORT
B2
B3
B4
B6
B7
B8
B10
B12
B14
B16
CORRIDOR 6624 SF
CUSTODIAL-TRASH 66 SF
MECH/ELEC 40 SF
MECH/ELEC 20 SF
REST ROOMS 315 SF
MECH/ELEC 36 SF
FIRE STAIRS 175 SF
MECH/ELEC 43 SF
SMOKING LOUNGE 240 SF
CITY 440 SF
MECH/ELEC 77 SF
32 SF
543 SF RESTROOMS
54 SF
39 SF
19 SF
39 SF MECH/ELEC
83 SF
307 SF RESTROOMS
71 SF
130 SF MECH/ELEC
87 SF CUSTODIAL-TRASH
171 SF FIRE STAIRS
North
Plan North
CITY GATES 2000 SF
CITY GATES 955 SF
PARADIES 632 SF
TSA 1650 SF
CITY GATES 371 SF
VACANT 1325 SF
CITY GATES 240 SF
CITY GATES 5690 SF
CITY GATES 449 SF
CITY GATES 126 SF
AIRTRAN 1000 SF
VACANT 310 SF
TRANS STATES 622 SF
TRANS STATES 2883 SF
TRANS STATES 4257 SF
VACANT 293 SF
TRANS STATES 444 SF
HMS HOST 2067 SF
IMPORTANT INFORMATION PLEASE READ


"B" Gates Apron Level Non-Tenant Area
STAIRS
FIRE STAIRS
MECHANICAL/ ELECTRICAL/AM
CUSTODIAL/ TRASH
RESTROOMS
SMOKING LOUNGES
CORRIDOR
CITY
39 174 858 197
179 552
181 30
39 534 1440 197 1857
762
655
440
"B" GATES APRON LEVEL
NON-TENANT AREA
B16
B7
B14
B12
B10
B8
B6
B4
B3
CITY 440 SF
STAIRS 39 SF
CITY 655 SF
FIRE STAIRS 181 SF
MECH/ELEC 858 SF
179 SF FIRE STAIRS
552 SF MECH/ELEC
CITY 762 SF
174 SF FIRE STAIRS
CUSTODIAL - TRASH 197 SF
MECH/ELEC 30 SF
MASTER EXHIBIT
"B" GATES APRON LEVEL
TENANT AREA
Plan North
North
GRAPHIC SCALE
VACANT 247 SF *
VACANT 103 SF
VACANT 161 SF
AIRTRAN 1170 SF
VACANT 540 SF
AIR TRAN 111 SF
VACANT 205 SF
VACANT 4056 SF*
226 SF*
VACANT 6889 SF
470 SF*
VACANT 131 SF
VACANT 271 SF
REGIONSAIR 1007 SF
1732 SF TRANS STATES
VACANT 174 SF
TRANS STATES 679 SF
1017 SF
2827 SF TRANS STATES
160 SF TRANS STATES
203 SF TRANS STATES
573 SF TRANS STATES
122 SF VACANT
GREAT LAKES 494 SF*
900 SF TRANS STATES
223 SF* VACANT
"B" Gates Apron Level Tenant Area
TRANS STATES AIRLINES
REGIONSAIR
VACANT
AIRTRAN AIRLINES INC.
900 1007 174 1170
1588 161 111
203 205
1160 205
2827 6889
1732 131
573 270
679 540
1017
9926 1007 8474 1281
4529* ------ 693* ------
* Apron Level Unenclosed space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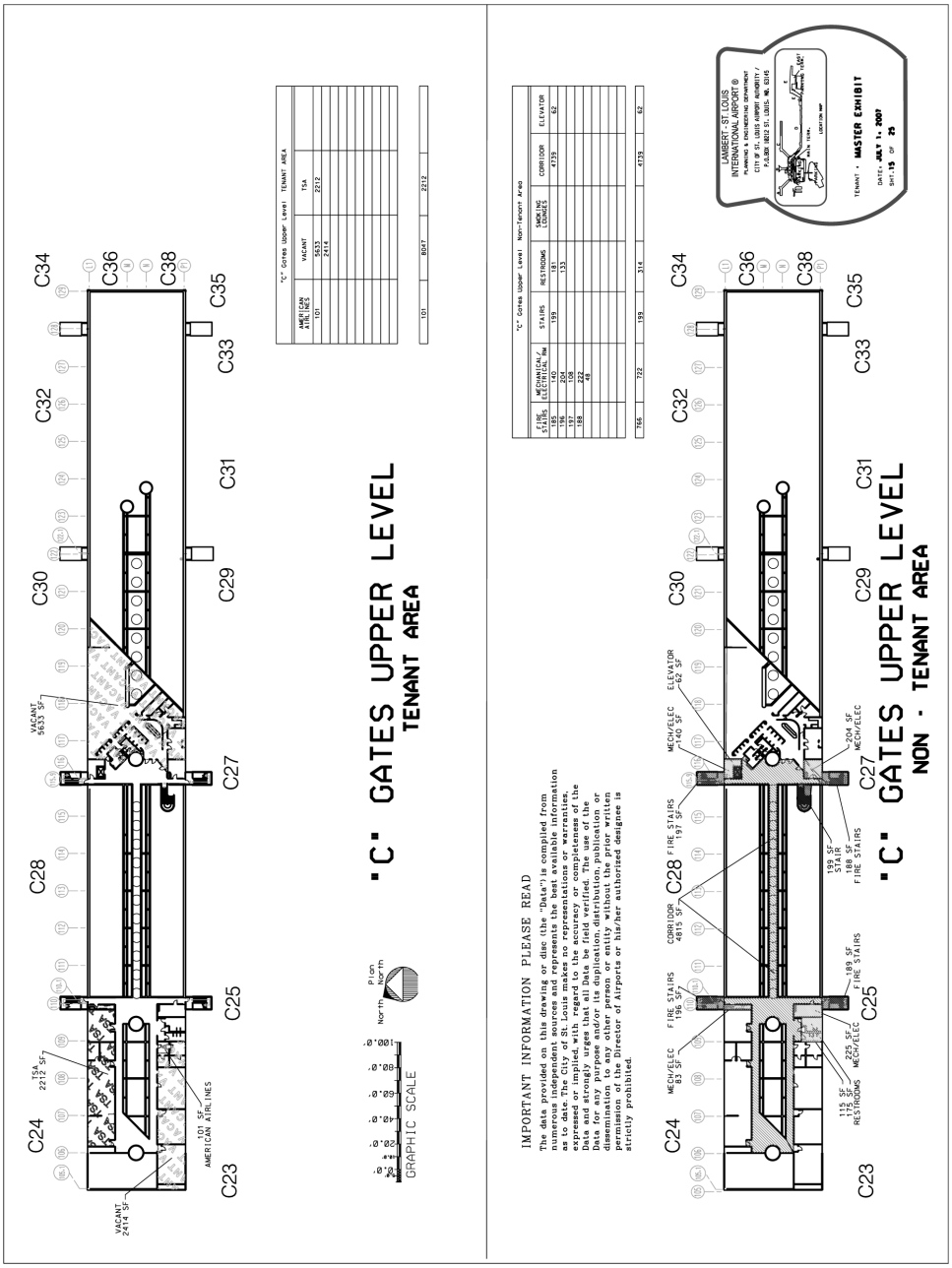
LOCATION MAP
TENANT - MASTER EXHIBIT
DATE: JULY 1, 2007
SHT. 14 OF 25
"C" GATES
TOWER/ROOF
GRAPHIC SCALE
Plan North
North
430 SF
AMERICAN AIRLINES
514 SF
AMERICAN AIRLINES
C5
C6
C7
C8
C9
C10
C12
C15
C16
C17
C18
C18T
C19
C23


"C" GATES UPPER LEVEL TENANT AREA
AMERICAN AIRLINES 101 101 SF
VACANT 5633 5633 SF
TSA 2212 2212
VACANT 2414 2414
101 SF
5633 SF
2212 SF
2414 SF
8047
2212
"C" GATES UPPER LEVEL NON-TENANT AREA
FIRE STAIRS 195
MECHANICAL/ELEVATOR 140
STAIRS 159
RESTROOMS 181
SMOKING LOUNGE 133
CORRIDOR 4739
ELEVATOR 62
FIRE STAIRS 196
MECH/ELEC 204
FIRE STAIRS 197
MECH/ELEC 83
CORRIDOR 4815
MECH/ELEC 225
RESTROOMS 115
722
159
314
4739
62
766
"C" GATES UPPER LEVEL
TENANT AREA
NON - TENANT AREA
GRAPHIC SCALE
North
Plan Orientation
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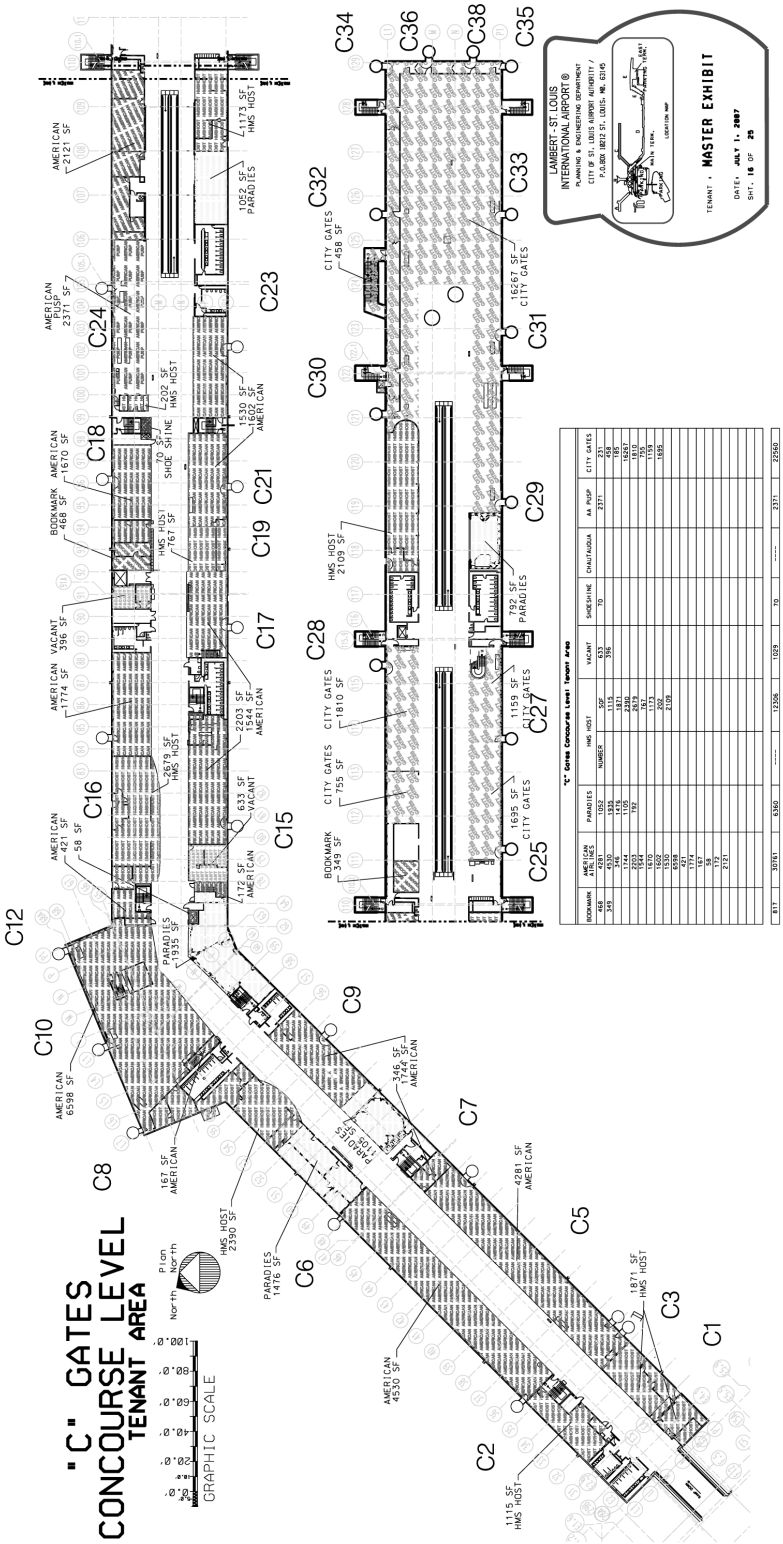
TENANT : MASTER EXHIBIT
DATE: JULY 1, 2007
SHT: 15 OF 25


"C" GATES
CONCOURSE LEVEL
TENANT AREA
GRAPHIC SCALE
Plan North
LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®
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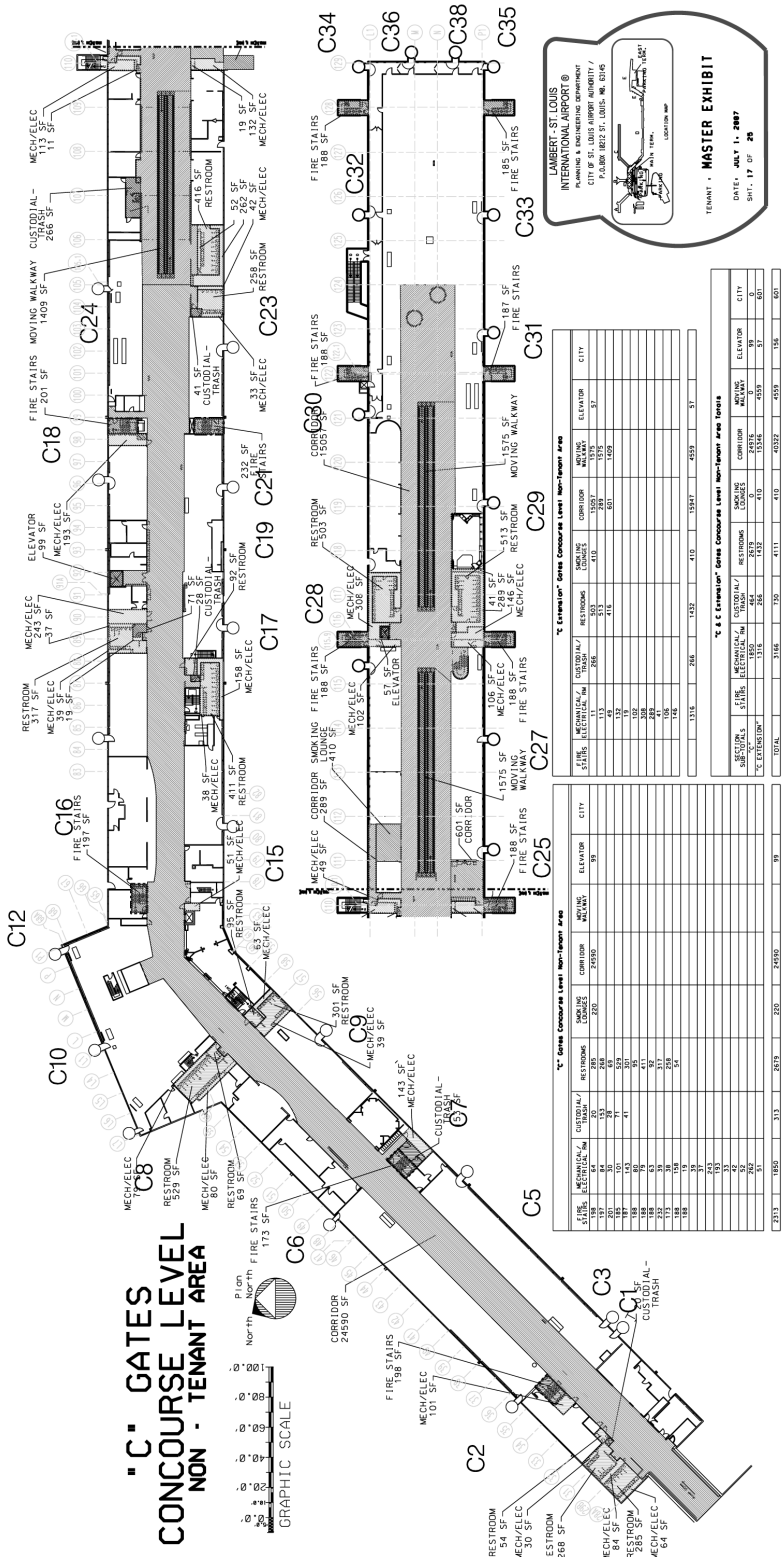
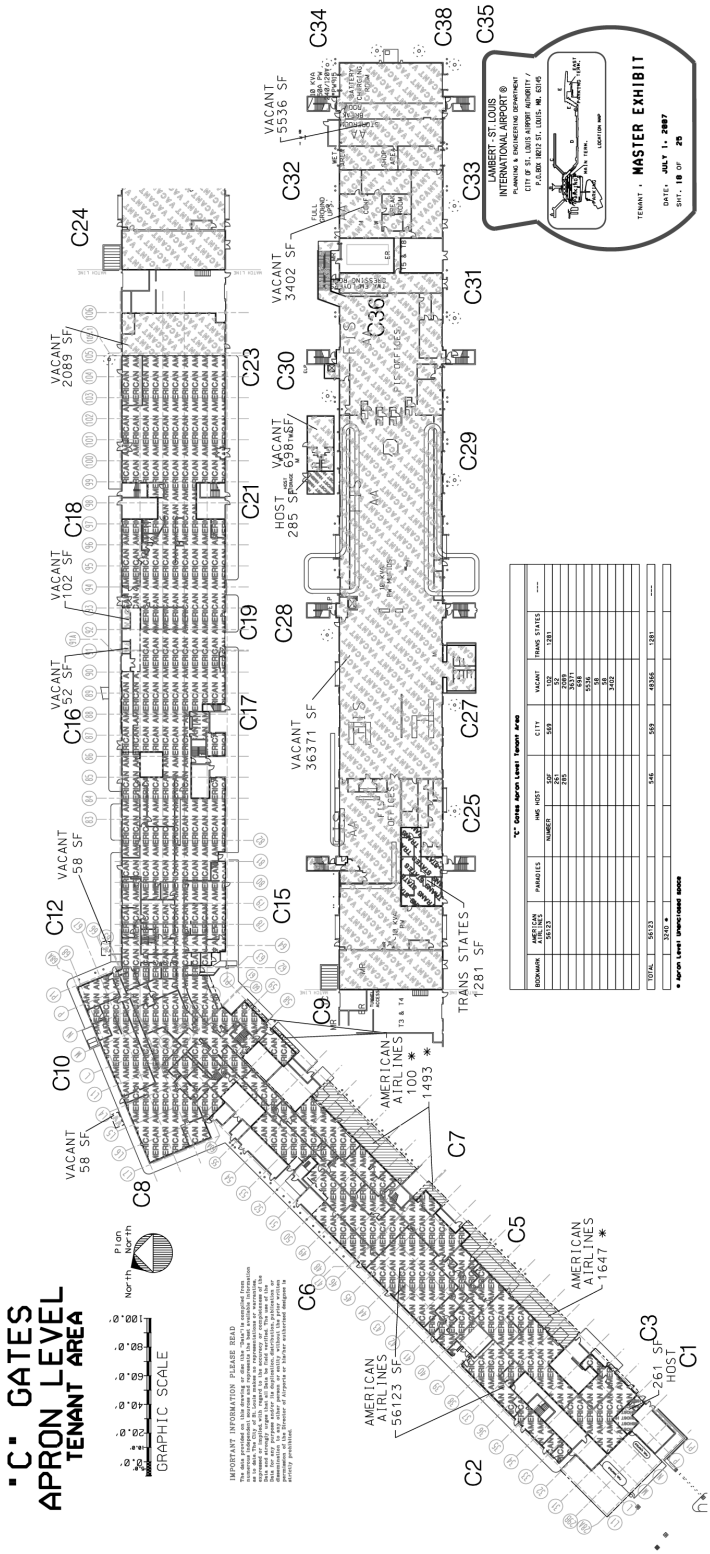
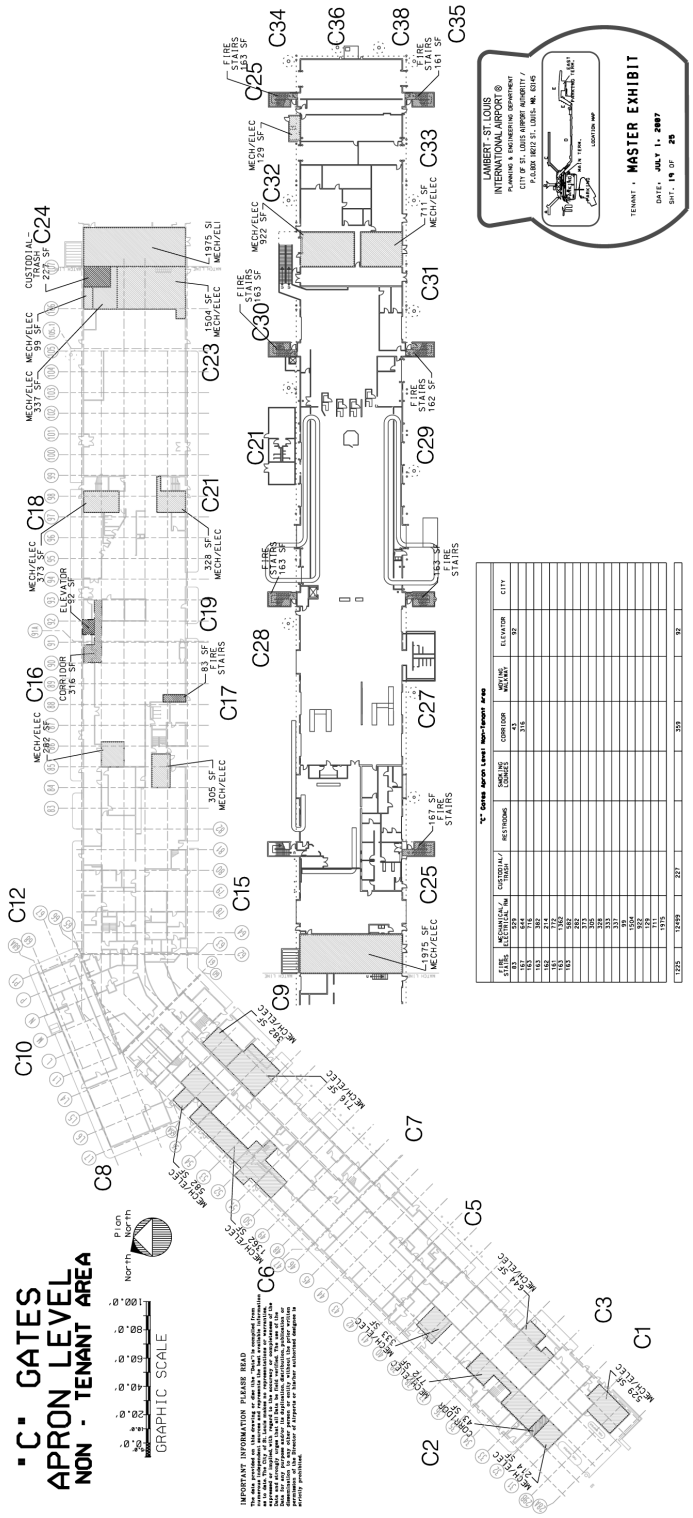
CITY OF ST. LOUIS AIRPORT AUTHORITY / P.O.BOX 10212 ST. LOUIS MO. 63145
TENANT : MASTER EXHIBIT
DATE: JULY 1, 2007
SHT. 16 OF 25
LOCATION MAP
"C" Gates Concourse Level Tenant Area
C1
C2
C3
C5
C6
C7
C8
C9
C10
C12
C15
C16
C17
C18
C19
C21
C23
C24
C25
C27
C28
C29
C30
C31
C32
C33
C34
C35
C36
C38


"C" GATES
CONCOURSE LEVEL
NON - TENANT AREA
GRAPHIC SCALE
Plan North
LAMBERT - ST LOUIS INTERNATIONAL AIRPORT ®
TENANT - MASTER EXHIBIT
DATE - JULY 1, 2007
SHT. 17 OF 25
"C" Gates Concourse Level Non-Tenant Area
"C & E Extension" Gates Concourse Level Non-Tenant Area Totals


"C" GATES
APRON LEVEL
TENANT AREA
GRAPHIC SCALE
Plan North
LAMBERT - ST. LOUIS INTERNATIONAL AIRPORT ®
PLANNING & ENGINEERING DEPARTMENT
CITY OF ST. LOUIS AIRPORT AUTHORITY
P.O. BOX 10212 ST. LOUIS, MO. 63145
LOCATION MAP
TENANT : MASTER EXHIBIT
DATE: JULY 1, 2007
SHT. 18 OF 25
"C" Gates Apron Level Tenant Area
BOOKMARK
AMERICAN AIRLINES
PARKLES
HHC HOST NUMBER
CIP
CITY
VACANT
TRANS STATES
TOTAL
AMERICAN AIRLINES 100 *
1493 *
AMERICAN AIRLINES 1647 *
AMERICAN AIRLINES 56123 SF
HOST 261 SF
VACANT 58 SF
VACANT 102 SF
VACANT 52 SF
VACANT 2089 SF
VACANT 36371 SF
VACANT 3402 SF
VACANT 5536 SF
HOST 285 SF
TRANS STATES 1281 SF
C1
C2
C3
C5
C6
C7
C8
C9
C10
C12
C15
C16
C17
C18
C19
C21
C23
C24
C25
C27
C28
C29
C30
C31
C32
C33
C34
C35
C36
C38


"C" GATES
APRON LEVEL
NON - TENANT AREA
GRAPHIC SCALE
Plan North
IMPORTANT INFORMATION PLEASE READ
LAMBERT - ST LOUIS
INTERNATIONAL AIRPORT ®
MASTER EXHIBIT
TENANT :
DATE: JULY 1, 2007
SHT. 19 OF 25
C1
C2
C3
C5
C6
C7
C8
C9
C10
C12
C15
C16
C17
C18
C19
C21
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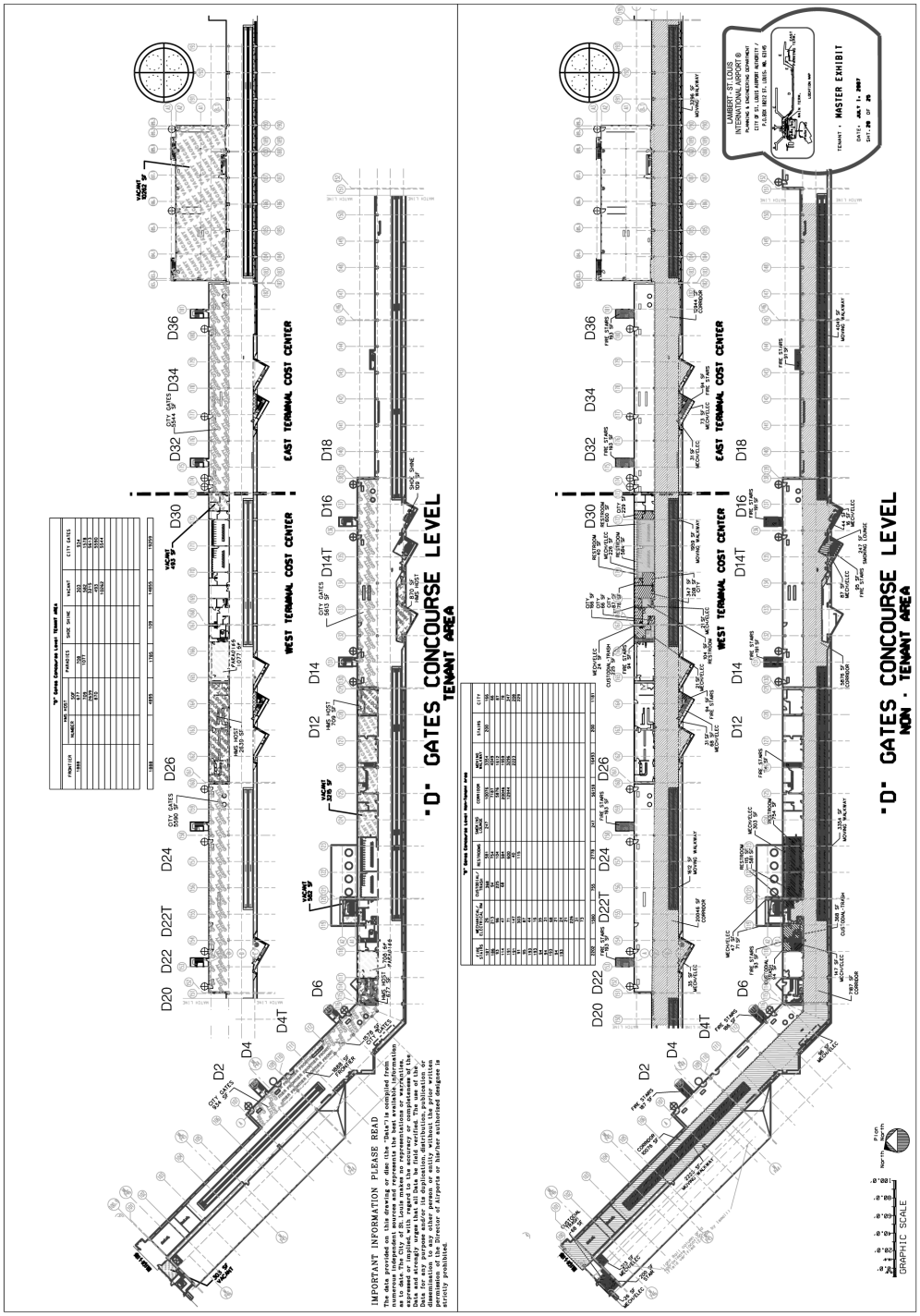
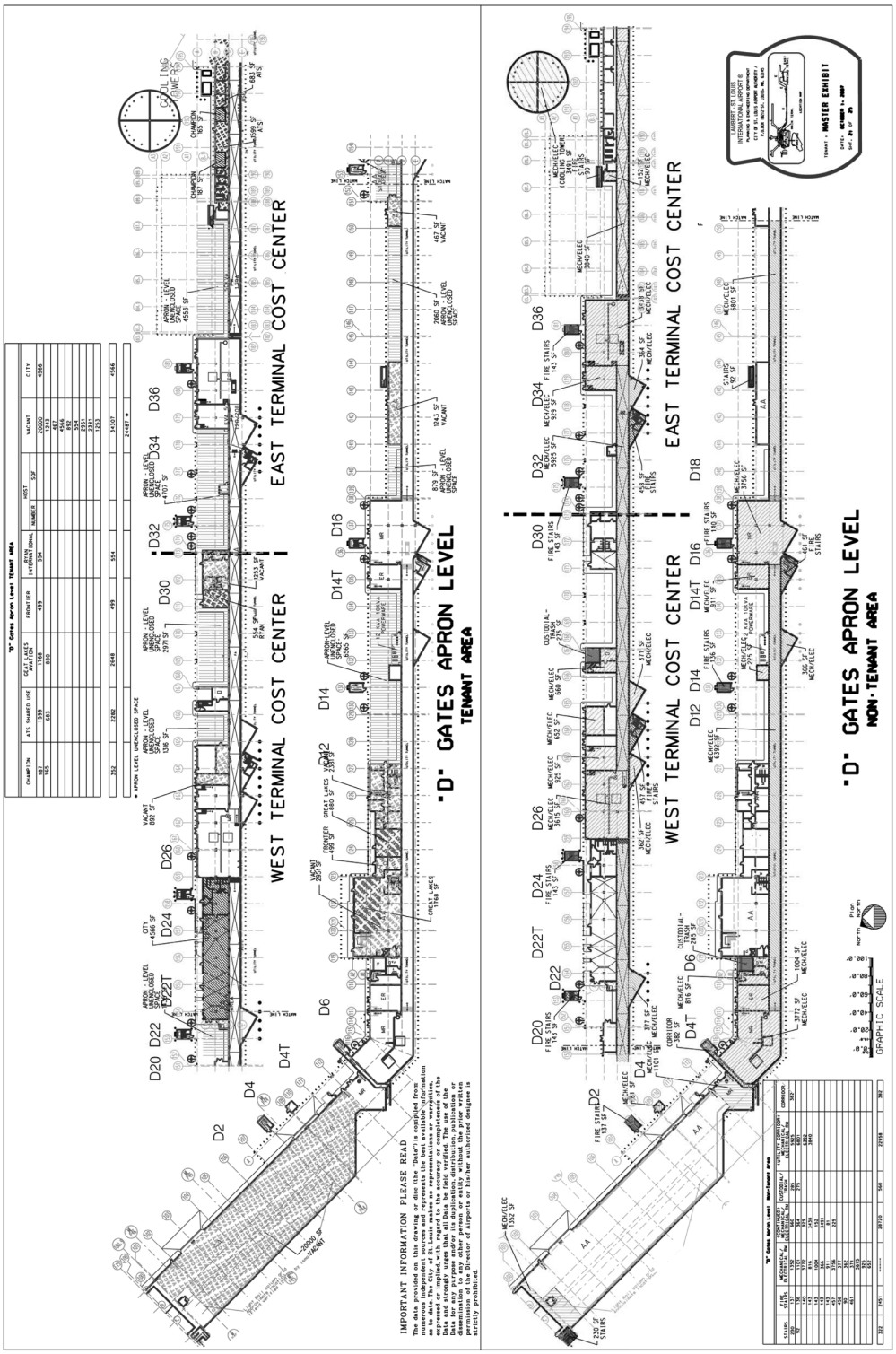
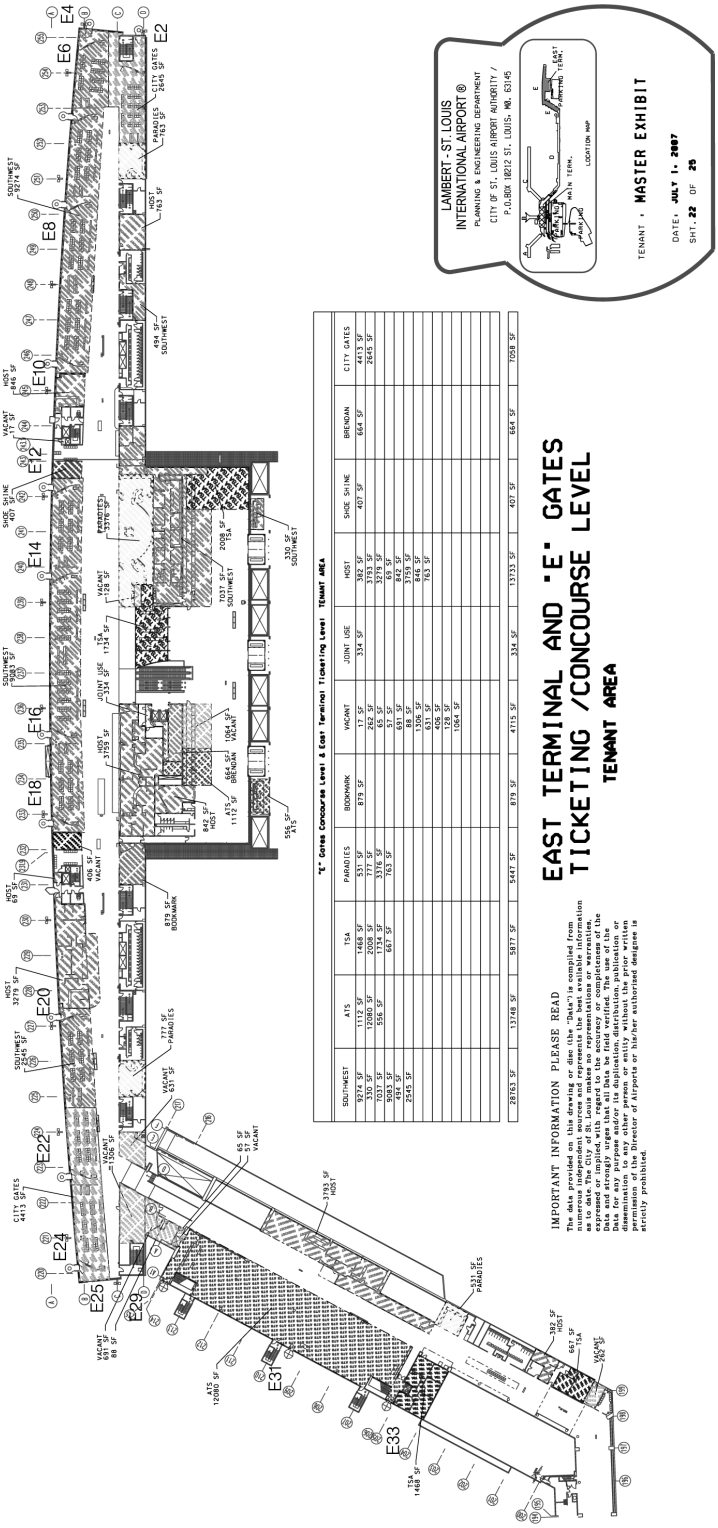
C38

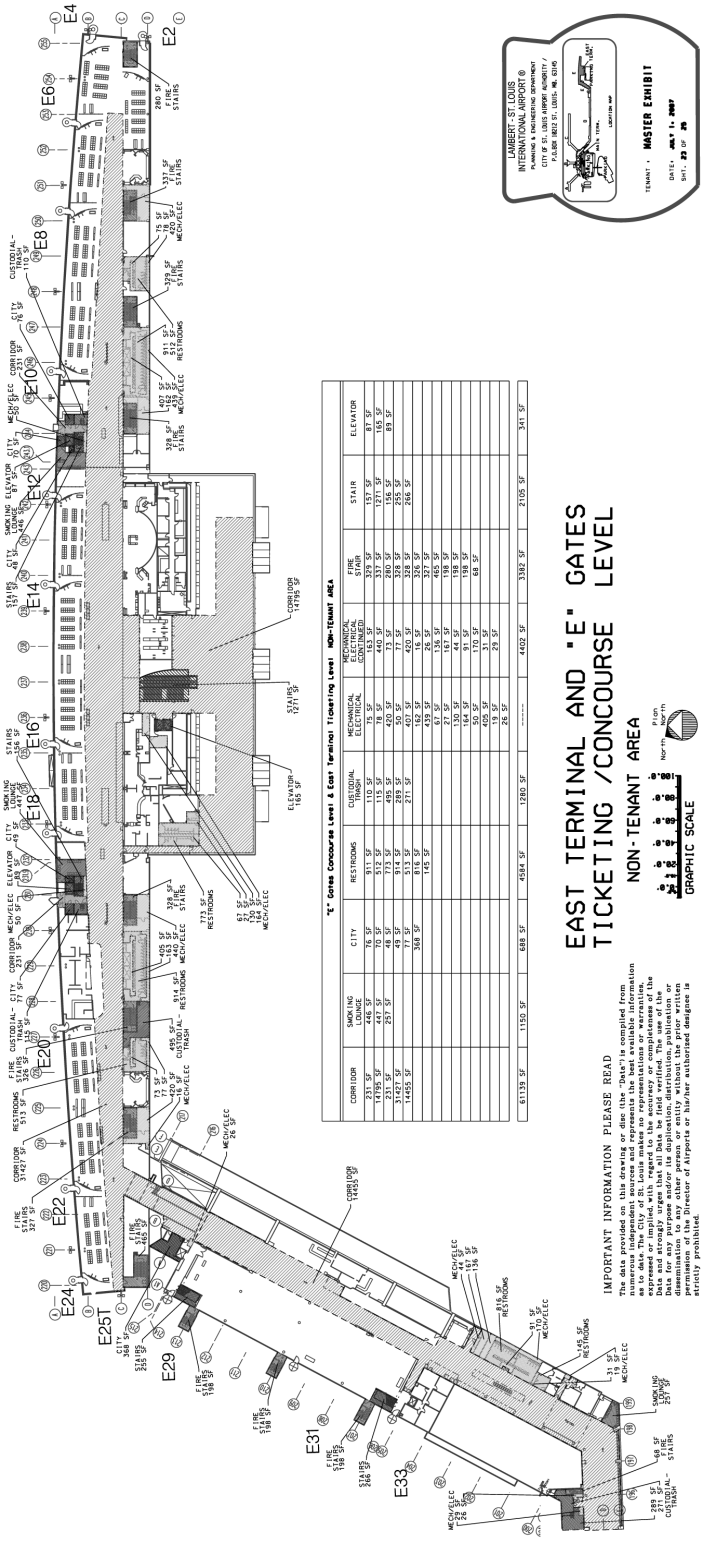

'D' GATES CONCOURSE LEVEL
TENANT AREA
'D' GATES CONCOURSE LEVEL
NON - TENANT AREA
WEST TERMINAL COST CENTER
EAST TERMINAL COST CENTER
MASTER EXHIBIT
GRAPHIC SCALE
IMPORTANT INFORMATION PLEASE READ

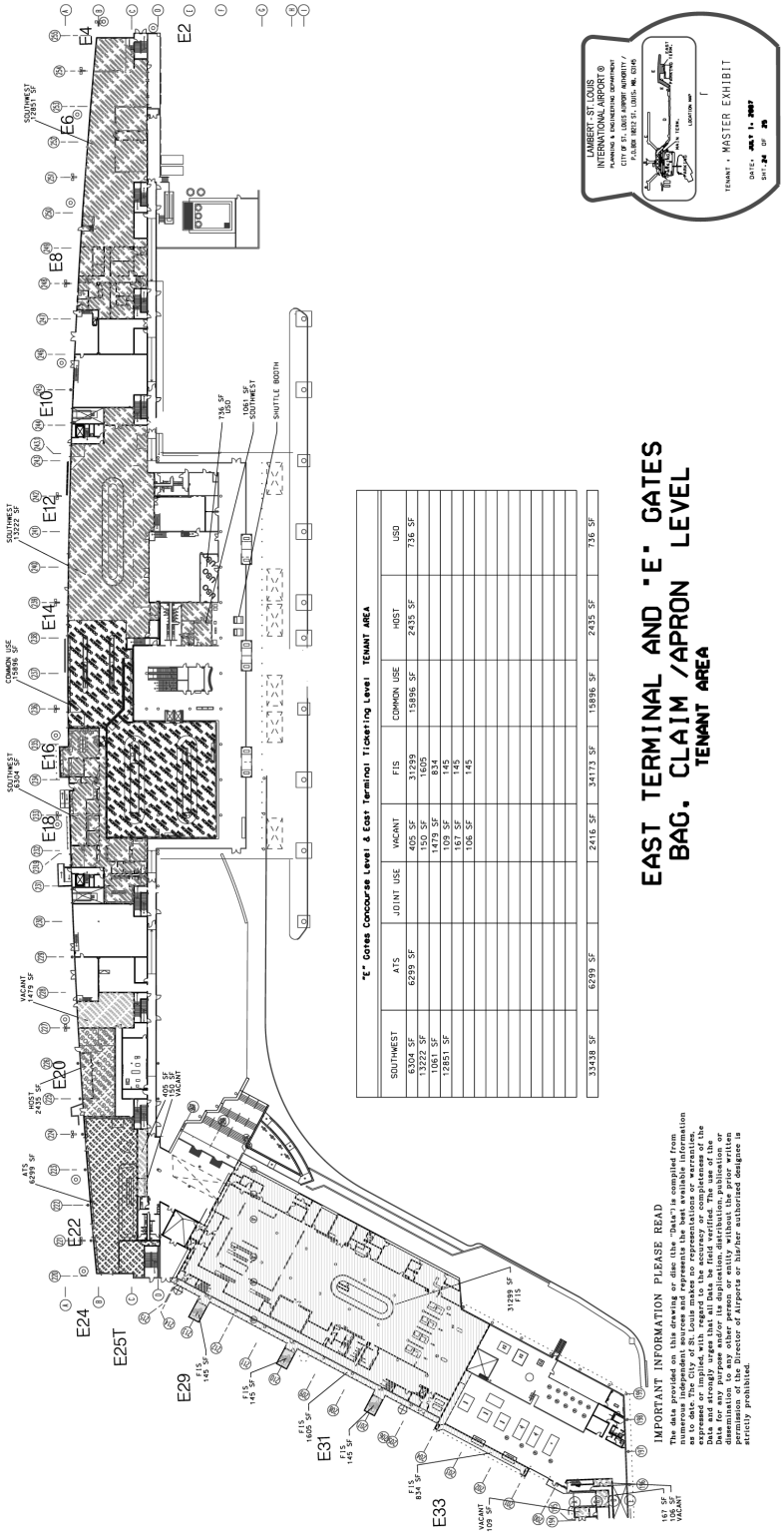

WEST TERMINAL COST CENTER
EAST TERMINAL COST CENTER
'D' GATES APRON LEVEL
TENANT AREA
'D' GATES APRON LEVEL
NON-TENANT AREA
GRAPHIC SCALE
IMPORTANT INFORMATION PLEASE READ



"E" Gates Concourse Level & East Terminal Ticketing Level TENANT AREA

SOUTHWEST	ATS	TSA	PARADIES	BIGHAMPK	VACANT	JOINT USE	HOST	SHOE SHINE	BRENNAN	CITY GATES
9274 SF	1172 SF	1468 SF	763 SF	879 SF	777 SF	324 SF	3793 SF	407 SF	664 SF	4415 SF
330 SF	12080 SF	2008 SF	777 SF		282 SF		3793 SF			2645 SF
7037 SF	556 SF	1734 SF	3376 SF		65 SF		3279 SF			
5945 SF		667 SF	763 SF		57 SF		3279 SF			
484 SF					691 SF		842 SF			
2545 SF					88 SF		3759 SF			
					1336 SF		946 SF			
					1416 SF		763 SF			
					406 SF					
					126 SF					
					1065 SF					
28763 SF	13748 SF	8877 SF	5447 SF	879 SF	4715 SF	324 SF	13733 SF	407 SF	664 SF	7058 SF


LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®
PLANNING & ENGINEERING DEPARTMENT
CITY OF ST. LOUIS AIRPORT AUTHORITY / P.O.BOX 10212 ST. LOUIS, MO. 63145
MAIN TERM.
LOCATION MAP
TENANT : MASTER EXHIBIT
DATE: MAY 1, 2007
SHT. 23 OF 25
EAST TERMINAL AND "E" GATES
TICKETING /CONCOURSE LEVEL
NON-TENANT AREA
GRAPHIC SCALE
North
High Point
"E" Gates Concourse Level & East Terminal Ticketing Level NON-TENANT AREA
CORRIDOR
SMOKING LOUNGE
CITY
RESTROOMS
CUSTODIAL-TRASH
MECHANICAL ELECTRICAL
MECHANICAL ELECTRICAL (CONTINUED)
FIRE PROTECTION
STAIR
ELEVATOR
61139 SF 1150 SF 688 SF 4584 SF 1280 SF 4402 SF 3382 SF 2105 SF 341 SF
IMPORTANT INFORMATION PLEASE READ
The data provided on this drawing or disc (the "Data") is compiled from numerous independent sources and represents the best available information as to date. The City of St. Louis makes no representations or warranties, expressed or implied, concerning the accuracy or completeness of the Data and strongly urges that all Data be field verified. The use of the Data for any purpose and/or its duplication, distribution, publication or delivery to any other person or entity without the prior written permission of the Director of Airports or his/her authorized designee is strictly prohibited.


LAMBERT - ST. LOUIS INTERNATIONAL AIRPORT®
PLANNING & ENGINEERING DEPARTMENT
CITY OF ST. LOUIS AIRPORT AUTHORITY / P.O.BOX 10212 ST. LOUIS, MO. 63145
LOCATION MAP
TENANT - MASTER EXHIBIT
DATE: JULY 1, 2007
SHT: 24 OF 25
EAST TERMINAL AND 'E' GATES
BAG. CLAIM /APRON LEVEL
TENANT AREA
"E" Gates Concourse Level & East Terminal Ticketing Level TENANT AREA
SOUTHWEST 63504 SF
SOUTHWEST 13322 SF
SOUTHWEST 1061 SF
SOUTHWEST 12851 SF
ATS 6299 SF
JOINT USE
WACANT 4105 SF 1510 SF 1479 SF 109 SF 167 SF 106 SF
FIS 37299 SF 11609 SF 834 SF 145 SF 145 SF 145 SF
COMMON USE 15896 SF
HOST 2435 SF
USD 736 SF
334438 SF
6299 SF
2416 SF
34173 SF
15896 SF
2435 SF
736 SF
E2
E4
E6
E8
E10
E12
E14
E16
E18
E20
E22
E24
E25T
E29
E31
E33
SOUTHWEST 63504 SF
SOUTHWEST 13322 SF
COMMON USE 15896 SF
SOUTHWEST 12851 SF
VACANT 1479 SF
HOST 2435 SF
ATS 6299 SF
736 SF USD
1061 SF SOUTHWEST
SHUTTLE BOOTH
105 SF USD
105 SF VACANT
FIS 145 SF
FIS 1609 SF
FIS 145 SF
FIS 834 SF
VACANT 109 SF
FIS 31299 SF
167 SF 106 SF VACANT
IMPORTANT INFORMATION PLEASE READ
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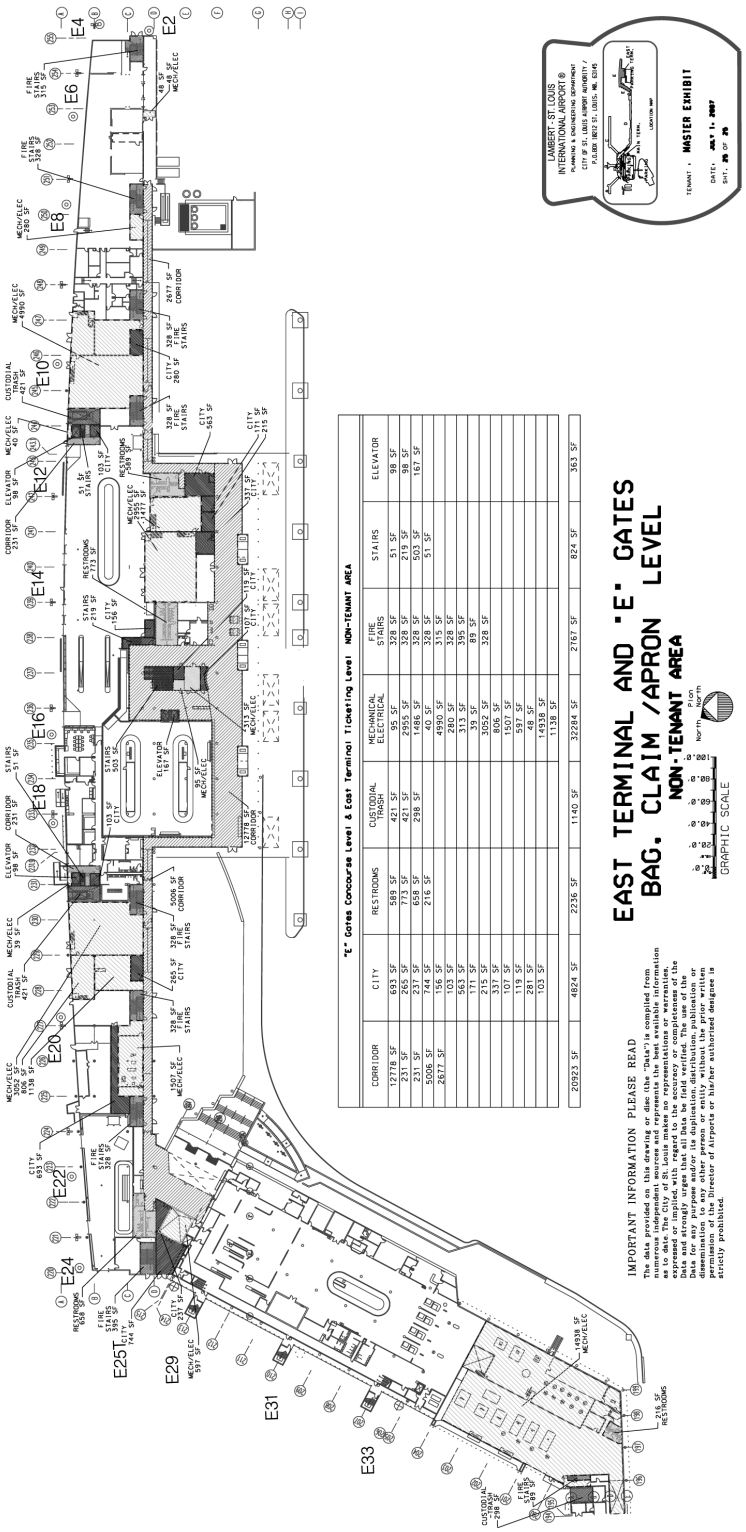

"E" Gates Concourse Level & East Terminal Ticketing Level NON-TENANT AREA

CORRIDOR	CITY	RESTROOMS	CUSTODIAL TRASH	MECHANICAL ELECTRICAL	FIRE STAIRS	STAIRS	ELEVATOR
12778 SF	693 SF	589 SF	477 SF	96 SF	329 SF	51 SF	98 SF
231 SF	265 SF	773 SF	421 SF	2995 SF	328 SF	219 SF	98 SF
231 SF	231 SF	658 SF	298 SF	1486 SF	328 SF	503 SF	167 SF
5006 SF	744 SF	216 SF		40 SF	328 SF	51 SF	
2677 SF	156 SF			4990 SF	315 SF		
	515 SF			280 SF	329 SF		
	563 SF			313 SF	395 SF		
	171 SF			39 SF	89 SF		
	215 SF			3052 SF	328 SF		
	331 SF			806 SF			
	101 SF			1507 SF			
	119 SF			1138 SF			
	115 SF			48 SF			
	281 SF			14938 SF			
	103 SF			1138 SF			
20923 SF	4824 SF	2236 SF	1140 SF	32284 SF	2767 SF	824 SF	363 SF

EXHIBIT "C"
STATISTICAL REPORT FORMS

LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT

MONTHLY STATISTICAL REPORT

DOMESTIC FLIGHTS ONLY

Month of: _____

Air Carrier: _____

Please send to:
Accounting Manager
P.O. Box 10036
St. Louis, MO 63145
314-426-1221 fax

ITEM	IN	OUT	TOTAL
1) FLIGHT OPERATIONS (Number of Flights)			
2) PASSENGERS *	OFF	ON	TOTAL
Originating	********		
Terminating		********	
CONNECTING:			
Interline (Off Line)			
Intraline (On Line)			
TOTAL PASSENGERS			
3) MAIL	OFF	ON	TOTAL
(Pounds)			
4) CARGO	OFF	ON	TOTAL
Express			
Freight			
TOTAL CARGO (Pounds)			

(*)	Originating-Passengers	Beginning at Lambert Airport
	Terminating-Passengers	Terminating at Lambert Airport
	Interline-Passengers	Transferring between flights on different airlines
	Intraline-Passengers	Transferring between flights on same airline

Certified by: _____

Title: _____

LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT

MONTHLY STATISTICAL REPORT

INTERNATIONAL FLIGHTS ONLY

Month of: _____

Air Carrier: _____

Please send to:
Accounting Manager
P.O. Box 10036
St. Louis, MO 63145
314-426-1221 fax

ITEM	IN	OUT	TOTAL
1) INT'L. FLIGHT OPERATIONS (Number of Flights)			
2) INT'L. PASSENGERS *	OFF	ON	TOTAL
Originating – International	********		
Terminating – International		********	
TOTAL INT'L. PASSENGERS			
3) Total Passengers clearing Federal Inspection Service		x $2.50 (FIS Fee)	$
4) MAIL	OFF	ON	TOTAL
(Pounds)			
5) CARGO	OFF	ON	TOTAL
Express			
Freight			
TOTAL INT'L. CARGO (Pounds)			

(*) Originating-Passengers Beginning at Lambert Airport
Terminating-Passengers Terminating at Lambert Airport

Certified by: _____

Title: _____

LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT
LANDED WEIGHT REPORT

MAKE ALL CHECKS PAYABLE TO: TREASURER, CITY OF ST. LOUIS
SEND TO: AIRPORT ASSISTANT DIRECTOR OF FINANCE, P.O. BOX 10036,
LAMBERT STATION, ST. LOUIS, MO, 63145 (426-1221 FAX)

Listed below is the landing report of _____

for the month of _____**, 200 .**

TYPE OF AIRCRAFT	NUMBER OF LANDINGS	CERTIFIED WEIGHT EACH LANDING	TOTAL CERTIFIED LANDING WEIGHT	MITIGATED LANDING FEE RATE PER THOUSAND POUNDS	MONTHLY LANDING FEE
TOTAL				$5.73	
Monthly Remittance					
List Off Line					

In accordance with the Airline Operating Agreement, this report is due by the 15th of each month.

Certified by: _____

Title: _____

Lambert-St. Louis International Airport

Monthly Gate Utilization Report

Month / Year: _____

Airline: (Gate Permit holder) _____

Gate: _____

Total Airline Flight Departures:

Airline:	Scheduled Departures:	Other Departures:	Airline Total:
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Totals:	_____	_____	_____

Certified by: _____

Date: _____

In accordance with the Permit, this report is due on the 5th day of the month for the preceding calendar month's Gate utilization.

LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT
AIRLINE FOOD AND BEVERAGES SOLD REPORT

Month / Year: _____

Airline: _____

	Total Sales		Rate	Amount Due
Food	$_____	X	5.0%	$_____
Beverages	$_____	X	5.0%	$_____
TOTAL	$_____			$_____

Certified by: _____

Title: _____

Please send to:
Accounting Manager
P.O. Box 10036
St. Louis, MO 63145
314-426-1221

EXHIBIT "D"
AREA MEASUREMENT POLICY,
MEASUREMENT RULES

Lambert-St. Louis International Airport®
Planning and Engineering
Area Measurement Policy, Measurement Rules
January 12, 2005

Summary:

The following are guidelines to be used when measuring areas for properties management and operations management. The purpose of these guidelines is to establish a consistent methodology for measuring areas.

Measurement Rules:

- When measuring to an interior partition, begin at the center of the wall. Assume two (2) layers of drywall on studs to be 6" thick.
- Assume block walls to be 8" or 12" thick.
- When measuring to an outside wall, begin at the inside face.
- Measure rooms at their base.
- Measure to the nearest inch, and round up for total.
- If structural elements are within the area, they are to be included in the total.
- If a City mechanical chase protrudes into a leased space, remove from the lessor's sq. ft. total. If Tenant mechanical areas protrude into the room, include in the lessor's sq. ft. total.
- In concourse holdrooms, measure to the mullions along the outside wall. For holdrooms having unequal sized end walls, calculate the area as trapezoid.
- Include stairwell totals at every floor level.
- Account for all areas. Unaccounted spaces shall be categorized as core space.
- Keep all neutral (not leased by Tenant) stairs, mechanical rooms, electrical rooms, janitor closets, etc., as separate from Tenant space. In other words, do not include in Tenant sq. ft. totals.
- The Engineering Department does not designate "Tenant Space" on published drawings. These spaces are defined by lease documents, as designated by the Airport Properties Department.
- When measuring protected apron space, measure from the projection of the outside face of the concourse level to the outside face of the apron level wall.

EXHIBIT "E"
ILLUSTRATIVE CALCULATION
OF RATES AND CHARGES

ILLUSTRATIVE CALCULATION OF AIRLINE RATES AND CHARGES
Lambert-St. Louis International Airport®
(All figures in thousands except for rates)

LANDING FEE RATE	
Airfield Costs	
Operations and maintenance expenses	
Direct	$24,275
Allocated Indirect	11,004
Equipment purchases and capital outlays	500
Amortization of capitalized equipment costs	1,617
Depreciation and interest charges	
(Assets placed in service prior to 7/1/97)	
Depreciation	2,217
Interest - assets financed with Airport funds	817
Interest - assets financed with bonds	637
Amortization charges	
Pre-1997 Projects, 1997 Bond Program and Capital Improvement Program	8,293
Airport Development Program	18,303
Interest on land investment	
Airport Development Program	0
Other	4,679
Total Airfield Costs	$72,342
Credits	
Defined Airfield revenue	
Nonsignatory airline landing fees	0
Other landing fees (collected by FBOs)	1,329
Fuel flowage fees	373
National Guard fees	18
Airline Revenue Abatement	10,000
	11,720
Net Airfield Costs	$60,621
Signatory Airline landed weights	11,238
Required Airline Landing Fee Rates	
Mitigated Rate	
Initial Billing Rate (with 50% of Rate Mitigation)	**$5.84**
Fully Mitigated rate (with 100% of Rate Mitigation)	**$5.39**
Unmitigated Rate (excluding rate mitigation)	**$6.28**

WEST TERMINAL RENTAL RATE

West Terminal Costs	
Operations and maintenance expenses	
Direct	$22,558
Allocated Indirect	10,225
Allocated Terminal Roadways	1,165
Equipment purchases and capital outlays	200
Amortization of capitalized equipment costs	208
Depreciation and interest charges	
(Assets placed in service prior to 7/1/97)	
Depreciation	2,997
Interest - assets financed with Airport funds	1,202
Interest - assets financed with bonds	1,606
Amortization charges	
(Assets placed in service after 6/30/97)	
Capital Improvement Program	6,915
Airport Development Program	0
Total West Terminal Costs	$47,077
less: rent of unenclosed apron-level space	
Net West Terminal Costs	$47,077
Total West Terminal Usable Space	1,083
Required West Terminal Rental Rate	**$43.46**
Signatory Airline rented space--West Terminal	367
Signatory Airline revenues--West Terminal	$15,949
West Terminal Non-Signatory Airline Rental Rate ($43.46 x 1.25)	$54.32

EAST TERMINAL RENTAL RATE

East Terminal Costs	
Operations and maintenance expenses	
Direct	$7,019
Allocated Indirect	3,182
Allocated Terminal Roadways	303
Equipment purchases and capital outlays	100
Amortization of capitalized equipment costs	43
Depreciation and interest charges	
(Assets placed in service prior to 7/1/97)	
Depreciation	
Interest - assets financed with Airport funds	
Interest - assets financed with bonds	
Amortization charges	
(Assets placed in service after 6/30/97)	
Capital Improvement Program	3,367
Capital Improvement Program	866
Airport Development Program	1,030
Total East Terminal Costs	$15,910
less: rent of unenclosed apron-level space	(10)
Net East Terminal Costs	$15,900
Total East Terminal Usable Space	
East Terminal Building	213
International Facilities	72
East End Concourse D Area	45
	330
Required East Terminal Rental Rate	**$48.21**
Signatory Airline rented space--East Terminal Building	87
Signatory Airline rented space--International Facilities	12
Signatory Airline rented space--East End Concourse D	3
	102
Signatory Airline rental revenues--East Terminal	$4,914
East Terminal Non-Signatory Airline Rental Rate ($48.21 x 1.25)	$60.26

EXHIBIT "F"
5-YEAR CAPITAL IMPROVEMENT PROGRAM

FY 2006 - FY 2010 CAPITAL IMPROVEMENT PROGRAM
Lambert - St. Louis International Airport

As Revised 9/28/05

Project# Element#	Project / Element	Current Estimated Cost	CURRENT FUNDING PLAN 1997 Bonds	2002 Bonds	Future Bonds	AIP Grants	Future AIP Grants	Future TSA Grants	PFC Resources	ADF Funds	ANTICIPATED YEAR OF APPROPRIATION 2005	2006	2007	2008	2009	2010
	PLANNING SERVICES															
PL0307	ALP Update	350,000	0	0	0	0	262,500		0	87,500	0	350,000	0	0	0	0
PL9702	FAR Part 150 Study	3,000,000	0	0	0	0	2,400,000		600,000	0	0	500,000	2,500,000	0	0	0
PL0302	Landside/Terminal Planning Consultant	3,500,000	0	0	0	0	0		0	3,500,000	0	500,000	2,000,000	1,500,000	0	0
		$6,850,000	**$0**	**$0**	**$0**	**$0**	**$2,662,500**	**$0**	**$600,000**	**$3,587,500**	**$0**	**$1,350,000**	**$4,500,000**	**$1,500,000**	**$0**	**$0**
	SECURITY ENHANCEMENTS															
EA9917	Perimeter Security Fence	5,000,000	0	0	0	0	3,750,000		0	1,250,000		0	5,000,000	0	0	0
EA9918	Planning/Design of Surveillance Detection System	3,500,000		0	3,500,000	0	0		0	0	0	0	**3,500,000**	**0**		
		$8,500,000	**$0**	**$0**	**$3,500,000**	**$0**	**$3,750,000**	**$0**	**$0**	**$1,250,000**	**$0**	**$0**	**$8,500,000**	**$0**	**$0**	**$0**
	AIRFIELD															
	Taxiway and Apron Pavement Projects:															
EA0501	Reconstruct Taxiway F (old Runway 3-31)	15,200,000	0	0	3,800,000	0	11,400,000		0	0	0	1,824,000	13,376,000	0	0	0
EA0502	Taxiway A between TW GJ and TW H/ N	5,200,000	0	0	1,300,000	0	3,900,000		0	0	0	0	624,000	4,576,000	0	0
EAxxxx	Taxiway A from RW 6-24 to TW E and from TW N to TW R	8,800,000	0	0	2,200,000	0	6,600,000		0	0	0	0	0	880,000	7,920,000	0
EAxxxx	Taxiway C from RW 6 to TW A	7,200,000	0	0	1,800,000	0	5,400,000		0	0	0	0	0	0	720,000	6,480,000
EAxxxx	North Apron Reconstruction - Phase 2 (remaining taxilane area)	5,200,000	0	0	1,300,000	0	3,900,000		0	0					520,000	4,680,000
	Other Airfield Projects:															
BM9405	Airfield Utility Survey	800,000	0	0	0	0	0		0	800,000	0	800,000	0	0	0	0
EA0401	Glide Slope & Demolition of Building 45	1,400,000	0	0	0	0	975,000		0	425,000	0	1,400,000	0	0	0	0
EA0402	Relocation of McDonnell Blvd at East End of Airport (partial)	4,700,000	0	0	0	0	3,525,000		0	1,175,000	0	470,000	4,230,000	0	0	0
EB0514	Glycol System Efficiency Compliance	160,000	0	0	0	0	0		0	160,000	0	0	0	0	16,000	144,000
FM0402	Holding Ponds	500,000	0	0	0	0	0		0	500,000	0	0	500,000	0	0	0
FM0404	Creek between Lambert Interational Boulevard and D warm-up	1,200,000	0	0	0	0	0		0	1,200,000	0	1,200,000	0	0	0	0
FM0502	Replace asphalt on Taxiways C and F	100,000	0	0	0	0	0		0	100,000	0	100,000	0	0	0	0
OP0201	Expansion 800Mhz Radio System	3,000,000	0	0	0	0	2,250,000		0	750,000	0	0	3,000,000	0	0	0
OP9722	Perimeter Airfield Road Improvement	3,750,000	0	0	0	0	2,812,500		0	937,500	0	3,750,000	0	0	0	0
PL9908	Design of SMGCS for CAT II/III	1,650,000	0	0	0	0	0		0	1,650,000	0		1,650,000	0	0	0
		$58,860,000	**$0**	**$0**	**$10,400,000**	**$0**	**$40,762,500**	**$0**	**$0**	**$7,697,500**	**$0**	**$9,544,000**	**$23,380,000**	**$5,456,000**	**$9,176,000**	**$11,304,000**
	WEST TERMINAL															
BM0109	Install Escalator to Bag Claim Level (West Terminal)	1,400,000	0	0	0	0	0		0	1,400,000	0	0	0	**1,400,000**	0	0
EB0102	West Terminal Signage and Lighting Improvements (50%)	1,500,000	0	0	0	0	0	0	0	1,500,000	0	150,000	1,350,000	0	0	0
Various BM	West Terminal Carpet and Wall Treatment Upgrades	2,500,000	0	0	0	0	0		0	2,500,000	180,000	125,000	165,000	630,000	700,000	700,000
Various EB	West Terminal Interior Enhancements Program	20,000,000	0	0	5,000,000	0	0	0	5,000,000	10,000,000	0	0	6,000,000	14,000,000	0	0
		$25,400,000	**$0**	**$0**	**$5,000,000**	**$0**	**$0**	**$0**	**$5,000,000**	**$15,400,000**	**$180,000**	**$275,000**	**$7,515,000**	**$16,030,000**	**$700,000**	**$700,000**
	INTERNATIONAL AREA								PFC amendment in process							
EB0108	Renovate City FIS (previously approved as a PFC project in 2002 for $3,193,000)	4,200,000		0					4,200,000		447,000	3,753,000				
EB0507	International Area (Old Concourse E) Improvements	1,000,000	0	0	0	0	0		0	1,000,000	0	1,000,000	0	0	0	0
		$5,200,000	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$4,200,000**	**$1,000,000**	**$447,000**	**$4,753,000**	**$0**	**$0**	**$0**	**$0**

Revised as of 4/11/05

FY 2006 - FY 2010 CAPITAL IMPROVEMENT PROGRAM
Lambert - St. Louis International Airport

Project# Element#	Project / Element	Current Estimated Cost	CURRENT FUNDING PLAN 1997 Bonds	2002 Bonds	Future Bonds	AIP Grants	Future AIP Grants	Future TSA Grants	PFC Resources	ADF Funds	ANTICIPATED YEAR OF APPROPRIATION 2005	2006	2007	2008	2009	2010
	LOADING BRIDGES															
	West Terminal (3 bridges)	1,050,000								1,050,000			1,050,000			
	East Terminal (3 bridges)	1,050,000								1,050,000			1,050,000			
		$2,100,000	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$2,100,000**	**$0**	**$0**	**$2,100,000**	**$0**	**$0**	**$0**
	TERMINAL INFRASTRUCTURE															
ES0401	West Terminal Concourse Electrical Improvements	500,000	0	0	0	0	0		0	500,000	0	500,000	0	0	0	0
ES0504	Install 480-volt, 3-Phase 1200 Amp Distribution Panel on Concourse A	230,000	0	0	0	0	0		0	230,000	0	0	23,000	207,000	0	0
ES0505	Upgrade Electric Service to Concourse D Gates	625,000	0	0	0	0	0		0	625,000		62,500	562,500	0	0	0
Various CC	Climate Control System Improvements -- Phase 3	2,225,000	0	0	0	0	0		0	2,225,000	0	2,225,000	0	0	0	0
Various CC	Climate Control System Improvements -- Phase 4	2,544,000	0	0	0	0	0		0	2,544,000	0	0	254,400	2,289,600	0	0
		$6,124,000	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$6,124,000**	**$0**	**$2,787,500**	**$839,900**	**$2,496,600**	**$0**	**$0**
	PARKING AND ROADS															
BM0108	Provide Uni-sex Restroom for Taxicab Drivers (East)	110,000	0	0	0	0	0		0	110,000		110,000	0	0	0	0
EB0102	West Terminal Roadways Signage and Lighting Improvements (50%)	1,500,000	0	0	0	0	0	0	0	1,500,000		150,000	1,350,000			
EB0404	Resurface Remaining Asphalt Areas of LIB and Air Cargo	250,000	0	0	0	0	0		0	250,000	0	0	250,000	0	0	0
EB0503	Spot Slab Removal & Replacement (Terminal Roadways)	1,500,000	0	0	0	0	0		0	1,500,000	0	200,000	200,000	200,000	200,000	700,000
EB0513	Repair Bridges	250,000	0	250,000	0	0	0		0	0	25,000	225,000	0	0	0	0
Various ES	Main Terminal Parking Garage Major Maintenance	750,000	0	100,000	0	0	0	0	0	650,000	12,500	187,500	115,000	235,000	100,000	100,000
ES0503	Upgrade Traffic Control System Cameras and Controllers	350,000	0	0	0	0	0		0	350,000	0	0	35,000	315,000	0	0
FM0401	Brick Pavers on L1 B. from AA offices to Cypress	150,000	0	0	0	0	0		0	150,000	0	0	150,000	0	0	0
FM0403	Concrete Lining of Creek in Springdale Employee Lot	1,000,000	0	0	0	0	0		0	1,000,000	0	0	1,000,000	0	0	0
FM0508	Overlay of Old Natural Bridge Road / St. Andrews Lane	100,000	0	0	0	0	0		0	100,000	0	20,000	80,000	0	0	0
		$5,960,000	**$0**	**$350,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$5,610,000**	**$37,500**	**$892,500**	**$3,180,000**	**$750,000**	**$300,000**	**$800,000**
	SUPPORT FACILITIES (Costs Allocated to Other Cost Centers)															
Various	Water Main Improvements	780,000	0	0	0	0	0	0	0	780,000	0	0	168,000	612,000	0	0
EB0409	Airport Authority Relocation	6,000,000	0	0	6,000,000	0	0		0	0		600,000	5,400,000		0	0
FM0301	Airport Maintenance Facility	27,100,000	0	0	0	7,500,000	0		19,600,000	0	0		27,100,000	0	0	0
		$33,880,000	**$0**	**$0**	**$6,000,000**	**$7,500,000**	**$0**	**$0**	**$19,600,000**	**$780,000**	**$0**	**$600,000**	**$32,668,000**	**$612,000**	**$0**	**$0**
	TOTAL--FY 2006-2010 CIP	**$152,874,000**	**$0**	**$350,000**	**$24,900,000**	**$7,500,000**	**$47,175,000**	**$0**	**$29,400,000**	**$43,549,000**	**$664,500**	**$20,202,000**	**$82,682,900**	**$26,844,600**	**$10,176,000**	**$12,804,000**

EXHIBIT "G"
DIVISION OF RESPONSIBILITY FOR
MAINTENANCE AND OPERATION

67765

Exhibit ___
Page 1 of 2
Lambert - St. Louis International Airport
Division of Responsibility for Maintenance and Operation

Terminal Space

	Ticket Counter Queuing	Exclusive	Preferential Gates	Common Use	Joint Use	Public	Mechanical	Apron-Level Unenclosed Space
Building Interior								
Custodial Service	C	A	A	C	C	C	C	A
Trash and Debris Removal	A	A	A	C	C	C	C	A
Painting and Repairs\1	C	A	A	C	C	C	C	A
Door Locks and Keys	N/A	A	A	C	C	C	C	N/A
Pest Extermination	C	A	A	C	C	C	C	A
Decorating	C	A	A	C	C	C	C	N/A
Building Structural and Exterior\2	C	C	C	C	C	C	C	C
Electrical & Lighting\3	C	A	A	C	C	C	C	C
Plumbing and Sewer\4	C	A	A	C	C	C	C	C
HVAC	C	A	A	C	C	C	C	N/A
Utilities	C	A	C	C	C	C	C	C
Fire Protection Systems	C	A	C	C	C	C	C	C

\1 Including: Floor coverings, interior walls, ceilings, windows, and doors.
\2 Including, where applicable: roofs, exterior walls, foundations, floors, windows, and public access doors.
\3 Including: relamping, ballasts, fixtures, outlet, and switches.
\4 Including: fixtures, and drains.

Exhibit ___
Page 2 of 2
Lambert - St. Louis International Airport
Division of Responsibility for Maintenance and Operation

Equipment

	Outbound Baggage Conveyors	Inbound Baggage Conveyors	City-Owned Loading Bridges	Airline-Owned Loading Bridges	Elevators, Escalators, and Moving Sidewalks	Public Address System	MUFIDS	Triturator
Maintenance and Repair	A	A	A	A	C	C	C	C
Replacement	A	A	C	A	C	C	C	C
Cleaning	A	A	A	A	C	C	C	C

Other Areas

	Airfield	Terminal Apron	Cargo Apron	Airport Roadways
Maintenance and Repair	C	C	T	C
Replacement	C	C	T	C
Cleaning	C	C	T	C

A - Airline
C - City
T - other tenant

67765

EXHIBIT "H"
PARTICIPATING AIRLINE ELECTION NOTICE

67765

City of St. Louis
Lambert-St. Louis International Airport®
Airport Use and Lease Agreement
Participating Airline Election Notice

Airline Corporate Name: GREAT LAKES AVIATION, LTD.
("Airline")

Airline has executed the Airport Use and Lease Agreement ("Agreement"). In accordance with Section 501 of the Agreement, Airline hereby elects to make a Participating Commitment and become a Participating Airline at the Lambert-St. Louis International Airport. Airline acknowledges that this is an irrevocable election and that hereinafter, Airline shall be subject to all the rights and privileges granted to, and all obligations imposed upon, Participating Airlines in accordance with the provisions of the Agreement.

If not executed contemporaneously with the Airline's execution of the Agreement, this Participating Airline Election Notice shall be delivered in accordance with the provisions of Subsection 1513 (B) of the Agreement.

On behalf of Airline:

By: _____ Date: 9/20/07

67765-1103

Approved: November 7, 2007