



March 23, 2022

Mike N. Williams
Manager, PHX-600
Phoenix Airports District Office
Western-Pacific Region
3800 N. Central Avenue, Suite 1025, 10th Floor
Phoenix, AZ 85012

Re: Competition Plan Update (the "2022 Plan Update")

We are in receipt of your email dated June 14, 2021, regarding a recent determination that the Reno-Tahoe International Airport (RNO), owned and operated by the Reno-Tahoe Airport Authority (RTAA), has become a medium hub airport. The consequence of this determination is that RNO is now a "covered airport" and the FAA is requiring an update to our airline competition plan. The document attached represents our update to the RNO Competition Plan referred to as the "2022 Plan Update" document.

According to our records, the RTAA Airport Competition Plan of record was submitted as an update on September 13, 2010, to the FAA for review and consideration (the "2011 Plan Update"). On May 10, 2011, the FAA responded with a determination that the 2011 Plan Update met all required elements of applicable regulations. In summary, the 2011 Plan Update addressed changes to the RNO Airline Use Agreement (AUA), inclusive of a new agreement term and matters related preferential gate use and airline rate setting methodology.

The purpose of this memorandum is to transmit our 2022 Plan Update and address pertinent matters that have changed from the 2011 Plan Update to the present day. The attached 2022 Plan Update purports to follow provisions of the AIP Handbook, Appendix W Competition Plans, and more specifically the requirements specified in appendix W-7, Competition Plan Update Content. While preparing for this update process, RTAA received comments and questions from the FAA and responses to each are included in the accompanying 2022 Plan Update document.



We would welcome a discussion to address any questions or clarifications to our 2022 Plan Update. Please do not hesitate to contact me in that regard at your earliest opportunity.

Best regards,

A handwritten signature in black ink, appearing to read "Daren Griffin". The signature is fluid and cursive, with a long horizontal stroke at the end.

Daren Griffin,
President/CEO

Attachment: RTAA 2022 Competition Plan Update



**Reno-Tahoe
Airport Authority**

COMPETITION PLAN UPDATE

RENO-TAHOE INTERNATIONAL AIRPORT (RNO)

March 1, 2022

Contents

Introduction

1. Availability of Gates and Related Facilities
2. Leasing and Subleasing Arrangements
3. Patterns of Air Service
4. Gate Assignment Policy
5. Gate Use Agreements
6. Financial Constraints
7. Airport Controls Over Airside and Landside Capacity
8. Airport Intent to Build or Acquire Common Use Gates
9. Publication of Competition Plan

Attachment A – Form of Current Signatory Airline Use Agreement

Attachment B – Airline Gate Availability

Attachment C – Passengers and Cargo Statistics Report

INTRODUCTION

The Wendell H. Ford Aviation Investment and Reform Act, Section 155 ("AIR 21"), requires the submission of a Competition Plan by certain large and medium hub airports ("covered airports") as a condition for subsequent issuance of an Airport Improvement Program ("AIP") grant or authorization to impose a new passenger facility charge ("PFC"). Competition Plan requirements are contained in 49 USC, Section 47106(f). The underlying purpose of the Competition Plan is for the covered airport to demonstrate how it will provide for access to the airport for new airline entrants and expansion of service by incumbent carriers.

The Reno-Tahoe International Airport (the "Airport" or "RNO") is owned and operated by the Reno-Tahoe Airport Authority ("RTAA" or the "Authority"). The requirement for a Competition Plan applies to medium or large hub airports at which one or two carriers control more than 50% of enplaned passengers. At the Airport, the two airlines with the largest share of enplaned passengers for the twelve-month period ended June 30, 2021, accounted for 57% of enplaned passengers (Southwest 37% and American Airlines 20%). Thus, the Airport remains required to submit a Competition Plan under AIR 21.

Pursuant to the provisions of AIR 21, the Airport submitted its initial Competition Plan and three updates that were approved by the Federal Aviation Administration ("FAA") on March 29, 2001, May 8, 2002, April 27, 2004, and May 10, 2011, respectively. In a written communication from the FAA dated January 28, 2022, the Airport was advised that an update to the Competition Plan may be required. In anticipation of this advisement, the Airport received on November 18, 2021, comments and recommendations from the FAA in regard to addressing the current update to the Competition Plan. The information contained herein, collectively, represents the RNO Competition Plan Update, including the following categories:

1. Availability of gates and related facilities
2. Leasing and subleasing arrangements
3. Patterns of air service
4. Gate assignment policy
5. Gate use agreements
6. Financial constraints
7. Airport controls over airside and landside capacity
8. Airport intention to provide common-use gates
9. Publication of competition plan

In accordance with Section 155 of AIR 21, this report updates the Airport's approved original Competition Plan and subsequent updates, demonstrates how the Airport has provided for new entrant access and expansion of service by incumbent carriers, and addresses the comments, issues and recommendations as put forward by the FAA.

The current Airport-Airline Use and Lease Agreement ("AUA") expires on June 30, 2023. The Authority and the airlines serving RNO have commenced negotiating a new AUA that is expected to become

effective July 1, 2023. Airport management expects that the new AUA will address certain competition issues, although there can be no assurance regarding the final content of these provisions until the new agreement has been fully negotiated. The Authority will submit the new AUA and an updated Competition Plan reflecting the new AUA upon completion of such negotiations. Concurrently with the negotiation of a new AUA, the Authority is developing updated gate rules and regulations to enhance efficient use of the gates at the Airport. In addition, the Authority is refining a capital program for the Airport that is expected to include expanded ticketing and concourse facilities, including additional gates, that would provide facilities to accommodate both new entrant airlines as well as expanded service by incumbent carriers.

1. AVAILABILITY OF GATES AND RELATED FACILITIES

The availability of gates at the Airport is limited and requires frequent coordination between the Authority and the air carriers that operate at RNO to ensure gates are available to accommodate all operations and ensure a safe, fair, and competitive environment at RNO. The goals of the Airport to address gate availability are as follows:

- To ensure safe and efficient use of all gates;
- To ensure all airlines have access to the facilities at RNO;
- To provide support for new airline entrants to operate at RNO and for existing airlines to expand air service;
- To ensure optimal utilization of all gates;
- To provide reasonable certainty of gate availability to facilitate the airlines' schedules; and
- To provide reasonable consistency for gate assignments to support efficient airline operations and limit the movement of equipment and personnel.

- a. **Inventory of Available Gates.** The table below summarizes the inventory of gates at the Airport as of January 2022.

Table 1
INVENTORY OF AIRPORT GATES
Reno-Tahoe International Airport (RNO)
March 1, 2022

	Concourse B	Concourse C	Total
Exclusive	0	0	0
Preferential	7	7	14
Common Use	4	5	9
Total	11	12	23

No gates are leased exclusively, and the preferential use gates are available for reassignment to other airlines at the Airport's option and pursuant to the utilization provisions specified in the Airport Use Agreement (AUA). The Airport may reassign one or more preferential gate assignments if 1) the airline's scheduled average gate utilization falls below three flights per gate per weekday, or 2) the Airport determines that there is a reasonable need for the preferential use of a gate or gates by another carrier. Furthermore, the AUA also establishes processes and procedures requiring airlines leasing preferential use gates to reasonably accommodate the needs of non-assigned airlines to permit passenger loading and unloading operations.

The Authority intends to continue to maintain reasonable flexibility to provide gate availability for new entrants and expanded service by incumbent carriers while also addressing the operational requirements of incumbent airlines. There have been no increases or decreases in the inventory of gates since the last competition plan update was approved in May 2011 although, as noted above, the Authority has embarked on the process of planning for an expansion of the existing concourses and adding new gates. With no gates leased exclusively, the Airport believes that the current complement of 9 common use gates (combined with 14 preferential use gates) can accommodate foreseeable new-entrant service and demand for expanded service by incumbents. This availability, however, can be very constrained at peak hours of airline operations. Furthermore, constrained conditions also exist with respect to space for customer service, ticketing, baggage handling and airline administrative needs.

The capital program currently being assessed by the Authority is expected to include improvements to the check-in facilities and airline ticket offices to relieve these currently constrained conditions.

See Attachment B – Airline Gate Availability for detail on gate assignments, gate availability and compatible aircraft specifications.

FAA request: Recommend that the Airport designate a Competitive Access Liaison so that new entrants and existing air carriers clearly understand whom to contact when seeking competitive access at RNO.

Airport response: Concur with recommended practice. The Airport has designated the Manager of Properties as the Competitive Access Liaison. Parties interested in contacting the Competitive Access Liaison may do so at (775) 328-6485.

- b. **Number and identity of any air carriers that have begun providing or stopped service**
Since the May 2011 Update, and effective as of the end of each fiscal year thereafter, the air carriers that started or stopped providing service at RNO were the following:



Table 2
 AIR CARRIER SERVICE
 Reno-Tahoe International Airport (RNO)
 January 2022

Effective Date	Incumbent Airlines		
May, 2011	Alaska Airlines, American Airlines, Continental, Delta, Southwest, United, U.S. Airways		
Updates	Started	Stopped	Comment
June 30, 2012	None	Continental	Merged with United (Apr 2012)
June 30, 2013	Allegiant	None	Started (Feb 2013)
June 30, 2014	None	None	
June 30, 2015	JetBlue, Volaris	None	Started: Volaris (Dec 2014), JetBlue (May 2015)
June 30, 2016	None	U.S. Airways	Merged with American (Nov 2015)
June 30, 2017	None	None	
June 30, 2018	Frontier	None	Started (Nov 2017)
June 30, 2019	California Pacific	California Pacific	Started (Dec 2018) Ended (Jan 2019)
June 30, 2020	None	None	
June 30, 2021	None	None	
January, 2021	aha! ExpressJet	None	Started (Oct 2021)

c. Description of the process for accommodating new service

All carriers requesting assignment to Airport facilities, including gates and passenger handling facilities, must submit a written request to the Authority’s Manager of Properties, who serves as the Airport’s Competitive Access Liaison. Following a written request, Airport and carrier representatives will meet to discuss the needs of the airline. Airport officials will use commercially reasonable efforts to attempt to align the requested needs of the airline with the available airport facilities. Based on this assessment, the Airport and carrier representatives may mutually agree on the optimal plan for either a preferential-use gate(s) or common-use gate(s) or a combination thereof. The Authority intends to update its Gate Rules and Regulations to provide more flexibility and encourage more efficient use of the gates.

d. Number of new gates that have been built or are now available

RNO has 23 gates, including 11 gates on Concourse B and 12 gates on Concourse C. This number of gates has not changed from the last Plan Update in May 2011. It should be noted that the Airport is in the process of developing plans for new or replacement concourse facilities with the intent of increasing the number of gates and passenger capacity and improving gate efficiency for more aircraft operations. All international inbound flights are handled on a designated pad in front of the Customs and Border Protection building, located just to the north of the terminal.

e. Number of gates that have been converted to common use status

Since the last Plan Update in May 2011, Gate 8 on Concourse B was converted from preferential use to common use status. There is a total of 9 common use gates available at RNO presently.

f. Gate utilization

The Airport has 23 commercial airline gates. Of the 23 gates, 9 gates are designated as common use and available to accommodate new entrants or expanded service by incumbent carriers, whether signatory and non-signatory airlines. The remaining 14 gates are leased as preferential gates to one of six signatory airlines under the terms of the current AUA. In December 2021, RNO utilized the 23 gates to accommodate 1,614 departures to 28 destinations. As described below, the Airport is in the process of implementing a new gate management system to better track the utilization of each gate.

See Attachment C – RNO Passengers and Cargo Statistics Report for additional data.

g. Gate utilization monitoring

The Airport is in the process of implementing GoApron, an online and self-service automated gate management system solution that allows the Airport to maximize gate usage by providing carriers real-time data on gate availability based on preferential use or common use requirements. Once this new system is fully implemented, each airline wishing to use common use gates will submit requests via the gate management system. The Authority envisions that the system will assign gate access on a modified IATA gate assignment methodology, with airlines submitting advance schedules at least 60 days before commencing operations having priority over later submitted schedules. Once assigned, the applicable period of use of a common use gate will no longer appear as available in the gate management system.

h. Gate recapture

All gates not assigned on a preferential use basis are available for any carrier subject to availability. The AUA reserves the right of the Airport to reassign one or more airline's preferential assigned gates to another carrier if 1) the scheduled average gate utilization falls below three flights per gate per weekday, or 2) the Airport determines that there is a reasonable need for the preferential use of a gate or gates by another carrier.

i. Gate allocation or assignments since the last competition plan update

Since the last Plan Update in May 2011, aha!/ExpressJet has become an additional signatory airline and the Airport has assigned Gate 2 and Gate 4 of Concourse B to aha! in accordance with the terms of the AUA for preferential use.

j. RON position allocation or assignments since the last competition plan update

RON positions are available at each gate position based on stated criteria, including provisions set forth within underlying AUAs. Signatory airlines may accommodate overnight parking at a preferred use gate subject to availability and in accordance with Section 16.03 – Accommodation of Requesting Airline of the AUA; however, priority is given to active use of a gate. Gates that are not leased are available for RON positioning for any airline if there is not an active operation requiring access to the gate, subject to approval by the Airport. In addition, there are 9 remote ramp RON position locations available for assignment by the Airport when requested by an airline. In summary, for RON allocations there are 14 gate positions assigned to signatory airlines, 9 gate locations for any airline and 9 remote ramp RON positions. Since the submission of the May 2011 update, there have been no changes to how RON position allocations or assignments are determined.

k. Accommodation of new entrants and incumbent carriers seeking to expand at the airport and resolution of any access disputes

The Airport's objective is to offer potential new entrants and incumbent carriers opportunities for expanded access at RNO, subject to there being adequate gate positions and available space in the terminal. To date, RNO has been able to accommodate all airlines requesting access to or seeking to provide new service at the Airport. Recognizing that physical and financial limitations may preclude timely expansion of the terminal and aircraft apron areas to meet all requests for additional facilities, the Airport is committed to achieving an optimum balance in the overall utilization of the facilities, if necessary, through sharing gate positions and other passenger handling facilities subject to existing agreements and leases. In addition, the Authority is refining a capital program for the Airport that is expected to include expanded ticketing and concourse facilities, including additional gates, that would provide facilities to accommodate both new entrant airlines as well as expanded service by incumbent carriers.

FAA request: RNO should consider compatibility when requiring gate accommodation by an incumbent airline. Provide objective standards for determining compatibility to facilitate, rather than discourage, access by a requesting airline.

Airport response: Article 16 of the AUA declares the intent of all parties, the Airport and air carriers, to provide adequate gate positions and passenger facilities in the terminal for new entrants or for incumbent carriers to expand services. The standard established in this Article clearly states this intent while also pursuing an optimum balance in the overall utilization of all facilities. This intent will be achieved, if necessary, through sharing of gate positions and other passenger handling facilities subject to procedures of existing agreements and leases.

FAA request: Consider developing a formal dispute resolution process.

Airport response: The Airport agrees with this request. At the present time, there is no formal policy for handling access-related disputes arising between parties. As an interim policy, the Airport's Competitive Access Liaison will serve as the point of contact for any disputes that may arise. The Access Liaison, taking into consideration the circumstances, lease provisions, or other matters of contract or fact, may decide how the dispute is to be resolved. Should the parties not agree with the Access Liaison's determination, a written appeal may be submitted to the Chief Commercial Officer (CCO) of the Airport. The CCO may call a meeting with the parties, together or individually, to discuss the dispute or the determination made by the Access Liaison. Based on that outcome, the CCO will make a final determination and all parties will be expected to honor that decision. Since the submission of the May 2011 update, the Airport has not had any complaints regarding denial of access or disputes arising between parties.

I. Information on gate availability

The availability of gates at the Airport is limited and requires coordination between the Airport and airlines to ensure gate availability and to accommodate safe, fair, and competitive access to gates. Gate availability and aircraft compatibility information is maintained on the Airport's website. See Attachment B to this Plan Update for further details. Furthermore, with the implementation of a new gate management system at the Airport, airlines will be able to query the availability of gates online.

FAA request: Develop a process to announce gate and RON availability to potential new entrants and existing carriers. Consider posting current gate availability in a readily accessible place and format on the Airport's website, on a regular basis, for the benefit of any new entrants or existing carriers who might wish to expand.

Airport response: Gate availability and aircraft compatibility is detailed in Attachment B to this plan update. This information is made available on the Airport's website and updated as gate availability substantively changes. Furthermore, with the implementation of a new gate management system at the Airport, airlines will be able to query the availability of gates online. Interested parties seeking information regarding gate access and RON availability may also contact the Competitive Access Liaison for information on gate availability and usage.

2. LEASING AND SUBLEASING ARRANGEMENTS

The 2011 Plan Update was based on a master lease and use agreement that was fully executed on August 30, 2010 (the 2010 agreement). The term of that agreement ended on June 30, 2015. The Airport entered into a new five-year agreement that became effective on July 1, 2015 (the 2015 agreement), inclusive of an option to extend that agreement for five additional years to June 30, 2025. In lieu of the five-year extension, however, the Airport and the signatory airlines amended the 2015 agreement to change the extension period from five year to three years and instead extended the current agreement to end on June 30, 2023 (the 2020 amendment). The basis for this amendment

(3 years instead of 5 years) more efficiently aligned with the Airport's planning objectives for major RNO capital improvement projects, including the Ticketing Hall Redevelopment Project and Terminal Concourse Project. In consideration of the significant capital cost of these projects, the Airport chose a shorter agreement term to permit time for developing the scope, timing, and capital financing plans in anticipation of seeking approval of those projects within the next master AUA to begin July 1, 2023. The 2020 amendment included a new provision to "carve out" the Ticketing Hall project from the Majority-In-Interest (MII) procedure for up to \$20 million of project costs. This MII exception in essence provides pre-approval from the airlines for the Ticketing Hall project. In January 2021, the Airport received MII consent to increase the project budget to \$25.3 million. There were no other changes to the RNO master lease and use agreement from the 2010 agreement to the current 2015 agreement, as amended in 2020. All other lease terms reviewed by the FAA as a part of the 2011 Plan Update remain the same. As a part of negotiating the new AUA, the Authority is examining the provisions of the existing AUA intends to enhance opportunities for competitive access by revising its gate sharing and other protocols. The Authority will update its Competition Plan when the new AUA is fully negotiated and executed.

3. Patterns of air service

In February 2022, RNO offered a total of 1,586 scheduled departures, an increase of 40.4% versus February 2021, and a decrease of 6.7% when compared to the February 2019 schedule. The February 2022 monthly scheduled seat capacity is up 6.25% at 198,277 versus February 2021, and up 1.4% when compared to the February 2019 schedule. RNO offered 29 non-stop destinations on 11 airlines in February 2022.

See Attachment C – RNO Passengers and Cargo Statistics Report for additional information on patterns of air service.

4. Gate assignment policy

The Airport's policy on gate assignment is designed to ensure: safe and efficient use of all gates at RNO; all airlines have access to the facilities at RNO; support is provided to new airlines wishing to operate at RNO and for existing airlines to expand air service at RNO; optimal utilization of all gates; reasonable certainty of gate availability to facilitate scheduling by airlines; and reasonable consistency for gate assignments to support efficient airline operations and limit the movement of equipment and personnel.

5. Gate use agreements

Gate use designations are summarized in Table 1 with response 1.a above. As shown, 14 of the 23 gates are leased on a preferential use basis. Per Article 16, the Airport uses commercially reasonable efforts to provide at least one preferential gate to each signatory airline with at least three flights per weekday.

6. Financial constraints

The Airport has developed facilities at RNO in a prudent and cost-effective manner in relation to industry benchmarks. Accommodating access to meet the growth of airlines has been a challenge. Currently a development plan has been authorized to expand the ticketing hall to enhance the passenger experience, including construction of additional restrooms, increasing passenger circulation space, increasing passenger queuing space and improving wayfinding. This project will also relocate an existing elevator and structural braces to enhance the passenger circulation. Additional plans are underway to redevelop the concourse facilities with the objective of increasing the number of gates, passenger hold room capacity, improving opportunities for concessionaires, and increasing the efficiency of aircraft operations and gate utilization.

FAA request: Recommend the Airport ensures that the MII provisions of Article 9 of the AUA do not prevent or delay projects that could be beneficial to new entrants or other competitors, and that the MII process does not illegally restrict the Airport's ability to use PFC funds.

Airport response: Agree with the recommended practice; however, a limitation theoretically can exist in the current AUA should a Majority In Interest (MII) of RNO Signatory Airlines oppose a planned capital improvement subject to the MII process. This agreement expires on June 30, 2023, and the Authority and the airlines serving RNO have commenced negotiating a new AUA that is expected to become effective July 1, 2023. Airport management expects that negotiations will include possible revisions to the MII process. The Authority will submit the new AUA and an updated Competition Plan reflecting the new AUA upon completion of such negotiations.. Regarding use of PFC funds, such funds are excluded from MII consideration and therefore not restricted by that provision. Furthermore, there has not been, nor is one envisioned, any project subject to MII approval that would in any way impede access to a facility funded by PFCs.

7. Airport controls over airside and landside capacity

Since the May 2011 plan update, no changes have occurred in connection with the Airport's controls over airside and landside capacity. The Authority has found that the existing facilities have been adequate to manage both airside and landside capacity but, as passenger traffic increases, the current facilities are becoming increasingly constrained. The Authority is developing a capital improvement program intended to eliminate constraints in the current facilities, including providing increased parking, improved access and egress roadways, a consolidated rental car facility, expanded ticketing facilities, and improved concourses. The airfield has been well maintained and is adequate to accommodate current operations and foreseeable future growth. Article 16 of the AUA clearly states that the Airport reserves the right to reassign one or more preferential gates to another signatory airline if utilization falls below three flights per gate per weekday; or the Airport determines that there is a reasonable need by another signatory airline for the use of a preferential gate. The Authority also reserves the right to accommodate a non-signatory airline on the preferential gates of a signatory airline if common use gates are not available. This section also states the intent to

reasonably accommodate and share landside space in the terminal building. Procedures do apply and are established in this article.

8. Airport intention to provide common-use gates

The Airport currently operates 9 gates on a common-use basis and the Authority intends to maintain approximately 9 common use gates for the foreseeable future.

9. Publication of competition plan

The Airport currently has available on its website the current competition plan and subsequent updates. In addition, the Airport's website includes financial and operational data. The Airport expects to post this competition plan update immediately following submission to the FAA. The specific website location for these documents is as follows:

<https://www.renoairport.com/airport-authority/facts-figures/airport-competition-plan>

Attachment A

Form of Current Signatory Airline Use Agreement





Reno-Tahoe Airport Authority

AIRLINE-AIRPORT USE AND LEASE AGREEMENT

FOR

RENO-TAHOE INTERNATIONAL AIRPORT

**BY AND BETWEEN
RENO-TAHOE AIRPORT AUTHORITY
RENO, NEVADA**

AND

[AIRLINE]

Reno-Tahoe Airport Authority
Reno-Tahoe International Airport
P.O. Box 12490
Reno, NV 89510-2490
775.328.6400
Facsimile: 775-328-6564

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>PAGE</u>
ARTICLE 1 DEFINITIONS	2
Section 1.01 – Affiliate	2
Section 1.02 – Agreement	2
Section 1.03 – Air Transportation Business	2
Section 1.04 – Air Transportation Company	2
Section 1.05 – Airfield	2
Section 1.06 – AIRLINE	2
Section 1.07 – Airline Premises	3
Section 1.08 – Airline Supported Areas	3
Section 1.09 – Airport	3
Section 1.10 – Airport Affairs Committee (AAC)	3
Section 1.11 – Airport System	3
Section 1.12 – Amortization Requirements	3
Section 1.13 – AUTHORITY	3
Section 1.14 – Baggage Handling System (BHS)	3
Section 1.15 – Bonds	3
Section 1.16 – Capital Expenditure	3
Section 1.17 – Cargo Aircraft Aprons	4
Section 1.18 – Chargeable Landings	4
Section 1.19 – Cost Centers	4
Section 1.20 – Customer Facility Charge (CFC)	4
Section 1.21 – CFC Revenue	4
Section 1.22 – Debt Service	4
Section 1.23 – Debt Service Coverage	4
Section 1.24 – Deplaned Passenger	4
Section 1.25 – Enplaned Passenger	4
Section 1.26 – Extraordinary Coverage Protection	4
Section 1.27 – FAA	4
Section 1.28 – Fiscal Year	4
Section 1.29 – General Purpose Fund	5
Section 1.30 – Joint Use Premises	5
Section 1.31 – Landing Fee	5
Section 1.32 – Majority-in-Interest (MII)	5
Section 1.33 – Maximum Gross Landed Weight	5
Section 1.34 – Net Requirement	5
Section 1.35 – Non-Airline Revenues	5
Section 1.36 – Operation and Maintenance Expenses (O&M Expenses)	6
Section 1.37 – Operation and Maintenance Reserve Requirement (O&M Reserve Requirement)	6
Section 1.38 – Other Debt Service	6
Section 1.39 – Other Indebtedness	6
Section 1.40 – Passenger Facility Charge or PFC	6
Section 1.41 – Prebond Loan	6
Section 1.42 – Preferential Use Premises	6
Section 1.43 – President/Chief Executive Officer (CEO)	6
Section 1.44 – Renewal and Replacement Fund Requirement (R&R Fund Requirement)	6

<u>ARTICLE</u>	<u>PAGE</u>
Section 1.45 – Rental Car Company	6
Section 1.46 – Resolution.....	6
Section 1.47 – Revenue Fund	6
Section 1.48 – Revenues	6
Section 1.49 – Scheduled Air Carrier	7
Section 1.50 – Signatory Airline	7
Section 1.51 – Special Fund.....	7
Section 1.52 – Special Purpose Facility	7
Section 1.53 – Subordinated Indebtedness.....	7
Section 1.54 – Subordinated Resolution	7
Section 1.55 – Substantial Completion.....	7
Section 1.56 – TSA.....	7
Section 1.57 – Term	7
Section 1.58 – Terminal.....	7
Section 1.60 – Total Landed Weight	7
ARTICLE 2 EFFECTIVE DATE AND TRANSITION PROVISIONS.....	8
Section 2.01 – Effective Date	8
Section 2.02 – Intentionally Omitted.....	8
Section 2.03 – Debt Service Under Previous Agreement.....	8
ARTICLE 3 TERM.....	8
Section 3.01 – Term	8
ARTICLE 4 PREMISES	8
Section 4.01 – AIRLINE Premises.....	8
Section 4.02 – Terminal Equipment	8
Section 4.03 – Employee Parking	8
Section 4.04 – Customs and Border Protection Facilities	9
ARTICLE 5 USE OF THE AIRPORT AND RELATED FACILITIES	9
Section 5.01 – AIRLINE Rights and Privileges.....	9
Section 5.02 – Exclusions and Reservations	12
ARTICLE 6 OPERATION AND MAINTENANCE OF THE AIRPORT	13
Section 6.01 – Designation of Operation and Maintenance Responsibilities	13
Section 6.02 – AUTHORITY Obligations.....	14
Section 6.03 – AIRLINE Obligations.....	14
ARTICLE 7 RENTALS, FEES, AND CHARGES	15
Section 7.01 – Landing Fees.....	15
Section 7.02 – Terminal Rentals	15
Section 7.03 – Extraordinary Service Charges.....	16
Section 7.04 – Baggage Handling System (BHS) Charges	16
Section 7.05 – Other Fees and Charges	16
Section 7.06 – Payments.....	17
Section 7.07 – Information to be Supplied by AIRLINE	18
Section 7.08 – Security for Performance.....	19
Section 7.09 – No Further Charges.....	20

<u>ARTICLE</u>	<u>PAGE</u>
ARTICLE 8 CHANGES IN RATES FOR RENTALS, FEES, AND CHARGES	20
Section 8.01 – Annual Rate Changes	20
Section 8.02 – Other Rate Changes.....	21
Section 8.03 – Customer Facility Charges (CFCs) Excluded	22
Section 8.04 – Incorporation of Exhibit E	22
Section 8.05 – Funds Remaining	22
Section 8.06 – Revenue Sharing.....	22
Section 8.07 – General Purpose Fund	22
Section 8.08 – Special Fund.....	22
Section 8.09 – Settlement	23
Section 8.10 – AUTHORITY Covenants	23
Section 8.11 – Extraordinary Coverage Protection	23
Section 8.12 – AUTHORITY Gaming Revenues.....	23
ARTICLE 9 CAPITAL EXPENDITURE PROCESS.....	23
Section 9.01 – Need for Capital Expenditures.....	24
Section 9.02 – Capital Expenditures Not Subject to Mill	24
Section 9.03 – The Disapproval Process	25
Section 9.04 – Alterations and Improvements by AIRLINE	26
ARTICLE 10 DAMAGE OR DESTRUCTION	27
Section 10.01 – Partial Damage.....	27
Section 10.02 – Substantial Damage	27
Section 10.03 – Destruction	27
Section 10.04 – Damage Caused By AIRLINE	28
Section 10.05 – AUTHORITY's Responsibilities	28
ARTICLE 11 INDEMNIFICATION AND INSURANCE	28
Section 11.01 – Indemnification	28
Section 11.02 – Insurance.....	29
Section 11.03 – Waiver of Subrogation	30
ARTICLE 12 CANCELLATION BY AUTHORITY	31
Section 12.01 – Events of Default	31
Section 12.02 – Continuing Responsibilities of AIRLINE	32
Section 12.03 – AUTHORITY's Remedies.....	32
Section 12.04 – Remedies Under Federal Bankruptcy Laws.....	33
ARTICLE 13 CANCELLATION BY AIRLINE.....	33
Section 13.01 – Events of Default	33
Section 13.02 – AIRLINE's Remedy.....	34
ARTICLE 14 SURRENDER OF AIRLINE PREMISES.....	34
Section 14.01 – Surrender and Delivery.....	34
Section 14.02 – Removal of Property.....	34
Section 14.03 – Holding Over.....	35
ARTICLE 15 ASSIGNMENT, SUBLETTING, AND HANDLING AGREEMENTS	35
Section 15.01 – Assignment and Subletting by AIRLINE.....	35
Section 15.02 – Handling Agreements.....	36

<u>ARTICLE</u>	<u>PAGE</u>
ARTICLE 16 AVAILABILITY OF ADEQUATE FACILITIES	36
Section 16.01 – Declaration of Intent	36
Section 16.02 – Preferential Gate Assignment.....	36
Section 16.03 – Accommodation of Requesting Airlines.....	36
Section 16.04 – Indemnification by Accommodated Air Transportation Company.....	37
ARTICLE 17 GOVERNMENT INCLUSION	38
Section 17.01 – Government Agreements	38
Section 17.02 – Federal Government's Emergency Clause.....	38
Section 17.03 – Nondiscrimination	38
Section 17.04 – Security.....	39
Section 17.05 – Stormwater Regulations	39
ARTICLE 18 GENERAL PROVISIONS.....	41
Section 18.01 – Subordination to Bond Resolution	41
Section 18.02 – Nonwaiver.....	42
Section 18.03 – Passenger Facility Charge	42
Section 18.04 – Rights Non-Exclusive	42
Section 18.05 – Quiet Enjoyment.....	42
Section 18.06 – Performance.....	42
Section 18.07 – Avigation Rights.....	42
Section 18.08 – Rules and Regulations	42
Section 18.09 – Inspection	43
Section 18.10 – No Individual Liability.....	43
Section 18.11 – Relationship of Parties.....	43
Section 18.12 – Capacity to Execute.....	43
Section 18.13 – Savings.....	43
Section 18.14 – Successors and Assigns Bound	44
Section 18.15 – Incorporation of Exhibits	44
Section 18.16 – Titles	44
Section 18.17 – Severability	44
Section 18.18 – Amendments	44
Section 18.19 – Most Favored Nation	44
Section 18.20 – Other Agreements	44
Section 18.21 – Approvals.....	44
Section 18.22 – Notice	44
Section 18.23 – Agent For Service.....	45
Section 18.24 – Governing Law and Legal Forum	45
Section 18.25 – Force Majeure	45
Section 18.26 – Entire Agreement.....	45
SIGNATURES	46

LIST OF EXHIBITS

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

RENO-TAHOE AIRPORT AUTHORITY
AIRLINE - AIRPORT USE AND LEASE AGREEMENT

[AIRLINE]

THIS AIRLINE-AIRPORT USE AND LEASE AGREEMENT ("Agreement") is made and entered into as of the _____ day of _____, 20[XX], by and between the **Reno-Tahoe Airport Authority**, hereinafter referred to as "AUTHORITY," and **[Airline]**, a [Form of Entity] authorized to do business in the State of Nevada, with its principal place of business located at [Address], hereinafter referred to as "AIRLINE."

WITNESSETH:

WHEREAS, on June 14, 1978, the Nevada State Supreme Court upheld the constitutionality of SB 198, Chapter 474, 1977 Statutes of Nevada (the "Act"), creating AUTHORITY, as amended; and

WHEREAS, SB 198, Chapter 474, 1977 Statutes of Nevada (the "Act") transferred the ownership and operation of the Reno-Tahoe International Airport (the "Airport"), formerly designated the Reno International Airport and Reno Cannon International Airport, respectively, and the Reno Stead Airport (collectively the "Airports" or the "Airport System") from the City of Reno (the "City") to AUTHORITY; and

WHEREAS, AUTHORITY is responsible for the operation, maintenance, development, improvement and promotion of the Airport System; and

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

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

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

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

WHEREAS, through negotiations finalized in 2020, AUTHORITY and the Signatory Airlines at the Airport, through their representatives on the Airport Affairs Committee, agreed to extend the term of the Airline-Airport Use and Lease Agreements through June 30, 2023, to preapprove a Ticketing Hall Improvement Project ("THIP") at a cost of up to \$20 million, and to exempt the THIP preapproved budget from the requirements of Section 9.03 of the Agreement, the "Disapproval Process", except that should the THIP cost exceed \$20 million, the amount over \$20 million would be subject to the requirements of Section 9.03; and

WHEREAS, AIRLINE agrees and acknowledges that by entering into this Agreement, AIRLINE is bound by the terms negotiated by the Airport Affairs Committee as described in the recital above;

NOW, THEREFORE, for and in consideration of the mutual terms, conditions and covenants of this Agreement, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the AUTHORITY and AIRLINE do hereby agree as follows:

ARTICLE 1 **DEFINITIONS**

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

Section 1.01 – Affiliate shall mean an Air Transportation Company that is **(i)** a parent or subsidiary of AIRLINE; or **(ii)** shares an International Air Transport Association (IATA) code with AIRLINE at the Airport (code-sharing partner); or **(iii)** otherwise operates under essentially the same trade name as AIRLINE at the Airport and uses essentially the same livery as AIRLINE; provided that no “major” airline (as defined by the FAA) shall be classified as an Affiliate of another “major” airline, unless either clause (i) or (iii) above defines the relationship between such airlines at the Airport. A Signatory Airline must designate in writing to the AUTHORITY any Air Transportation Company that will be an Affiliate of the Signatory Airline at the Airport. The Signatory Airline shall pay the Affiliate’s rentals, fees, and charges at the Signatory Airline rates, provided that such Signatory Airline: (a) remains a Signatory Airline to this Agreement (if the Signatory Airline is AIRLINE or an agreement in form and substance similar to this Agreement if Signatory Airline is not AIRLINE); and (b) agrees and shall be obligated to serve as a financial guarantor for all rentals, fees, and charges incurred by any Affiliate of such Signatory Airline at the Airport. AIRLINE shall be responsible for any and all unpaid rentals, fees, and charges, and the reporting of monthly aviation activity of any Affiliate while such Affiliate operates at the Airport as an Affiliate of AIRLINE.

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

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

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

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

Section 1.06 – AIRLINE shall mean the Air Transportation Company executing this Agreement.

Section 1.07 – Airline Premises shall mean those areas in the passenger Terminal assigned to AIRLINE as Preferential Use or Joint Use Premises, as defined herein, and shown on Exhibits B and C, attached hereto.

Section 1.08 – Airline Supported Areas shall mean the Airfield, Terminal, and BHS Cost Centers.

Section 1.09 – Airport shall mean the Reno-Tahoe International Airport owned and operated by the AUTHORITY, the boundaries of which are more particularly shown on Exhibit A, attached hereto, including all real property and easements, improvements and appurtenances thereto, structures, buildings, fixtures, machinery, equipment, vehicles, supplies, and other tangible personal property or interest in any of the foregoing, now owned or hereafter leased or acquired by AUTHORITY, less any thereof which may be consumed, sold, or otherwise disposed of.

Section 1.10 – Airport Affairs Committee (AAC) shall mean collectively the authorized representatives of each Signatory Airline which shall meet from time to time with representatives of the AUTHORITY to receive information and provide input from the Signatory Airlines with regard to selected operation and development matters of the Airport.

Section 1.11 – Airport System means all real property and easements, including improvements thereto, structures, buildings, fixtures, and other personal property which are located on any airport now or hereafter owned or operated by the AUTHORITY.

Section 1.12 – Amortization Requirements shall mean the recovery or repayment of capital costs as principal and interest, in substantially equal annual installments over a fixed term for a Capital Expenditure which is not debt financed and is equal to or greater than \$300,000. Capital Expenditures less than \$300,000 are included, in their entirety, in the calculation of rentals, fees, and charges in the year incurred. The AUTHORITY's recovery of annual amortization for Capital Expenditures placed in service during the term of this Agreement shall be computed using the Bond Buyer Revenue Bond Index and any successor index thereto as the interest rate, and the useful life of the asset, as determined by generally accepted accounting principles, as the term for such Amortization Requirements.

Section 1.13 – AUTHORITY shall mean the Reno-Tahoe Airport Authority, a body politic and corporate constituting a public benefit corporation created and existing under SB 198, Chapter 474, 1977 Statutes of Nevada, and shall include such person or persons as may from time to time be authorized in writing by AUTHORITY to act for the AUTHORITY with respect to all matters pertaining to this Agreement.

Section 1.14 – Baggage Handling System (BHS) shall mean the system and equipment for the processing of outbound baggage in the Terminal.

Section 1.15 – Bonds shall mean any bonds or other financing instrument or obligation of the AUTHORITY, other than Subordinated Indebtedness, issued pursuant to the Resolution.

Section 1.16 – Capital Expenditure shall mean an expenditure, equal to or greater than \$100,000, made to acquire, purchase or construct a single capital item or project for the purpose(s) of improving, maintaining and/or developing the Airport System and shall include expenses incurred for development, study, analysis, review, design, or planning efforts.

Section 1.17 – Cargo Aircraft Aprons shall mean those areas of the Airport that are designated for the parking of cargo aircraft and support vehicles, and the loading and unloading of cargo aircraft, as shown in Exhibit A, attached hereto.

Section 1.18 – Chargeable Landings shall mean those aircraft landings at the Airport for which Landing Fees shall be due and payable by AIRLINE, as set forth in Section 7.01. Chargeable Landings include all aircraft landings at the Airport with the exception of those aircraft landings for emergency flights, which shall include any flight that, after having taken off from the Airport and without making a landing at any other airport, returns to land at the Airport because of meteorological conditions, mechanical or operating causes, or any other reason of emergency or precaution.

Section 1.19 – Cost Centers shall mean those areas or functional activities of the Airport System as set forth in Exhibit E attached hereto, grouped together for the purposes of accounting for Revenues, O&M Expenses, Debt Service, Debt Service Coverage, Other Debt Service, Amortization Requirements, and Capital Expenditures less than \$300,000.

Section 1.20 – Customer Facility Charge (CFC) shall mean a fee collected from a Rental Car Company customer at the AIRPORT and remitted by such Rental Car Company to the AUTHORITY for the purpose of maintaining and funding improvements to AUTHORITY-owned Rental Car Company facilities.

Section 1.21 – CFC Revenue shall mean income accrued by the AUTHORITY in accordance with generally accepted accounting practices, including investment earnings, derived from the Customer Facility Charges.

Section 1.22 – Debt Service shall mean the required amounts to be deposited within the Principal and Interest Accounts created by the Resolution, and such other fund which may be established for payment of Subordinated Indebtedness, during any period for the payment of principal of, interest on, and other fees and amounts associated with such debt.

Section 1.23 – Debt Service Coverage shall mean, for any Fiscal Year, the amount equal to twenty-five percent (25%) of Debt Service, as defined in the Resolution for all series of Bonds plus such other amount as may be established by any financing agreement with respect to Other Indebtedness or Subordinated Indebtedness

Section 1.24 – Deplaned Passenger shall mean any passenger disembarking at the Terminal, including any such passenger that shall subsequently board another aircraft of the same or a different Air Transportation Company.

Section 1.25 – Enplaned Passenger shall mean any passenger boarding at the Terminal, including any such passenger that previously disembarked from another aircraft of the same or a different Air Transportation Company or from the same aircraft, then operating under a different flight number.

Section 1.26 – Extraordinary Coverage Protection shall mean the requirements set forth in Section 8.10.

Section 1.27 – FAA shall mean the Federal Aviation Administration, or its authorized successor(s).

Section 1.28 – Fiscal Year shall mean the annual accounting period of AUTHORITY for its general accounting purposes which, at the time of entering into this Agreement, is the period of twelve consecutive months, ending with the last day of June of any year.

Section 1.29 – General Purpose Fund shall mean that fund as defined in the Resolution.

Section 1.30 – Joint Use Premises shall mean those areas which may be assigned to two or more Air Transportation Companies, as shown on Exhibits B and C, attached hereto.

Section 1.31 – Landing Fee shall mean a fee per thousand pounds of the Maximum Gross Landed Weight of each type of AIRLINE's aircraft and shall be multiplied by the total of all Maximum Gross Landed Weight for all Chargeable Landings of each type of aircraft landed at the Airport by AIRLINE.

Section 1.32 – Majority-in-Interest (MII) shall mean: (a) for the Airfield Cost Center, that number of Signatory Airlines serving the Airport that represents at least sixty percent (60%) of the Signatory Airlines who together have landed at least fifty percent (50%) of the Total Landed Weight by all Signatory Airlines during the immediately preceding Fiscal Year or at least fifty percent (50%) of the Signatory Airlines who together have landed at least sixty percent (60%) of the Total Landed Weight by all Signatory Airlines during the immediately preceding Fiscal Year; (b) for the Terminal Cost Center shall mean that number of Signatory Airlines serving the Airport that represents at least sixty percent (60%) of the Signatory Airlines who together have paid at least fifty percent (50%) of the total terminal rentals paid by all Signatory Airlines during the immediately preceding Fiscal Year, or at least fifty percent (50%) of the Signatory Airlines who together have paid at least sixty percent (60%) of the total terminal rentals paid by all Signatory Airlines during the immediately preceding Fiscal Year; (c) for the BHS Cost Center, that number of Signatory Airlines serving the Airport that represents at least sixty percent (60%) of the Signatory Airlines who together have paid at least fifty percent (50%) of the total BHS costs paid by all Signatory Airlines during the immediately preceding Fiscal Year, or at least fifty percent (50%) of the Signatory Airlines who together have paid at least sixty percent (60%) of the total BHS costs paid by all Signatory Airlines during the immediately preceding Fiscal Year. Affiliates will not be entitled to participation in the MII process as a result of their affiliation with a Signatory Airline; however, the Affiliates' landed weight or enplaned or deplaned passengers, as applicable, shall be included in the activity of the Signatory Airline in which the Affiliate has the relationship for purposes of determining the Signatory Airline's right to participation in the MII process.

Section 1.33 – Maximum Gross Landed Weight shall mean the maximum gross certificated landing weight in one thousand pound units for which each aircraft operated at the Airport by AIRLINE is certificated by the FAA or its successor.

Section 1.34 – Net Requirement shall mean: (a) for the Terminal Cost Center, the direct and allocated O&M Expenses for the Terminal and reserves plus the direct and allocated Debt Service, Debt Service Coverage, Other Debt Service, Amortization Requirements, and Capital Expenditures less than \$300,000, less reimbursements; (b) for the BHS Cost Center, the direct and allocated O&M Expenses for the BHS and reserves plus the direct and allocated Debt Service, Debt Service Coverage, Other Debt Service, Amortization Requirements, and Capital Expenditures less than \$300,000, less reimbursements from the TSA; and (c) for the Airfield Cost Center, the direct and allocated O&M Expenses for the Airfield and reserves plus the direct and allocated Debt Service, Debt Service Coverage, Other Debt Service, Amortization Requirements, and Capital Expenditures less than \$300,000, less Non-Airline Revenues of the Airfield Cost Center, all as set forth in Exhibit E.

Section 1.35 – Non-Airline Revenues shall mean those rentals, fees and charges received by the AUTHORITY from Airport System lessees, permittees, concessionaires, users, and patrons other than Landing Fees and Terminal rentals from Air Transportation Companies.

Section 1.36 – Operation and Maintenance Expenses (O&M Expenses) shall mean for any period all expenses accrued by AUTHORITY in accordance with generally accepted accounting practices for airports of similar characteristics for the operation, maintenance, administration, and ordinary current repairs of the AIRPORT System in order to maintain and operate the AIRPORT System in a reasonable and prudent manner, all as set forth in the Resolution. For the purposes of calculating AIRLINE rentals, fees, and charges, O&M Expenses paid with CFC Revenues, if any, shall be excluded from O&M Expenses.

Section 1.37 – Operation and Maintenance Reserve Requirement (O&M Reserve Requirement) shall mean the Resolution requirement that a reserve be created and maintained at an amount equal to one-sixth (1/6) of annual budgeted O&M Expenses.

Section 1.38 – Other Debt Service shall mean any principal, interest, and premium, either paid or accrued, on Other Indebtedness of the AUTHORITY.

Section 1.39 – Other Indebtedness shall mean any debt incurred by AUTHORITY for Airport System purposes which is outstanding and not authenticated and delivered under and pursuant to the Resolution, or any Subordinated Resolution.

Section 1.40 – Passenger Facility Charge or PFC shall mean the fees authorized by 49 USC 40117 and regulated by 14 CFR Part 158 as such statute and regulations currently exist or as they may be amended during the Term of this Agreement.

Section 1.41 – Prebond Loan shall mean the annual amortization of certain Capital Expenditures incurred by the AUTHORITY that were paid for from funds available to the AUTHORITY prior to July 1, 1996 which are amortized in the calculation of rentals, fees, and charges at the Airport.

Section 1.42 – Preferential Use Premises shall mean those portions of the Terminal and Ramp Area assigned to AIRLINE, as shown on Exhibits B and C, attached hereto, to which AIRLINE shall have priority over all other users, subject to the provisions of Article 16.

Section 1.43 – President/Chief Executive Officer (CEO) shall include such person or persons as may from time to time be authorized in writing by AUTHORITY or by the President/CEO or applicable law to act for the President/CEO with respect to any or all matters pertaining to this Agreement.

Section 1.44 – Renewal and Replacement Fund Requirement (R&R Fund Requirement) shall mean required levels maintained within this fund, in accordance with the Resolution.

Section 1.45 – Rental Car Company shall mean a person or entity in the business of renting passenger vehicles to the public who lease facilities from the AIRPORT.

Section 1.46 – Resolution shall mean the Bond Resolutions (the 8-1-92 Bond Resolution, 4-1-93 Bond Resolution, and any future resolutions) authorizing the issuance by the AUTHORITY of any Bonds or other financing obligations with respect to the Airport System.

Section 1.47 – Revenue Fund shall mean that fund for the deposit of all Revenues, as defined in the Resolution.

Section 1.48 – Revenues shall mean income accrued by the AUTHORITY in accordance with generally accepted accounting practices, including investment earnings, from or in connection with

the ownership or operation of the Airport System or any part thereof, or the leasing or use thereof, all as set forth in the Resolution, except CFC Revenues.

Section 1.49 – Scheduled Air Carrier shall mean any Air Transportation Company performing or desiring to perform, pursuant to published schedules, non-seasonal commercial air transportation services over specified routes to and from the Airport and holding the necessary authority from the appropriate Federal or state agencies to provide such transportation.

Section 1.50 – Signatory Airline shall mean an Air Transportation Company that (a) leases at least one (1) holdroom, one (1) ticket counter position (two agent positions), and other space in the Terminal deemed sufficient by the President/CEO to support its operation, provided that the total of Preferential Use Premises leased in the Terminal is at least 3,000 square feet, and (b) has an agreement with AUTHORITY substantially similar to this Agreement. An all-cargo Air Transportation Company shall be considered a Signatory Airline if it guarantees a minimum of 50,000 annual units of Maximum Gross Landed Weight throughout the Term of this Agreement, leases facilities on the Airport from AUTHORITY or one of the AUTHORITY's tenants, for a term at least equal to, but not necessarily coterminous with, the Term of this Agreement, and has an agreement with AUTHORITY substantially similar to this Agreement.

Section 1.51 – Special Fund shall mean that fund as defined in the Resolution.

Section 1.52 – Special Purpose Facility shall mean any capital improvement, equipment, or facility hereafter acquired, constructed, or leased by AUTHORITY from funds other than Revenues, or obligations payable from Revenues.

Section 1.53 – Subordinated Indebtedness shall mean any bonds or other financing instrument or obligation subordinate to the Bonds, issued pursuant to any Subordinated Resolution.

Section 1.54 – Subordinated Resolution shall mean a resolution authorizing the issuance by the AUTHORITY of Subordinated Indebtedness, as such may be supplemented or amended from time to time.

Section 1.55 – Substantial Completion shall mean the date on which AUTHORITY's architects and/or engineers certify any premises at the Airport to be available for beneficial occupancy.

Section 1.56 – TSA shall mean the Transportation Security Administration of the Department of Homeland Security, or its authorized successor.

Section 1.57 – Term shall have the meaning as set forth in Article 3.

Section 1.58 – Terminal shall mean the airline passenger terminal facilities at the Airport as they exist prior to and after completion of any improvements or expansion.

Section 1.59 – Terminal Aircraft Aprons shall mean those parts of the Airport that are designated for the parking of passenger aircraft and support vehicles, and the loading and unloading of passenger aircraft.

Section 1.60 – Total Landed Weight shall mean the accumulated total of Maximum Gross Landed Weight reported to the AUTHORITY by AIRLINE and Other Signatory Airlines on a monthly basis pursuant to Section 7.07.

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

ARTICLE 2

EFFECTIVE DATE AND TRANSITION PROVISIONS

Section 2.01 – Effective Date. This Agreement, along with the determination of rentals, fees, and charges set forth herein, shall be effective on October 1, 2021.

Section 2.02 – Intentionally Omitted.

Section 2.03 – Debt Service Under Previous Agreement. Debt Service on Bonds outstanding as of June 30, 2015 will not be included in the Airfield or Terminal Cost Centers during the Term of this Agreement.

ARTICLE 3

TERM

Section 3.01 – Term. The Term of this Agreement means the period of time during which AIRLINE activities at the Airport shall be governed by this Agreement, except as otherwise set forth herein. Said Term shall begin on October 1, 2021, the Effective Date, and, except as otherwise set forth herein, shall expire at midnight on June 30, 2023, unless cancelled sooner as provided herein.

ARTICLE 4

PREMISES

Section 4.01 – AIRLINE Premises.

- A. AUTHORITY does hereby lease and demise to AIRLINE, and AIRLINE does hereby lease and accept from AUTHORITY, the Preferential Use Premises and Joint Use Premises, as set forth in Exhibits B and C.
- B. Any changes to Airline Premises, except as set forth herein relating to "as-built" drawings, shall be evidenced by an amendment to this Agreement pursuant to Section 18.18.
- C. During the term of the Agreement, the President/CEO may, by mutual written agreement with AIRLINE, allow the addition to or return of leased space from Airline Premises, only if such addition to or return of leased space is financially or operationally in the best interest of AUTHORITY. Exhibits B, C, and E shall be revised, as of the effective date of such additions to or return of leased space, to reflect the agreed upon changes in AIRLINE Premises.

Section 4.02 – Terminal Equipment. Terminal equipment owned or acquired by AUTHORITY for use by AIRLINE in its Airline Premises shall remain the property and under the control of AUTHORITY.

Section 4.03 – Employee Parking. AUTHORITY will make reasonable efforts to make available area(s) at the Airport for vehicular parking for AIRLINE's personnel employed at the Airport; provided, however, such area(s) shall not be used for the storage of vehicles or trailers; and usage of the area(s) is subject to Section 7.05 and to reasonable and non-discriminatory rules and regulations established by AUTHORITY.

Section 4.04 – Customs and Border Protection Facilities. AUTHORITY shall designate areas in the Terminal, or elsewhere on the Airport, to be used by agencies of the United States government for the inspection of passengers and their baggage, and for the exercise of the responsibilities of said agencies with respect to the movement of persons and property to and from the United States.

ARTICLE 5
USE OF THE AIRPORT AND RELATED FACILITIES

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

- A. The landing, taking off, flying over, taxiing, towing, and conditioning of AIRLINE's aircraft and, in areas designated by AUTHORITY, the extended parking, servicing, deicing, loading or unloading, storage, or maintenance of AIRLINE's aircraft and support equipment subject to Paragraphs 5.01.F, 5.01.G, and 5.02.C, and to the availability of space, and subject to such reasonable charges and regulations as AUTHORITY may establish; provided, however, AIRLINE shall not permit the use of the Airfield by any aircraft operated or controlled by AIRLINE which exceeds the design strength or capability of the Airfield as described in the then-current FAA approved Airport Layout Plan (ALP) or other engineering evaluations performed subsequent to the then-current ALP, including the then-current Airport Certification Manual.
- B. The sale of air transportation tickets and services, the processing of passengers and their baggage for air travel, the sale, handling, and providing of mail, freight, and express services, and other reasonable and customary airline activities.
- C. The training of personnel in the employ of or to be employed by AIRLINE and the testing of aircraft and other equipment being utilized at the Airport in the operation of AIRLINE's Air Transportation Business; provided, however, said training and testing shall be incidental to the use of the Airport in the operation by AIRLINE of its Air Transportation Business and shall not unreasonably hamper or interfere with the use of the Airport and its facilities by others entitled to the use of same. AUTHORITY reserves the right to restrict or prohibit such training and testing operations which it deems to unreasonably interfere with the use of the Airport.
- D. The sale, disposition, or exchange of AIRLINE's aircraft, engines, accessories, gasoline, oil, grease, lubricants, fuel, or other similar equipment or supplies; provided, however, AIRLINE shall not sell or permit to be sold aviation fuels or propellants except (i) to such Air Transportation Company which is a successor company to AIRLINE, (ii) for use in aircraft of others which are being used solely in the operation of AIRLINE's Air Transportation Business, including, but not limited to, AIRLINE's Affiliate(s), or (iii) when a comparable grade and type of fuel desired by others is not available at the Airport except from AIRLINE.
- E. The purchase at the Airport or elsewhere, of fuels, lubricants, and any other supplies and services, from any person or company, subject to Paragraph 5.01.D and to the AUTHORITY's right to require that each provider of services and/or supplies to AIRLINE secures a permit from AUTHORITY to conduct such activity at the Airport, pays required fees, and abides by all reasonable rules and regulations established by AUTHORITY. No

discriminatory limitations or restrictions shall be imposed by AUTHORITY that interfere with such purchases; provided, however, nothing herein shall be construed to permit AIRLINE to store aviation fuels at the Airport. Fuel tenders are prohibited on Terminal Aircraft Aprons serviced by the fuel hydrant system except by separate authorization of AUTHORITY. The granting of the right to store aviation fuels shall be subject to the execution of a separate agreement between AIRLINE and AUTHORITY.

- F. The servicing by AIRLINE or its suppliers of aircraft and other equipment being utilized at the Airport by AIRLINE on AIRLINE's Terminal Aircraft Aprons, Cargo Aircraft Aprons, or such other locations as may be designated by the President/CEO.
- G. The loading and unloading of persons, property, cargo, parcels and mail by motor vehicles or other means of conveyance approved by AUTHORITY on AIRLINE's Terminal Aircraft Aprons, Cargo Aircraft Aprons, or such other locations as may be designated by the President/CEO; provided AIRLINE shall not use Terminal Aircraft Aprons immediately adjacent to the passenger terminal to load or unload all-cargo aircraft unless otherwise authorized in writing by the AUTHORITY.
- H. The provision, either alone or in conjunction with other Air Transportation Companies or through a nominee, of porter/skycap service for the convenience of the public, at no cost to AUTHORITY.
- I. The installation and maintenance, at AIRLINE's sole cost and expense, of identifying signs in AIRLINE's Preferential Use Premises subject to the prior written approval of the President/CEO. The general type and design of such signs shall be compatible with and not detract from the pattern and decor of the Terminal areas, and are subject to all reasonable rules and regulations established by AUTHORITY. AIRLINE shall not install any promotional displays or advertising displays in its Airline Premises unless authorized in writing, in advance, by AUTHORITY; provided, however, nothing shall be deemed to prohibit AIRLINE's installation on the walls behind ticket lift counters in holdrooms, and baggage service offices, identifying and company logo signs as are customarily installed by AIRLINE in such areas at comparable airport facilities.
- J. The installation, maintenance, and operation, at no cost to AUTHORITY, of such radio communication, computer, meteorological and aerial navigation equipment, and facilities on AIRLINE's Preferential Use Premises as may be necessary or convenient for the operation of its Air Transportation Business; provided, however, that such installations shall be subject to the prior written approval of the President/CEO; and such equipment and facilities installed and maintained by AIRLINE shall not interfere with any radio communication, computer, meteorological and aerial navigation equipment and facilities of the AUTHORITY. Prior to any written approval, AIRLINE shall provide the President/CEO with all necessary supporting documentation related to such installations. AIRLINE recognizes that AUTHORITY has installed airline-compatible multiuser flight information display systems and AIRLINE shall diligently proceed to use such systems.
- K. Such rights of way as may reasonably be required by AIRLINE for communications, computer equipment, teletype, telephone, interphone, pneumatic tubes, conveyor systems and power, and other transmission lines in AIRLINE's Preferential Use Premises, subject to the availability of space and/or ground areas as reasonably determined by the President/CEO. AUTHORITY reserves the right to require the execution of a separate

agreement between AUTHORITY and AIRLINE for the lease and use of such space and/or ground area outside Terminal areas or to provide such service directly to AIRLINE.

- L. The installation of personal property, including furniture, furnishings, supplies, machinery, and equipment, in AIRLINE's Preferential Use Premises as AIRLINE may deem 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.
- M. The construction of modifications, finishes, and improvements in Preferential Use Premises as AIRLINE may deem necessary or prudent for the operation of its Air Transportation Business, subject to the provisions of Section 9.04.
- N. Ingress to and egress from the Airport and Airline Premises for AIRLINE's officers, employees, agents, and invitees, including passengers, suppliers of materials, furnishers of services, aircraft, equipment, vehicles, machinery, and other property. Such right shall be subject to CFR Part 1542, applicable laws, and the AUTHORITY's right to establish rules and regulations governing (i) the general public, including AIRLINE's passengers, and (ii) access to non-public areas at the Airport by AIRLINE's employees, suppliers of materials, and furnishers of services; provided, however, any such rules and regulations of the AUTHORITY shall not unreasonably interfere with the operation of AIRLINE's Air Transportation Business. Further, AUTHORITY may at any time, temporarily or permanently close, re-route, or consent to or request the closing or re-routing of any roadway or access to the Airport. In the event of such restrictions, and if necessary, AUTHORITY shall ensure the availability of a reasonably equivalent means of ingress and egress.
- O. AIRLINE may contract with an outside service provider for the transfer of oversize bags from the passenger for introduction into the BHS. Pursuant to Paragraph 5.01.E herein, AUTHORITY retains the right to require that each provider of services to AIRLINE secures a permit from AUTHORITY to conduct such activity at the Airport and abides by all reasonable rules and regulations established by AUTHORITY. All costs incurred, whether through a consortium of airlines or by the AIRLINE, associated with the operation of such outside service provider shall be the responsibility of the participating airlines and not the AUTHORITY.
- P. Nothing in this paragraph shall prohibit AIRLINE from: (a) installing or maintaining food and beverage vending machines in its non-public Preferential Use Premises at AIRLINE's sole cost and expense for the sole use of AIRLINE's employees, the type, kind, and locations subject to the approval of the President/CEO; (b) providing its own flight kitchen for catering services to its passengers and crews for consumption aboard aircraft; or (c) from entering into a separate agreement with AUTHORITY for the sale of food and beverage in a "VIP room" or similar private club at the Airport.
- Q. AIRLINE shall not provide for the complimentary offering of food and beverages to passengers at the Airport. In the event of certain extraordinary irregular operations where the AUTHORITY's food and beverage concessionaire(s) is unable to provide food and beverage services, AIRLINE may provide complimentary food and beverages to its passengers within its Preferential Use Premises on a limited and temporary basis upon approval from the AUTHORITY and only until such time the AUTHORITY's food and beverage concessionaire(s) is able to provide such services.

- R. The rights and privileges granted to AIRLINE pursuant to this Article 5 may be exercised on behalf of AIRLINE by other Signatory Airlines or contractors authorized by AUTHORITY to provide such services at the Airport, subject to the prior written approval of AUTHORITY and further subject to all laws, rules, regulations, and fees and charges and Article 7 and Article 15 as may be applicable to the activities undertaken.
- S. AIRLINE may exercise on behalf of any other Air Transportation Companies any of the rights granted AIRLINE herein, so long as AIRLINE is concurrently exercising those same rights in the operation of AIRLINE's own Air Transportation Business at the Airport, subject to the provisions of Article 7, Article 15, and other provisions of this Agreement with respect to AUTHORITY rules and regulations and the payment of fees and charges for such activities.

Section 5.02 – Exclusions and Reservations.

- A. Nothing in this Article 5 shall be construed as authorizing AIRLINE to conduct any business separate and apart from the conduct of its Air Transportation Business.
- B. AIRLINE shall not knowingly interfere or permit interference with the use, operation, or maintenance of the Airport, including but not limited to, the effectiveness or accessibility of the drainage, sewerage, water, communications, fire protection, utility, electrical, or other systems installed or located from time to time at the Airport; and AIRLINE shall not engage in any activity prohibited by the AUTHORITY's existing or future noise abatement procedures that are not in conflict with federal, state, or local laws, rules, or regulations.
- C. As soon as possible after release from proper authorities, AIRLINE shall remove any of its disabled aircraft from the Airfield and shall place any such disabled aircraft only in such storage areas as may be designated by the President/CEO, and shall store such disabled aircraft only upon such terms and conditions as may be established by AUTHORITY; provided, however, AIRLINE shall be requested to remove such disabled aircraft from AIRLINE's Terminal Aircraft Apron(s) only if deemed necessary in accordance with Article 16. In the event AIRLINE shall fail to remove any of its disabled aircraft as expeditiously as possible, AUTHORITY may, but shall not be obligated to, cause the removal of such disabled aircraft; provided however, AUTHORITY shall give AIRLINE prior notice of its intent to remove such disabled aircraft, and AUTHORITY shall use reasonable efforts to remove such aircraft. AIRLINE shall pay to AUTHORITY, upon receipt of invoice, the costs incurred for such removal plus fifteen percent (15%). Nonpayment of such invoice within thirty (30) days shall be deemed a default of this Agreement, pursuant to Section 12.01.B.
- D. AIRLINE shall not knowingly do or permit to be done anything, within its reasonable control, either by act or failure to act, that shall cause the cancellation or violation of the provisions, or any part thereof, of any policy of insurance for the Airport, or that shall cause a hazardous condition so as to increase the risks normally attendant upon operations permitted by this Agreement. If such AIRLINE act, or failure to act, shall cause cancellation of any policy, then AIRLINE shall immediately, upon notification by AUTHORITY, do whatever shall be necessary to cause reinstatement of said insurance. Furthermore, if AIRLINE shall do or permit to be done any act not permitted under this Agreement, or fail to do any act required under this Agreement, regardless of whether such act shall constitute a breach of this Agreement, which causes an increase in the AUTHORITY's insurance premiums, AIRLINE shall immediately remedy such actions and/or pay the increase in premiums, upon notice from AUTHORITY to do so; but in any event, AIRLINE will hold AUTHORITY harmless for any expenses and/or damage resulting from any action as set forth in this paragraph.

- E. Except as may subsequently be provided in a separate agreement, AIRLINE shall not maintain or operate in the Terminal or elsewhere at the Airport a cafeteria, restaurant, bar, or cocktail lounge for the purpose of selling food and beverages to the public or to AIRLINE's employees and passengers, except as may be permitted in Section 5.01.O.
- F. AIRLINE shall immediately notify AUTHORITY in writing (i) of any enforcement action, clean-up, removal or other governmental or regulatory action instituted, threatened or completed, and/or any claim made or threatened by any person pursuant to environmental laws governing hazardous substances or related concerns against AIRLINE or AIRLINE's activities at the Airport including such actions or claims relating to damage, contribution, cost recovery compensation, loss or injury resulting from or claimed to result from the presence of hazardous substances as a result of AIRLINE's activities at the Airline Premises and the Airport; and (ii) reports by AIRLINE to any governmental authority in response to written complaints, notices, warnings or asserted violations. However in connection with AIRLINE's routine operations, AIRLINE is only required to notify AUTHORITY of the first such report to any governmental authority if AIRLINE is in compliance with all environmental laws. Upon AUTHORITY's written request, AIRLINE shall make available for review by AUTHORITY copies of all non-privileged documentation related to the foregoing. For purposes of this subsection, "hazardous substances" is defined as any product containing a substance that is listed, defined, designated or classified as hazardous, toxic or a pollutant under any environmental law, including petroleum and aircraft deicing fluid as that term is defined and used in 40 C.F.R. Part 449, but shall not include consumer goods or used consumer goods waste.
- G. AUTHORITY may, at its sole option, install or cause to be installed advertising and revenue generating devices, including vending machines, in Preferential Use and Joint Use Premises; provided, however, that such installations shall not unreasonably interfere with AIRLINE's operations authorized hereunder or substantially diminish the square footage contained in Airline Premises.
- H. The rights and privileges granted AIRLINE pursuant to this Article 5 shall be subject to any and all reasonable rules and regulations established by AUTHORITY, as may be amended from time to time, and to the provisions of Article 7.
- I. Any and all rights and privileges not specifically granted to AIRLINE for its use of and operations at the Airport pursuant to this Agreement are hereby reserved for and to AUTHORITY.
- J. AIRLINE shall not conduct promotions or other marketing activities at the Airport unless the promotion or marketing activity has been reviewed with, and approved by, the President/CEO prior to undertaking said activities, provided such approval shall not be unreasonably withheld.

ARTICLE 6
OPERATION AND MAINTENANCE OF THE AIRPORT

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

conflict with Article 6, the terms and provisions of Article 6 shall take precedent in determining each party's responsibilities.

Section 6.02 – AUTHORITY Obligations.

- A. AUTHORITY shall, with reasonable diligence, prudently develop, improve, and at all times maintain and operate the Airport in a manner consistent with airports of similar enplaned passenger levels with adequate qualified personnel and keep the Airport in an orderly, clean, neat and sanitary condition, and good repair, unless such maintenance, operation, or repair shall be AIRLINE's obligation pursuant to Section 6.03 or Exhibit D.
- B. AUTHORITY shall use reasonable efforts to keep the Airport and its aerial approaches free from ground obstruction for the safe and proper use thereof by AIRLINE.
- C. AUTHORITY shall not be liable to AIRLINE for temporary failure to furnish all or any of such services to be provided in accordance with this Section 6.02 and Exhibit D when such failure is due to mechanical breakdown or loss of electrical power not caused by AUTHORITY's negligence, willful misconduct or any other cause beyond the reasonable control of AUTHORITY.
- D. AUTHORITY shall maintain (i) any loading bridges owned by AUTHORITY located at Terminal Aircraft Aprons; (ii) any associated 400 Hertz units located at Aircraft Aprons; (iii) preconditioned air systems; (iv) inbound and outbound baggage handling systems; (v) lightning detection systems; and (vi) other systems that may be acquired by AUTHORITY in the future.
- E. AUTHORITY shall, in the operation of the Airport, comply with all applicable local, state, and federal laws, rules, and regulations.

Section 6.03 – AIRLINE Obligations.

- A. AIRLINE shall, at all times and at its own expense, preserve and keep Airline Premises in an orderly, clean, neat, and sanitary condition; provided, however, this requirement shall not be construed to mean AIRLINE shall have janitorial responsibilities designated to be those of AUTHORITY pursuant to Exhibit D or any other responsibilities designated to AUTHORITY hereunder.
- B. AIRLINE shall keep, at its own expense, its Terminal Aircraft Aprons or Cargo Aircraft Aprons free of fuel, oil, debris, and other foreign objects.
- C. AIRLINE shall operate and maintain at its own expense any other improvements and/or equipment installed by AIRLINE or provided by AUTHORITY for the exclusive use of AIRLINE.
- D. Should AIRLINE fail to perform its material obligations hereunder, AUTHORITY shall have the right to enter the Airline Premises and perform such activities; provided, however, other than in a case of emergency, AUTHORITY shall give to AIRLINE reasonable advance written notice of non-compliance, not to exceed ten (10) days, prior to the exercise of this right. If such right is exercised, AIRLINE shall pay to AUTHORITY, upon receipt of invoice, the cost of such services plus fifteen percent (15%).

ARTICLE 7
RENTALS, FEES, AND CHARGES

AIRLINE shall pay AUTHORITY rentals for use of Airline Premises, and fees and charges for the other rights, licenses, and privileges granted hereunder during the Term of this Agreement in accordance with the terms of this Article 7 and Exhibit E.

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

Section 7.02 – Terminal Rentals.

- A. For the Term of this Agreement, AIRLINE's Terminal rentals shall be determined as the sum of AIRLINE's rentals for Preferential Use and Joint Use Premises. AIRLINE's rental payment for Preferential Use Premises shall be determined as the sum of the products obtained by multiplying each differential Terminal rental rate for the period, calculated in accordance with Exhibit E, by the amount of the corresponding type of space leased by AIRLINE as Preferential Use Premises as set forth in Exhibits B and C.
- B. Total Terminal rentals for Joint Use Premises shall be calculated as the product of the appropriate differential Terminal rental rates for the period calculated in accordance with Exhibit E, and the amount of each category of Joint Use Premises. AIRLINE's share of the total Terminal rentals due each month for Joint Use Premises shall be determined as follows:
1. Fifteen percent (15%) of total rentals due monthly [one-twelfth (1/12) of annual amount] for each category of Joint Use Premises shall be prorated equally among those Signatory Airlines using said category of Joint Use Premises. When determining the number of Signatory Airlines sharing in the fifteen percent (15%) portion of the Joint Use formula, all individual Air Transportation Companies that are Affiliates of a Signatory Airline shall be combined and considered a single Signatory Airline.
 2. The remaining eighty-five percent (85%) of total rentals due monthly for each category of Joint Use Premises shall be prorated among the Signatory Airlines using said category of Joint Use Premises based upon each such Signatory Airlines' Deplaned Passengers (including Affiliates' Deplaned Passengers of AIRLINE) during the month as a percentage of total Deplaned Passengers of all Signatory Airlines (including all Affiliates' Deplaned Passengers of Signatory Airlines) using said category of Joint Use Premises during such month.
- C. For purposes of the above calculations, AIRLINE shall include in its monthly report of Enplaned and Deplaned Passengers the total number of Enplaned and Deplaned Passengers handled or otherwise accommodated by AIRLINE for other Air Transportation Companies not having an agreement with AUTHORITY that provides for the direct payment to AUTHORITY of appropriate charges for the use of Joint Use Premises.

Section 7.03 – Extraordinary Service Charges. Throughout the Term of this Agreement, AIRLINE shall pay Extraordinary Service Charges, if applicable, for such extraordinary additional equipment and services provided by AUTHORITY for AIRLINE's use (e.g., club room finishes, or any other systems or equipment that are unique or special to AIRLINE's operations) and shall be based on the Debt Service, Debt Service Coverage, Other Debt Service, Amortization Requirements, and O&M Expenses incurred by AUTHORITY therefor.

Section 7.04 – Baggage Handling System (BHS) Charges. Annual O&M Expenses, and O&M Reserve Requirements associated with the operation of the BHS at the Airport will be accounted for separately by the AUTHORITY and charged directly to the Air Transportation Companies as a separate charge, calculated in accordance with Exhibit E.

Section 7.05 – Other Fees and Charges.

- A. AUTHORITY expressly reserves the right to assess and collect the following:
1. Reasonable and non-discriminatory fees for concessions and other services provided by AIRLINE for others or for AIRLINE by others pursuant to Paragraphs 5.01 P and Q of this Agreement, if such services or concessions would otherwise be available from a concessionaire or licensee of AUTHORITY.
 2. Reasonable and non-discriminatory fees and charges for services or facilities not enumerated in this Agreement, but provided by AUTHORITY and accepted by AIRLINE, including, but not limited to, Customs and Border Protection (CBP) facility use fees, special maintenance of Airline Premises, 400 Hertz charges, equipment/vehicle storage, disposal fees, utility fees, and remote ramp aircraft parking fee.
 3. Pro-rata shares of any charges for the provision of any services or facilities which AUTHORITY is required to provide by any governmental entity (other than AUTHORITY acting within its proprietary capacity) having jurisdiction over the Airport.
- B. AUTHORITY reserves the right to charge AIRLINE or its employees a reasonable and non-discriminatory fee for the employee parking area(s) provided at the Airport.
- C. AIRLINE shall pay the required fees for all permits and licenses necessary for the conduct of its Air Transportation Business at the Airport. AIRLINE shall also pay all taxes, assessments, and charges, which during the Term of this Agreement may become a lien or which may be levied by the State, County, City, or any other levying body, upon any interest by AIRLINE acquired in this Agreement, or any possessory right which AIRLINE may have in or to the premises or facilities leased hereunder, or the improvements thereon, by reason of its occupancy thereof, or otherwise, as well as taxes, assessments, and/or charges on property, real or personal, owned by AIRLINE in or about said premises. Upon any termination of tenancy, all taxes then levied or a lien on any of said property, or interest therein, shall be paid in full and without proration by AIRLINE forthwith, or within ten (10) days after a statement thereof has been issued by the tax collector, if termination occurs during the interval between attachment of the lien and issuance of statement. However, AIRLINE shall not be deemed to be in default under this Agreement for failure to pay any charges and/or taxes pending the outcome of any proceedings instituted by AIRLINE to

contest the validity or the amount of such taxes, provided that such failure to pay does not result in any forfeiture.

- D. AUTHORITY reserves the right to charge AIRLINE an administrative fine for violation of Airport Rules and Regulations by AIRLINE, its officers, employees, and agents. AIRLINE shall be notified in advance of the adoption or modification of a schedule of administrative fines and AIRLINE may appeal in writing to the President/CEO within ten (10) days its objection to any notification of violation and assessment of an applicable administrative fine.

Section 7.06 – Payments.

- A. Payments of one-twelfth (1/12) of the total annual rentals for AIRLINE's Preferential Use Premises, shall be due in advance, without demand or invoice, on the first day of each month. Said rentals and charges shall be deemed delinquent if payment is not received by the fifteenth (15th) calendar day of the month.
- B. Payment of AIRLINE's landing fees shall be due as of the date of AUTHORITY's monthly invoice and shall be deemed delinquent if not received within thirty (30) days of the date of such invoice.
- C. Payment for Joint Use Premises and the BHS fees shall be due as of the date of AUTHORITY's monthly invoice and shall be deemed delinquent if not received within thirty (30) days of the date of such invoice.
- D. Except as provided for herein, payment for all other fees and charges due hereunder, shall be due as of the date of the AUTHORITY's monthly invoice. Said fees and charges shall be deemed delinquent if payment is not received within thirty (30) days of the date of such invoice.
- E. AUTHORITY shall provide notice of any and all payment delinquencies, including payments of any deficiencies which may be due as a result of the AUTHORITY's estimates of activity pursuant to Paragraph F below, or due to an audit performed pursuant to Paragraph 7.07.C. herein; provided, however, interest at the rate of eighteen percent (18%) per annum or at the highest rate allowable by applicable state law, whichever rate is higher, or a minimum charge of five dollars (\$5.00), whichever is higher, shall accrue against any and all delinquent payment(s) from the date due until the date payments are received by AUTHORITY. This provision shall not preclude AUTHORITY from canceling this Agreement for default in the payment of rentals, fees, or charges, as provided for in Section 12.01.B herein, or from exercising any other rights contained herein or provided by law.
- F. In the event AIRLINE fails to submit its monthly activity reports as required in Section 7.07, AUTHORITY shall charge AIRLINE a one-time late submission fee of one hundred dollars (\$100.00) for each day the activity report is not submitted, provided, however, the total of such fees shall not exceed five hundred dollars (\$500.00). If no activity data is available, AUTHORITY shall reasonably estimate such activity and invoice AIRLINE for same. AIRLINE shall be liable for any deficiencies in payments based on estimates made under this provision; payment for said deficiencies shall be deemed due as of the date such rental was due and payable. If such estimate results in an overpayment by AIRLINE, AUTHORITY shall apply such overpayment as a credit against subsequent amounts due for such rentals, fees, and charges from AIRLINE.

- G. In the event AIRLINE's obligations with respect to Airline Premises or rights, licenses, or privileges granted hereunder shall commence or terminate on any date other than the first or last day of the month, AIRLINE's rentals, fees, and charges shall be prorated on the basis of the number of days such premises, facilities, rights, licenses, services, or privileges were enjoyed during that month.
- H. All payments due and payable hereunder shall be paid in lawful money of the United States of America, without set off, by check made payable to the AUTHORITY and delivered to:

Accounts Receivable
Reno-Tahoe Airport Authority
Reno-Tahoe International Airport
P.O. Box 12490
Reno, NV 89510-2490

Or wire transferred to:

ABA - # 121000248
Bank – Wells Fargo Bank, N.A. Reno, Nevada
Beneficiary – Reno-Tahoe Airport Authority
Beneficiary Account Number – 415-9549740
Billing Address: PO Box 12490, Reno, NV 89510-2490

Section 7.07 – Information to be Supplied by AIRLINE.

- A. Not later than ten (10) calendar days after the end of each month, AIRLINE shall file with AUTHORITY written reports on forms provided by AUTHORITY for activity conducted by AIRLINE during said month, and for activity handled by AIRLINE for other Air Transportation Companies not having an agreement with AUTHORITY providing for its own submission of activity data to AUTHORITY.
- B. AUTHORITY shall have the right to rely on said activity reports in determining rentals and charges due hereunder. AIRLINE shall have full responsibility for the accuracy of said reports. Payment deficiencies due to incomplete or inaccurate activity reports shall be subject to interest charges as set forth in Paragraph 7.06.E.
- C. AIRLINE shall at all times maintain and keep records, wherein are accurately kept all entries reflecting the activity statistics to be reported pursuant to Paragraph 7.07.A. Such records shall be retained by AIRLINE for a period of three (3) years subsequent to the activities reported therein, or such other retention period as set forth in FAR Part 249.7, and upon prior written notice to AIRLINE shall be made available at the AIRLINE's corporate office for audit and/or examination by AUTHORITY or its duly authorized representative during all normal business hours. AIRLINE shall make its books and records available at Reno, Nevada within thirty (30) calendar days of AUTHORITY's notice to do so or pay all reasonable expenses, including but not limited to transportation, food, and lodging, necessary for an auditor selected by AUTHORITY to audit said books and records.
- D. The cost of audit, with the exception of the aforementioned expenses, shall be borne by AUTHORITY; provided, however, the total cost of said audit shall be borne by AIRLINE if either or both of the following conditions exist:

1. The audit reveals an underpayment of more than five percent (5%) of rentals, fees, and charges due hereunder, as determined by said audit; and/or
2. AIRLINE has failed to maintain true and complete records in accordance with Paragraph 7.07.C.

Section 7.08 – Security for Performance.

- A. AIRLINE shall provide AUTHORITY on the Effective Date of this Agreement with a surety bond or Irrevocable Standby Letter of Credit acceptable to AUTHORITY (“Contract Security”) in an amount equal to three (3) months’ rentals, fees and charges payable by AIRLINE pursuant to this Article 7, to guarantee the faithful performance by AIRLINE of its obligations under this Agreement and the payment of all rentals, fees and charges due hereunder. The amount of said Contract Security shall be determined and subject to adjustment by AUTHORITY based upon AIRLINE’s payment and performance record with AUTHORITY, length of continuous service to and from the Airport as a Signatory Airline, and financial stability of AIRLINE. AIRLINE shall be obligated to maintain such Contract Security in effect throughout the Term of this Agreement and any extension hereof. Such Contract Security shall be in a form and with a company reasonably acceptable to AUTHORITY and licensed to do business in the State of Nevada. In the event that any such Contract Security shall be for a period less than the full period required by this Paragraph 7.08.A or if Contract Security shall be canceled, AIRLINE shall provide a renewal or replacement Contract Security for the remaining required period at least sixty (60) days prior to the date of such expiration or cancellation.
- B. AUTHORITY may, in its sole discretion, temporarily waive the Contract Security required hereunder for such period of time as the following conditions are continuously met by AIRLINE:
 1. AIRLINE provides regularly scheduled flights to and from the Airport during eighteen (18) consecutive months with no payment delinquency or default and without the occurrence of any act or omission that would be deemed an event enumerated in Section 12.01 of this Agreement; AND
 2. AIRLINE demonstrates continuous profitability as measured by Net Income for a minimum of two (2) consecutive years, as shown in AIRLINE’s Form 10-K Statement of Operations as filed annually with the Securities and Exchange Commission.
- C. In the event AUTHORITY is required to draw down or collect against AIRLINE’S Contract Security for any reason, AIRLINE shall, within ten (10) business days after AUTHORITY’s written demand, take such action as may be necessary to replenish the existing Contract Security to its original or adjusted amount and/or to provide additional or supplemental Contract Security from another source so that the aggregate of all Contract Security is equal to the required amount as determined by AUTHORITY.
- D. Upon the occurrence of any AIRLINE act or omission that is an event enumerated in Section 12.01, or upon AIRLINE’S election to assume this Agreement under Federal Bankruptcy Rules and Regulations and Federal Judgeship Act of 1984 or any successor statute, as such may be amended, supplemented, or replaced, AUTHORITY, by written notice to AIRLINE given at any time within ninety (90) days of the date such event becomes known to AUTHORITY, may declare AIRLINE in default of this Agreement and may require additional

Contract Security to ensure AIRLINE's performance of its obligations pending the cure of such default. In such event, AIRLINE shall provide AUTHORITY with the required additional Contract Security within ten (10) business days of its receipt of such written notice and shall thereafter maintain such Contract Security in effect.

- E. If AIRLINE shall fail to obtain and/or keep in force Contract Security, if any, required hereunder, such failure shall be grounds for immediate cancellation of this Agreement pursuant to Section 12.01. AUTHORITY's rights under this Section 7.08 shall be in addition to all other rights and remedies provided to AUTHORITY under this Agreement.
- F. AIRLINE and AUTHORITY agree that this agreement constitutes an 'executory contract' for the purposes of Section 365 of the United States Bankruptcy Code (Title 11 USC) subject to assumption or rejection, and subject to the terms and conditions of assumption or rejection, as provided in said Section 365. Furthermore, AIRLINE and AUTHORITY agree that any Contract Security provided by AIRLINE are not 'property of the estate' for purposes of Section 541 of the United States Bankruptcy Code (Title 11 USC), it being understood that any Contract Security is property of the third party providing it (subject to AUTHORITY's ability to draw against the Contract Security) and that all PFC's collected by AIRLINE are property of the AUTHORITY.

Section 7.09 – No Further Charges. Except as provided in this Agreement, or as may be permitted under any enabling legislation, no further rentals, fees, or charges shall be charged against or collected from AIRLINE, its passengers, its shippers and receivers of freight, its suppliers of material, its contractors or furnisher of services, by AUTHORITY, acting in its capacity as Airport proprietor, for the premises, facilities, rights, licenses, and privileges granted to AIRLINE herein.

ARTICLE 8

CHANGES IN RATES FOR RENTALS, FEES, AND CHARGES

Section 8.01 – Annual Rate Changes.

- A. No later than sixty (60) days prior to the end of each Fiscal Year, AUTHORITY shall notify AIRLINE of the proposed schedule of rates for rentals, fees, and charges for the ensuing Fiscal Year. Said rates shall be based upon AUTHORITY budgeted Revenues, O&M Expenses, Debt Service, Debt Service Coverage, Other Debt Service, Amortization Requirements, and Capital Expenditures less than \$300,000, and required reserves, determined and presented to AIRLINE substantially in conformance with the methods and format set forth in Exhibit E.
- B. The Signatory Airlines through its AAC shall have the right to review and comment upon the proposed operating budget. No later than thirty (30) days after the forwarding of the proposed schedule of rates for rentals, fees, and charges, AUTHORITY agrees to meet with the AAC at a mutually convenient time for the purpose of discussing such rentals, fees, and charges. In advance of said meeting, AUTHORITY shall make available to the AAC any reasonably requested additional information relating to the determination of the proposed rates. AUTHORITY agrees to fully consider the comments and recommendations of the

Signatory Airlines prior to finalizing its schedule of rates for rentals, fees, and charges for the ensuing Fiscal Year.

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

Section 8.02 – Other Rate Changes.

- A. Rates for rentals, fees, and charges may be changed at any other time that unaudited monthly AUTHORITY financial data indicates that total rentals, fees, and charges payable pursuant to the then-current rate schedules are reasonably estimated and anticipated by AUTHORITY to vary by more than ten percent (10%) from the total rentals, fees, and charges that would be payable based upon the use of the monthly financial data then available for said Fiscal Year. In the event such recalculated rates result in a reduction from the then-current rates payable by Signatory Airlines, AUTHORITY and Signatory Airlines constituting an MII may agree to maintain the then-current rates. Rates for rentals, fees, and charges may also be changed whenever required by the terms and provisions of the Resolution; provided, however, that Signatory Airlines' total rentals, fees, and charges payable to AUTHORITY shall be allocated to AIRLINE in accordance with this Agreement.
- B. The AUTHORITY will conduct a formal review of rentals, fees, and charges payable by Signatory Airlines after approximately six months (Mid-Year Review) in the current Fiscal Year, based on unaudited financial information available at that time. Rates for rentals, fees, and charges to the Signatory Airlines will be changed pursuant to the provisions in Paragraph 8.02A.
- C. Rentals, fees, and charges payable by AIRLINE and determined in accordance with the provisions of this Agreement from the implementation of a capital improvement program shall commence upon the earlier of Substantial Completion or the date to which interest has been capitalized for the series of Bonds or Subordinated Indebtedness issued to finance such element of a capital improvement program; provided, however, in the event any Debt Service applicable to any Landing Area, Ramp Area, or Terminal project(s) included in a capital improvement program shall become payable from Revenues, rate(s) for rentals, fees and charges applicable to such project(s) or the Cost Center in which such project(s) are located shall be revised by AUTHORITY and payable by AIRLINE commencing on the date(s) of the period(s) for which Debt Service for such project(s) becomes payable from

Revenues, to include Debt Service, Debt Service Coverage, and O&M Expenses attributable to said project(s).

Section 8.03 – Customer Facility Charges (CFCs) Excluded. CFC Revenues and any O&M Expenses and Capital Expenditures funded by CFC Revenues are specifically excluded from the calculation of AIRLINE rentals, fees and charges.

Section 8.04 – Incorporation of Exhibit E. Adjustments to rates for rentals, fees, and charges shall apply without the necessity of formal amendment of this Agreement. Upon each adjustment pursuant to this Article 8, a revised Exhibit E, showing the calculation of adjusted rates for rentals, fees, and charges, shall be prepared by AUTHORITY and transmitted to AIRLINE. Said exhibit shall then be deemed part of this Agreement without formal amendment thereto.

Section 8.05 – Funds Remaining. AUTHORITY and AIRLINE estimate that certain Revenues not required for payments, deposits to reserves, and deposits to the Special Fund and Operation and Maintenance Reserve Fund will be generated from Airport System operations in each Fiscal Year ("Funds Remaining"). Except as otherwise provided herein, such Funds Remaining shall be calculated in accordance with Exhibit E. In accordance with Exhibit E, a portion of such Funds Remaining shall be applied to Revenue Sharing, as set forth in Section 8.06, and the remaining portion ("Retained Funds") shall be transferred to the AUTHORITY's General Purpose Fund.

Section 8.06 – Revenue Sharing. At the end of each Fiscal Year, after determination of Settlement in Section 8.09, AUTHORITY will share with the passenger Signatory Airlines a portion of Funds Remaining, if available, calculated in accordance with Exhibit E. Availability of Revenue Sharing will be based on AUTHORITY's ability to satisfy its obligations and meet all Resolution requirements in each Fiscal Year.

Section 8.07 – General Purpose Fund.

- A. The General Purpose Fund shall be funded as established by the Resolution. Funds credited to said fund may be used at the discretion of AUTHORITY for any lawful purpose related to the Airport System.
- B. Signatory Airlines constituting an MII may request that AUTHORITY pay the costs of requested or required Capital Expenditures to the Airfield Cost Center, Terminal Cost Center, or BHS Cost Center from such funds. In the event AUTHORITY agrees, such costs shall be included in the determination of rentals, fees, and charges, in accordance with Exhibit E.

Section 8.08 – Special Fund.

- A. The Special Fund shall be funded as established by the Resolution. Funds credited to said fund may be used at the discretion of AUTHORITY for any lawful purpose related to the Airport System.
- B. Signatory Airlines constituting an MII may request that AUTHORITY pay the costs of requested or required Capital Expenditures to the Airfield Cost Center, Terminal Cost

Center, or BHS Cost Center from such funds. In the event AUTHORITY agrees, such costs shall be included in the determination of rentals, fees, and charges, in accordance with Exhibit E.

Section 8.09 – Settlement. Within one hundred eighty (180) days following the close of each Fiscal Year, or as soon as audited financial data for said Fiscal Year is available, rates for rentals, fees, and charges for the preceding Fiscal Year shall be recalculated using audited financial data and the methods set forth in Exhibit E. Upon the determination of any difference(s) between the actual rentals, fees, and charges paid by Signatory Airlines (including Affiliates) during the preceding Fiscal Year and the rentals, fees, and charges that would have been paid by Signatory Airlines (including Affiliates) using said recalculated rates, AUTHORITY shall, in the event of overpayment, promptly credit to AIRLINE the amount of such overpayment, reduced by any accounts receivable due AUTHORITY greater than sixty (60) days, and in the event of underpayment, invoice AIRLINE for the amount of such underpayment. Said invoiced amount shall be due within twenty (20) days of the invoice mailing date.

Section 8.10 – AUTHORITY Covenants.

- A. AUTHORITY covenants that for purposes of assigning and allocating costs, it shall utilize generally accepted accounting practices utilized for airports operating as an enterprise fund, and include only those charges properly attributable to the Airport System.
- B. AUTHORITY shall operate the Airport System in a manner so as to produce Revenues from concessionaires, tenants, and other users of the Airport System of a nature and amount which would be produced by a reasonably prudent operator of an airport system of substantially similar size, use, and activity, with due regard for the interests of the public, subject to existing leases.
- C. AUTHORITY shall use all Revenues of the Airport System exclusively for the construction, maintenance, operation, development, financing, and management of the Airport System.

Section 8.11 – Extraordinary Coverage Protection. The AUTHORITY shall include Extraordinary Coverage Protection payments in the rates for rentals, fees, and charges at the Airport in any Fiscal Year in which the amount of Revenues plus Transfers, less O&M Expenses is projected to be less than one hundred twenty-five percent (125%) of the sum of Debt Service on Bonds and Subordinated Indebtedness for the Airport System. Any amounts which must be collected for such Extraordinary Coverage Protection payments will be allocated to Cost Centers within the Airline Supported Areas on the basis of the Net Requirement of such Cost Centers. Should Extraordinary Coverage Protection payments be made, AUTHORITY will refund to the Signatory Airlines such payments made by each Signatory Airline as soon as uncommitted funds become available in the General Purpose Fund.

Section 8.12 – AUTHORITY Gaming Revenues. The Resolution requires the AUTHORITY to retain, in each Fiscal Year, an amount equivalent to at least 35 percent (35%) of gaming revenues for that particular Fiscal Year. For the purposes of this Agreement, AUTHORITY Gaming Revenues will be deducted from Funds Remaining prior to the determination of Revenue Sharing.

ARTICLE 9
CAPITAL EXPENDITURE PROCESS

Section 9.01 – Need for Capital Expenditures. The parties hereto recognize that Capital Expenditures to preserve, protect, enhance, expand, or otherwise improve the Airport System, or part hereof, will be required during the Term of this Agreement. Any such Capital Expenditures to be paid for or financed with Airport Revenues shall be subject to the provisions of this Article 9.

Section 9.02 – Capital Expenditures Not Subject to MII. The following Capital Expenditures shall be permitted by the AUTHORITY at any time and shall not be subject to MII consideration:

- A. Annual Capital Expenditures in the Airfield cost center of up to an aggregate of \$1,000,000 in net project costs (i.e., net of any applicable federal and state assistance for such Capital Expenditures and PFC's), with such expenditures to be funded by the rentals, fees, and charges payable by the Signatory Airlines, or through the recovery of Amortization prior to determination of Revenue Sharing, in accordance with Exhibit E.
- B. Annual Capital Expenditures in the Terminal cost center of up to an aggregate of \$2,000,000 in net project costs (i.e., net of any applicable federal and state assistance for such Capital Expenditures and PFC's) in each cost center, with such expenditures to be funded by the rentals, fees, and charges payable by the Signatory Airlines, or through the recovery of Amortization prior to determination of Revenue Sharing, in accordance with Exhibit E.
- C. Annual Capital Expenditures in the BHS cost center of up to an aggregate of \$500,000 in net project costs (i.e., net of any applicable federal and state assistance for such Capital Expenditures and PFC's) in each cost center, with such expenditures to be funded by the rentals, fees, and charges payable by the Signatory Airlines, or through the recovery of Amortization prior to determination of Revenue Sharing, in accordance with Exhibit E.
- D. Projects required by the FAA, TSA, the Department of Transportation or similar governmental authority, other than AUTHORITY, having jurisdiction over the Airport, and Signatory Airline's operations, or the issuance of federal or state grants to AUTHORITY, provided AUTHORITY or Signatory Airlines will first exhaust administrative appeals of any projects deemed unnecessary by Signatory Airlines after consulting with AUTHORITY.
- E. Projects to repair casualty damage to Airport property, which must be rebuilt or replaced in order for AUTHORITY to meet its obligations pursuant to this Agreement or agreements with other lessees at the Airport; provided, however, that if such projects are undertaken pursuant to agreements with other lessees at the Airport, any costs, net of insurance proceeds, shall not be included in AIRLINE's rentals, fees, and charges.
- F. Special Purpose Facilities for which, in all cases, the tenant(s) or other user(s) thereof shall be required to pay directly or reimburse AUTHORITY for all costs, including financing costs, associated with such facilities during the Term of this Agreement. In no event shall the obligations of any such tenant be included in AIRLINE's rates for rentals, fees, and charges if such tenant defaults in making required payments.
- G. Reasonable improvements or additions, including all costs therefor, necessary to settle claims, satisfy judgments, or comply with judicial orders against AUTHORITY by reason of its ownership, operation, maintenance, or use of the Airport.
- H. Expenditures of an emergency nature which, if not made, would result in the closing of any portion of the Airport within forty-eight (48) hours.

- I. Expansion of Airport facilities for the increased requirements of any Signatory Airline(s) if such Signatory Airline(s) shall agree in writing to increased rentals, fees, and charges sufficient to cover the payment of O&M Expenses, Debt Service, Debt Service Coverage, Other Debt Service, Amortization Requirements, and Capital Expenditures less than \$300,000 and Debt Service Coverage applicable to the construction, including design and financing costs, and operations of any Preferential Use and Joint Use portions of the project during the Term of this Agreement. In the event said expansion necessitates the concurrent construction of related public and/or support systems, the costs and expenses of such facilities shall be treated under this Agreement in the same manner as the costs and expenses associated with other similar areas and/or support systems previously constructed. This exclusion shall also be applicable to projects to accommodate an Air Transportation Company with the same terms and conditions; provided, however, such Air Transportation Company shall be required to enter into an agreement with AUTHORITY substantially similar to this Agreement.
- J. Capital Expenditures in the Airfield, Terminal, or BHS Cost Centers that do not increase the fees and charges to AIRLINE during the Term of this Agreement.
- K. Projects undertaken in Cost Centers other than the Airfield, Terminal, and BHS Cost Centers.

Section 9.03 – The Disapproval Process.

- A. AUTHORITY shall notify in writing each Signatory Airline of its intent to undertake those expenditures which are subject to MII consideration and shall provide the following information associated therewith:
 1. A description of the proposed Capital Expenditure(s), together with cost estimates, schedule, and any preliminary drawings, if applicable;
 2. A statement of the need for the proposed Capital Expenditures(s) along with the planned benefits to be derived from such expenditures;
 3. AUTHORITY's preferred means of financing or paying the costs of the proposed Expenditure(s); and
 4. The planned allocation of the costs thereof to the various Airport System Cost Centers, and the projected impact on rates for rentals, fees and charges.
- B. Within thirty (30) days after AUTHORITY's delivery of said notice, the AAC may request in writing a meeting with AUTHORITY for the purpose of discussing proposed Capital Expenditure(s). Should such a request be made, AUTHORITY shall meet with AAC within forty-five (45) days of its original notice. AUTHORITY agrees to consider comments and recommendations of the AAC with respect to proposed Capital Expenditure(s).
- C. Unless Signatory Airlines constituting an MII shall issue individual written disapprovals for any Capital Expenditures requiring MII consideration within thirty (30) days of the meeting held pursuant to Paragraph 9.03B, or within (30) days of the delivery of AUTHORITY's written notice of intent, if no meeting is requested, AUTHORITY may proceed with said Capital Expenditure.

- D. In the event of disapproval by an MII of a proposed Capital Expenditure subject to MII consideration, AUTHORITY shall have the option to convene a second meeting with the AAC within sixty (60) days following the date the disapproval became effective for the purpose of providing additional information relative to the proposed Capital Expenditure and to request reconsideration. A disapproval of a Capital Expenditure may be reversed in writing by an MII at any time. A disapproved Capital Expenditure cannot be included in Signatory Airline rates until such disapproval is reversed by an MII.
- E. AUTHORITY may issue Subordinated Debt or Other Indebtedness in addition to Bonds, to finance any Capital Expenditure permitted by this Article 9, including any required reserves and all related costs of financing. All costs associated with Capital Expenditures permitted by this Article 9, including but not limited to, Debt Service, Debt Service Coverage, Other Debt Service, Amortization Requirements, and Capital Expenditures less than \$300,000, and any requirement for either establishing or replenishing of the Debt Service Reserve requirement, shall be included in the calculation of rates for rentals, fees and charges in accordance with Exhibit E.

Section 9.04 – Alterations and Improvements by AIRLINE.

- A. In accordance with Paragraph 5.01.M AIRLINE may construct and install, at AIRLINE's sole expense, such improvements in its Preferential Use Premises as AIRLINE deems to be necessary for its operations; provided, however, that the plans and specifications, location, and construction schedule for any structural improvements or modification impacting any wall or building system shall be submitted through the AUTHORITY's Tenant Improvement Permit process and approved by the President/CEO in writing prior to the commencement of any and all such construction or installation. Said approval shall not be unreasonably withheld, conditioned or delayed. For the purposes of this Section 9.04, a Tenant Improvement Permit is a form provided by the AUTHORITY for use by AIRLINE to seek AUTHORITY's approval of an AIRLINE's proposed improvement or installation to, on, or at the Airline Premises or elsewhere at the Airport; provided, however, that no reduction or abatement of rentals, fees, and charges shall be allowed for any interference with AIRLINE's operations by such construction.
- B. Prior to the commencement of any improvements greater than \$25,000, the AUTHORITY shall have the right to require that AIRLINE obtain, or cause to be obtained, a contract surety bond in a sum equal to the full amount of a construction contract awarded by AIRLINE for the improvements. Said bond shall name the AUTHORITY as an obligee hereunder and shall be drawn in a form and from such company acceptable to AUTHORITY and licensed to do business in the State of Nevada; shall guarantee the faithful performance of necessary construction and completion of improvements in accordance with approved final plans and detailed specifications; and shall protect AUTHORITY against any losses and liability, damages, expenses, claims, and judgments caused by or resulting from any failure to perform completely the work described. AUTHORITY reserves the right to require that AIRLINE acquires or causes to be acquired a payment bond with any contractor or contractors of AIRLINE, as principal, in the sum equal to the full amount of the construction contract awarded by AIRLINE for the improvements. Said bond shall name the AUTHORITY as an obligee thereunder and shall guarantee payment of all wages for labor and services engaged, and of all bills for materials, supplies, and equipment used in the performance of said construction contract. Any work associated with such construction or installation shall not unreasonably interfere with the operation of the Airport, or otherwise unreasonably interfere with the permitted activities of other Terminal tenants and users. Upon completion

of approved construction and within sixty (60) days of AIRLINE's receipt of a certificate of occupancy, a complete set of as-built drawings shall be delivered to the President/CEO for the permanent record of the AUTHORITY.

- C. AIRLINE shall furnish or require contractors to furnish satisfactory evidence of statutory worker's compensation insurance, comprehensive general liability insurance, comprehensive automobile insurance, and physical damage insurance, on a builder's risk form with the interest of AUTHORITY endorsed thereon, in such amounts and in such manner AUTHORITY may reasonably require. AUTHORITY may require additional insurance for any alterations or improvements approved hereunder, in such limits as AUTHORITY reasonably determines to be necessary.
- D. Any construction or installation shall be at the sole risk of AIRLINE and shall be in accordance with all applicable state and local codes and laws and subject to inspection by the President/CEO.
- E. All improvements made to Airline Premises and additions and alterations thereto made by the AIRLINE, except those financed by AUTHORITY, shall be and remain the property of the AIRLINE until expiration of the Term of this Agreement. Upon termination or cancellation of this Agreement, said additions and alterations shall become the property of AUTHORITY; provided, however, that any trade fixtures, signs, equipment and other movable personal property of AIRLINE not permanently affixed to Airline Premises shall remain the property of the AIRLINE, subject to the terms of Article 14.

ARTICLE 10

DAMAGE OR DESTRUCTION

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

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

Section 10.03 – Destruction.

- A. If any part of Airline Premises, or adjacent facilities directly and substantially affecting the use of Airline Premises, shall be damaged by fire or other casualty, and is so extensively damaged as to render any portion of said Airline Premises incapable of being repaired, as reasonably determined by AUTHORITY, AUTHORITY shall notify AIRLINE within a period of forty-five (45) days after the date of such damage of its decision whether to reconstruct or replace said space; provided, however, AUTHORITY shall be under no obligation to replace or reconstruct such premises. The rentals payable hereunder with respect to affected Airline Premises shall be paid up to the time of such damage and thereafter shall abate until such time as replacement or reconstructed space becomes available for use by AIRLINE.
- B. In the event AUTHORITY elects to reconstruct or replace affected Airline Premises, AUTHORITY shall provide AIRLINE with alternate comparable facilities reasonably acceptable to AIRLINE to continue its operation while reconstruction or replacement is being completed at a rental rate not to exceed that provided for in this Agreement for comparable space.
- C. In the event AUTHORITY elects to not reconstruct or replace affected Airline Premises, the agreement for the affected premises shall be terminated and AUTHORITY shall meet and consult with AIRLINE on ways and means to permanently provide AIRLINE with adequate replacement space for affected Airline Premises. In such event, AUTHORITY agrees to amend this Agreement to reflect related additions and deletions to AIRLINE's Airline Premises.

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

Section 10.05 – AUTHORITY's Responsibilities. AUTHORITY shall maintain reasonable and customary levels of insurance; provided, however, that AUTHORITY's obligations to repair, reconstruct, or replace affected premises under the provisions of this Article 10 shall be limited to restoring affected Airline Premises to substantially the same condition that existed at the date of damage or destruction, and shall further be limited to the extent of insurance proceeds and other funds available to AUTHORITY for such repair, reconstruction, or replacement; provided further that AUTHORITY shall in no way be responsible for the restoration or replacement of any equipment, furnishings, property, real improvements, signs, or other items installed and/or owned by AIRLINE in accordance with this Agreement, unless AIRLINE demonstrates with documentation that damage is caused by negligence or willful act or omission of AUTHORITY, its officials, agents, or employees acting within the course or scope of their employment.

ARTICLE 11 INDEMNIFICATION AND INSURANCE

Section 11.01 – Indemnification.

- A. AIRLINE shall indemnify, save, hold harmless, and defend AUTHORITY, its officials, agents and employees, its successors and assigns, individually or collectively, from and against any claim, action, loss, damage, injury, liability, and the cost and expense of whatsoever kind or nature (including, but not limited to, reasonable attorney fees, disbursements, court costs,

and expert fees) based upon injury to persons, including death, or damage to property arising out of, resulting from, or incident to this Agreement, or in conjunction with AIRLINE's use and occupancy of Airline Premises or use of the Airport, unless such injury or damage is occasioned by the negligence or willful misconduct of AUTHORITY, its officers, employees, or agents. This indemnification shall not apply to Article 17.05 Stormwater Regulations.

- B. AIRLINE shall indemnify, save, hold harmless, and defend AUTHORITY, its officials, agents and employees, its successors and assigns, individually or collectively, from and against any claim, action, loss, damage, injury, liability, and the cost and expense of whatsoever kind or nature (including, but not limited to, reasonable attorney fees, disbursements, court costs, and expert fees) and any fines in any way arising from or based upon the violation of any federal, state, or municipal laws, statutes, resolutions, or regulations, including rules or regulations of the AUTHORITY, by AIRLINE, its agents, employees, representatives, or contractors in conjunction with AIRLINE's use and/or occupancy of Airline Premises or the Airport, except to the extent such injury or damage is occasioned by and arises from the negligence or willful misconduct of AUTHORITY, its officers, employees, or agents.
- C. The provisions of this Section 11.01 shall survive the expiration, termination, or early cancellation of this Agreement with respect to occurrences during the Term of this Agreement.

Section 11.02 – Insurance. Without limiting AIRLINE's obligation to indemnify AUTHORITY, as provided for in Section 11.01 herein, AIRLINE shall procure and maintain in force at all times during the Term of this Agreement the following insurance coverages and limits:

- A. Aircraft Liability Insurance in an amount not less than (see schedule below based on aircraft passenger capacity) per occurrence, single limit for bodily injury and property damage including passengers and including, but not limited to, contractual liability coverage for AIRLINE'S performance of the indemnity agreement set forth in Section 11.01.

<u>Passenger Capacity</u>	<u>Aircraft Liability (Passengers)</u> (Per Occurrence, CSL)	<u>Aircraft Liability (Non-Passengers)</u> (Per Occurrence, CSL)	<u>Mobile Equipment</u>
150 or greater	\$200,000,000	\$25,000,000	\$200,000,000
101 - 150	\$150,000,000	\$25,000,000	\$150,000,000
75 - 100	\$100,000,000	\$25,000,000	\$ 50,000,000
50 - 75	\$ 75,000,000	\$25,000,000	\$ 50,000,000
20 - 49	\$ 50,000,000	\$25,000,000	\$ 25,000,000
11 – 19	\$ 20,000,000	\$25,000,000	\$ 20,000,000
10 or less	\$ 10,000,000	\$25,000,000	\$ 5,000,000

- B. Aviation Commercial General Liability Insurance including premises, products, completed operations, mobile equipment, on-airport auto, personal and advertising injury and contractual liability in an amount not less than (see schedule above based on aircraft passenger capacity) per occurrence, aggregate where applicable, single limit for bodily injury and property damage including, but not limited to, contractual liability coverage for AIRINE'S performance of the Indemnity agreement set forth in Section 11.01.

- C. Commercial Property Insurance coverage in an amount equal to the replacement cost of AIRLINE'S improvements and all personal property situated on the AIRLINE's Premises.
- D. Commercial Automobile Liability Insurance covering owned, non-owned and hired autos in an amount not less than Five Million and 00/100 Dollars (\$5,000,000.00) per occurrence, for bodily injury and property damage.
- E. Workers' Compensation Insurance coverage in statutory amounts and including Employer's Liability Insurance in an amount not less than One Million and 00/100 Dollars (\$1,000,000.00).
- F. All Certificates of Insurance shall be provided by the AIRLINE as named insured to the Authority evidencing proper limits of coverage as set forth herein. All policies shall be primary coverage for all claims and losses arising from the use, occupancy and operation of the AIRLINE Premises and the Airport and shall specifically provide that such insurance is primary and that any insurance carried by the Authority is excess and non-contributing.
- G. All policies, except Worker's Compensation, shall name, and Certificates shall show by separate endorsement, that policies name the AUTHORITY, its Trustees, agents and employees as Additional Insureds; provided, however, any other insurance available to AUTHORITY shall be excess and shall not contribute with this insurance. Such Certificates of Insurance shall also evidence proper limits of coverage as set forth herein. AIRLINE will consult with and consider input by the AUTHORITY regarding insurer's legal counsel. The AUTHORITY shall also retain the right, but not the obligation, to determine and retain, at its sole cost, additional legal counsel representing the AUTHORITY in all matters under this Lease.
- H. The aforesaid amounts and types of insurance shall be reviewed from time to time by AUTHORITY and may be adjusted by AUTHORITY if AUTHORITY reasonably determines such adjustments are necessary to protect AUTHORITY's interests. AIRLINE shall furnish AUTHORITY, within sixty (60) days of the Effective Date hereof, a certificate or certificates of insurance as evidence that such insurance is in force. AUTHORITY reserves the right to require a certified copy of each certificate upon request. AIRLINE shall name AUTHORITY as an additional insured on such insurance policy or policies to the extent of the AIRLINE's obligations assumed under Section 11.01 above. Said policies shall be issued by insurance companies authorized to do business in the AIRLINE's corporate domicile State, and in a form and content reasonably satisfactory to AUTHORITY, and shall provide for thirty (30) days advance written notice to AUTHORITY prior to the cancellation of or any adverse material change in such policies. AIRLINE's failure to provide and/or maintain the required insurance coverage as set forth herein shall be grounds for immediate cancellation of this Agreement.

Section 11.03 – Waiver of Subrogation. AUTHORITY and AIRLINE hereby mutually waive any and all rights of recovery against the other party arising out of damage or destruction of the buildings, Airline Premises, or any other AUTHORITY property from causes included under any property insurance policies to the extent such damage or destruction is covered by the proceeds of such policies and whether or not such damage or destruction shall have been caused by the parties, their officers, employees, or agents, but only to the extent that the insurance policies then in force permit such waiver. All policies of insurance shall contain, to the extent available, this waiver of subrogation provision and the cost of such provision shall be borne by the primary insured.

ARTICLE 12
CANCELLATION BY AUTHORITY

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

- A. Upon the occurrence of any one of the following events of default, AUTHORITY may give written thirty (30) day notice as provided in Section 12.03.
1. The conduct of any business or performance of any acts at the Airport not specifically authorized herein or by other agreements between AUTHORITY and AIRLINE, and said business or acts do not cease within thirty (30) days of receipt of AUTHORITY's written notice to cease said business or acts.
 2. The failure to cure a default in the performance of any of the terms, covenants, and conditions required herein (except Contract Security requirements, insurance requirements, and payment of rentals, fees, and charges, all as provided for in Section 12.01.B.) within thirty (30) days of receipt of written notice by AUTHORITY to do so; or if by reason of the nature of such default, the same cannot be remedied within thirty (30) days following receipt by AIRLINE of written demand from AUTHORITY to do so, AIRLINE fails to commence the remedying of such default within said thirty (30) days following such written notice, or having so commenced, shall fail thereafter to continue with diligence the curing thereof. AIRLINE shall have the burden of proof to demonstrate (i) that the default cannot be cured within thirty (30) days, and (ii) that it is proceeding with diligence to cure said default, and that such default will be cured within a reasonable period of time. Notwithstanding the foregoing, AIRLINE's performance under this Paragraph shall be subject to the provisions of Section 18.25 of this Agreement.
- B. Upon the occurrence of any one of the following events of default, AUTHORITY may immediately issue written notice of default, subject to any notice and cure periods provided elsewhere in this Agreement.
1. The failure by AIRLINE to pay any part of the rentals, fees, and charges due hereunder and the continued failure to pay said amounts in full within thirty (30) days of AUTHORITY's written notice of payments past due. Provided, however, if a dispute arises between AUTHORITY and AIRLINE with respect to any obligation or alleged obligation of AIRLINE to make payments to AUTHORITY, payments under protest by AIRLINE of the amount due shall not waive any of AIRLINE'S rights to contest the validity or amount of such payment. In the event any court or other body having jurisdiction determines all or any part of the protested payment shall not be due, then AUTHORITY shall promptly reimburse AIRLINE any amount determined as not due plus interest on such amount at the lower of one and one-half percent (1-1/2%) per month or the highest rate allowable under applicable state law.
 2. The failure by AIRLINE to provide and keep in force Contract Security in accordance with Section 7.08.
 3. The failure by AIRLINE to provide and keep in force insurance coverage in accordance with Section 11.02.

4. The appointment of a trustee, custodian, or receiver of all or a substantial portion of AIRLINE's assets.
5. The divestiture of AIRLINE's estate herein by operation of law, by dissolution, or by liquidation.
6. The insolvency of AIRLINE; or if AIRLINE shall take the benefit of any present or future insolvency statute, shall make a general assignment for the benefit of creditors, or shall seek a reorganization or the readjustment of its indebtedness under any law or statute of the United States or of any state thereof.
7. The voluntary discontinuance for a period of at least thirty (30) consecutive days by AIRLINE of its operations at the Airport unless otherwise approved by AUTHORITY, in advance, in writing.
8. The failure by AIRLINE to remit PFCs in accordance with Section 18.03.

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

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

- A. AUTHORITY may exercise any remedy provided by law or in equity, including but not limited to the remedies hereinafter specified.
- B. AUTHORITY may cancel this Agreement, effective upon the date specified in the notice of cancellation. For events enumerated in Paragraph 12.01.A., such date shall be not less than thirty (30) days from said notice. Upon such date, AIRLINE shall be deemed to have no further rights hereunder and AUTHORITY shall have the right to take immediate possession of AIRLINE's Airline Premises.
- C. AUTHORITY may reenter the Airline Premises and may remove all AIRLINE persons and property from same upon the date of reentry specified in AUTHORITY's written notice of reentry to AIRLINE. For events enumerated in Paragraph 12.01.A., reentry shall be not less than thirty (30) days from the date of notice of reentry. Upon any removal of AIRLINE property by AUTHORITY hereunder, AIRLINE property may be stored at a public warehouse or elsewhere at AIRLINE's sole cost and expense.
- D. AUTHORITY may relet Airline Premises and any improvements thereon or any part thereof at such rentals, fees, and charges and upon such other terms and conditions as AUTHORITY, in its sole discretion, may deem advisable, with the right to make alterations, repairs or improvements on said Airline Premises. In reletting the Airline Premises, AUTHORITY shall be obligated to make a good faith effort to obtain terms no less favorable to AUTHORITY than those contained herein and otherwise seek to mitigate any damages it may suffer as a result of AIRLINE's event of default.

- E. In the event that AUTHORITY relets Airline Premises, rentals, fees, and charges received by AUTHORITY from such reletting shall be applied: (i) to the payment of any indebtedness other than rentals, fees, and charges due hereunder from AIRLINE to AUTHORITY; (ii) to the payment of any cost of such reletting; and (iii) to the payment of rentals, fees, and charges due and unpaid hereunder. The residue, if any, shall be held by AUTHORITY and applied in payment of future rentals, fees, and charges as the same may become due and payable hereunder. If that portion of such rentals, fees, and charges received from such reletting and applied to the payment of rentals, fees, and charges hereunder is less than the rentals, fees, and charges payable during applicable periods by AIRLINE hereunder, then AIRLINE shall pay such deficiency to AUTHORITY. AIRLINE shall also pay to AUTHORITY, as soon as ascertained, any reasonable costs and expenses incurred by AUTHORITY in such reletting not covered by the rentals, fees, and charges received from such reletting.
- F. No reentry or reletting of Airline Premises by AUTHORITY shall be construed as an election on AUTHORITY'S part to cancel this Agreement unless a written notice of cancellation is given to AIRLINE.
- G. AIRLINE shall pay to AUTHORITY all other costs incurred by AUTHORITY in the exercise of any remedy in this Article 12, including, but not limited to, reasonable attorney fees, disbursements, court costs, and expert fees.

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

ARTICLE 13 **CANCELLATION BY AIRLINE**

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

- A. AUTHORITY fails to keep, perform, or observe any material term, covenant, or condition herein contained to be kept, performed, or observed by AUTHORITY and such failure continues for thirty (30) days after receipt of written notice from AIRLINE; or, if by its nature such default cannot be cured within such thirty (30) day period, AUTHORITY shall not commence to cure or remove such default within said thirty (30) days and to cure or remove the same as promptly as reasonably practicable; provided, however, AUTHORITY's performance under this Paragraph shall be subject to the provisions of Section 18.25 of this Agreement.
- B. Airport is closed to flights in general or to the flights of AIRLINE, for reasons other than those circumstances within AIRLINE's control, and Airport fails to be reopened to such flights within sixty (60) consecutive days from such closure.

- C. The Airport is permanently closed as an air carrier airport by act of any federal, state, or local government agency having competent jurisdiction; or AIRLINE is unable to use Airport for a period of at least forty-five (45) consecutive days due to any law or any order, rule or regulation of any governmental authority having jurisdiction over the operations of the Airport; or any court of competent jurisdiction issues an injunction preventing AUTHORITY or AIRLINE from using Airport for airport purposes, for reasons other than those circumstances within AIRLINE's control, and such injunction remains in force for a period of at least forty-five (45) consecutive days.
- D. The United States Government or any authorized agency of the same (by executive order or otherwise) assumes the operation, control, or use of the Airport in such a manner as to substantially restrict AIRLINE from conducting its operations, if such restriction be continued for a period of sixty (60) consecutive days or more.

Section 13.02 – AIRLINE's Remedy. In addition to all rights and remedies otherwise provided by applicable law, so long as AIRLINE is not in default as set forth in Section 12.01 of this Agreement, including but not limited to payments due to AUTHORITY hereunder, AIRLINE may cancel this Agreement upon the occurrence of an event of default, as set forth in Section 13.01 and AUTHORITY's failure to cure or remove the same within the time periods set forth in that section. In such event, AIRLINE shall serve thirty (30) day advance written notice of cancellation to AUTHORITY. All rentals, fees, and charges payable by AIRLINE shall cease as of the date of such cancellation and AIRLINE shall surrender the Airline Premises in accordance with Article 14 hereof.

ARTICLE 14 **SURRENDER OF AIRLINE PREMISES**

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

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

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

ARTICLE 15
ASSIGNMENT, SUBLETTING, AND HANDLING AGREEMENTS

Section 15.01 – Assignment and Subletting by AIRLINE.

- A. In the event that AIRLINE shall, directly or indirectly, assign, sell, hypothecate, or otherwise transfer this Agreement, or any portion of Airline Premises, without the prior written consent of the AUTHORITY, the AUTHORITY, in its sole discretion may terminate this Agreement upon thirty (30) days written notice. Notwithstanding the foregoing, AIRLINE may assign or otherwise transfer this Agreement to any Affiliate or any entity (i) that results from any merger, consolidation, or reorganization of such party, (ii) that acquires or succeeds to all or substantially all of the assets of such party, or (iii) into which such party may be merged or with which it may be consolidated.
- B. AIRLINE shall not sublease Airline Premises without the prior written consent of AUTHORITY, which consent may be withheld if AUTHORITY has substantially similar space available, but unleased, or if AUTHORITY can make such space available for lease within a reasonable time. Preferential use of AIRLINE's Preferential Use Premises or any part thereof, by anyone other than AIRLINE or its Affiliates shall be deemed a sublease.
- C. AIRLINE shall include with its request for permission to assign or sublease, a copy of the proposed assignment or sublease agreement. The assignment or sublease agreement submitted with AIRLINE's request shall include the following information: (i) the term; (ii) the area or space to be assigned or subleased; (iii) the sublease rentals to be charged; and (iv) the provision that assignee or sublessee must execute a separate operating agreement with AUTHORITY. Any other information reasonably requested by AUTHORITY pertaining to said sublease or assignment shall be promptly provided by AIRLINE. A fully executed copy of such sublease or assignment shall be submitted to AUTHORITY for final approval within sixty (60) days of the occupancy of Airline Premises, or any portion thereof, by the assignee or sublessee.
- D. In the event the rentals, fees, and charges for subleased premises exceed the rentals, fees, and charges payable by AIRLINE for said premises pursuant to this Agreement, AIRLINE shall pay to AUTHORITY the excess of the rentals, fees, and charges received from the sublessee over that specified to be paid by AIRLINE herein; provided, however, AIRLINE may charge a reasonable fee for administrative costs, not to exceed twenty-five percent (25%) of the specified sublease rental and such fee shall not be considered part of excess rentals, fees, and charges. AIRLINE may also charge a reasonable fee to others for the use of AIRLINE's capital equipment and to charge for use of utilities and other services being paid for by AIRLINE.

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

Section 15.02 – Handling Agreements. In the event AIRLINE agrees to ground handle any portion of the operations of another Air Transportation Company, AIRLINE shall provide AUTHORITY advance written notice of such proposed activities, including a description of the type and extent of services to be provided and fees to be charged. Notwithstanding the foregoing, AIRLINE shall not ground handle any Air Transportation Company which does not have in force an operating agreement with AUTHORITY for the operation of its Air Transportation Business at the Airport, and a Handling Agreement between AIRLINE and the Air Transportation Company.

ARTICLE 16
AVAILABILITY OF ADEQUATE FACILITIES

Section 16.01 – Declaration of Intent. The parties acknowledge the objective of AUTHORITY to offer to all Air Transportation Companies desiring to serve Airport access to the Airport and to provide adequate gate positions and space in the Terminal. Recognizing that physical and financial limitations may preclude timely expansion of the Terminal and Aircraft Apron areas to meet the stated requests of AIRLINE and/or such other Air Transportation Companies ("Requesting Airlines") for additional facilities, AUTHORITY hereby states its intent to pursue the objective of achieving an optimum balance in the overall utilization of Terminal and Aircraft Apron areas to be achieved, if necessary, through sharing, from time to time, of gate positions and other passenger handling facilities subject to existing agreements and leases.

Section 16.02 – Preferential Gate Assignment.

- A. AUTHORITY will use its best efforts to provide at least one preferential gate to each Signatory Airline with at least three flights (including Affiliates' flights) per weekday.
- B. AUTHORITY reserves the right to reassign one or more of AIRLINE's preferentially assigned gates to another Signatory Airline(s) if: (1) AIRLINE's scheduled average gate utilization falls below three flights per gate per weekday (including Affiliates' flights), or (2) AUTHORITY determines that there is a reasonable need for the preferential use of such gates(s) by another Signatory Airline(s). Such reassignment will be evidenced by written notice from the President/CEO transmitting revised Exhibits B and C. Prior to such reassignment becoming effective, AIRLINE shall have a 90-day period to adjust its schedule to three or more flights per gate per weekday so as not to be subject to such reassignment. In the event of reassignment AIRLINE is entitled to reimbursement for the unamortized book value of its tenant improvements and relocation costs.

Section 16.03 – Accommodation of Requesting Airlines.

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

- B. AUTHORITY will require Requesting Airlines to first coordinate directly with Signatory Airlines in writing for the joint use of Airline Premises, if AUTHORITY has no available gates or other areas in the Terminal to accommodate the needs of said Requesting Airline. Requesting Airlines shall give Signatory Airlines at least thirty (30) days to respond to a request.
- C. AIRLINE's accommodation of a Requesting Airline shall be subject to a written agreement between AIRLINE and Requesting Airline, approved in writing by AUTHORITY prior to the effective date thereof and Requesting Airline entering into an agreement with AUTHORITY to operate at the Airport. The proffering of a handling agreement by AIRLINE shall be deemed a reasonable effort for the purpose of this Paragraph 16.03.C.
- D. In determining if AIRLINE shall be required to accommodate a Requesting Airline, the AUTHORITY shall consider AIRLINE's capabilities, capacity, facilities, and personnel therefor, after taking into account AIRLINE's own requirements and contractual obligations, the compatibility of said Requesting Airline's proposed operations with those of AIRLINE, and the need for labor harmony. AUTHORITY shall not require AIRLINE to accommodate a Requesting Airline if AUTHORITY has unassigned gates which can reasonably accommodate the needs of said Requesting Airline.
- E. Provided, however, AIRLINE shall not be required to accommodate such other Air Transportation Companies pursuant to Paragraph 16.03.D if all of AIRLINE's gate positions are occupied by AIRLINE's flights or flights of other Air Transportation Companies already being accommodated by AIRLINE at the time of said flight needing to be accommodated. For purposes of this provision, the overnight parking of AIRLINE's aircraft at a gate position or parking of AIRLINE's aircraft at a gate position other than between one (1) hour before arrival or one (1) hour after scheduled departure of AIRLINE's aircraft shall not be deemed occupation of said gate position. If AIRLINE accommodates such other Air Transportation Companies then said other Air Transportation Companies shall be required to vacate AIRLINE's gate position at least sixty (60) minutes prior to AIRLINE's next scheduled flight arrival at said gate position. The accommodated carrier shall pay AIRLINE's reasonable costs incurred in removing AIRLINE's aircraft from the gate positions.
- F. AIRLINE shall cooperate with AUTHORITY to accommodate other Air Transportation Companies from time to time, as deemed necessary by AUTHORITY for situations including, but not limited to unscheduled flights, including charters, diversions due to weather, and other circumstances not otherwise accommodated or handled by a Signatory Airline.

Section 16.04 – Indemnification by Accommodated Air Transportation Company.

- A. During the period of use of AIRLINE's facilities by an Air Transportation Company pursuant to this Article 16, AIRLINE shall be relieved of its obligation under this Agreement to indemnify and save harmless AUTHORITY, its officers, directors, employees, or agents with regard to any claim for property damage, personal injury or violation of laws arising out of or in connection with said accommodated Air Transportation Company's use of Airline Premises, unless such damage or injury is caused by AIRLINE, its officers, directors, employees or agents who have come upon Airline Premises in connection with AIRLINE's occupancy hereunder.

- B. AUTHORITY shall require such accommodated Air Transportation Company to agree in writing to indemnify AUTHORITY and AIRLINE in the manner and to the extent required of AIRLINE, pursuant to Article 11 hereof.
- C. All Certificates of Insurance provided by the Air Transportation Company shall name as additional insured the AUTHORITY and AIRLINE and provide evidence of the proper limits of coverage and other coverage requirements as set forth herein.

ARTICLE 17
GOVERNMENT INCLUSION

Section 17.01 – Government Agreements. This Agreement shall be subordinate to the provisions of any existing or future agreements between AUTHORITY and the United States Government or other governmental authority, relative to the operation or maintenance of the Airport, the execution of which has been or will be required as a condition precedent to the granting of Federal or other governmental funds for the development of the Airport, to the extent that the provisions of any such existing or future agreements are generally required by the United States or other governmental authority of other civil airports receiving such funds. AUTHORITY agrees to provide AIRLINE written advance notice of any provisions which would adversely modify the material terms of this Agreement. Attached to this Agreement as Exhibit F are FAA provisions now required in every contract.

Section 17.02 – Federal Government's Emergency Clause. All provisions of this Agreement shall be subordinate to the rights of the United States of America to operate the Airport or any part thereof during time of war or national emergency. Such rights shall supersede any provisions of this Agreement inconsistent with the operations of the Airport by the United States of America.

Section 17.03 – Nondiscrimination.

- A. AIRLINE for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby agree as a covenant running with the land that (i) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of Airline Premises, (ii) in the construction of any improvements on, over, or under Airline Premises and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination, and (iii) AIRLINE shall use the Airline Premises in compliance with all other requirements imposed by or pursuant to Title VI of the Civil Rights Act of 1964 and 49 CFR, Subtitle A, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and Title 49 CFR Part 27, Nondiscrimination on the Basis of Disability, in compliance with the intent of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C.794), as amended, and as said Title and Regulations may be amended.
- B. AIRLINE acknowledges that the provisions of 49 CFR, Part 23, Disadvantaged Business Enterprises (DBE), as said regulations may be amended, and such other similar regulations may be enacted, may be applicable to the activities of AIRLINE under the terms of this Agreement, unless exempted by said regulations, and AIRLINE hereby agrees to comply with the regulatory agencies, in reference thereto. These requirements may include, but not be limited to, compliance with DBE participation goals, the keeping of certain records of good faith compliance efforts, which would be subject to review by the various agencies, the

submission of various reports and, if so directed, the contracting of specified percentages of goods and services contracts to DBEs.

- C. In the event of breach of any of the above nondiscrimination covenants which is not cured AUTHORITY shall have the right to cancel this Agreement after such action as the United States Government may direct to enforce this covenant has been followed and completed, including exercise or expiration of appeal rights.

Section 17.04 – Security. AIRLINE, its officers, employees, agents, and those under its control, shall comply with security measures required of AIRLINE by the FAA or TSA or contained in any Airport master security plan approved by the FAA or the TSA. If AIRLINE, its officers, employees, agents, or those under its control shall fail or refuse to comply with said measures and such non-compliance results in a monetary penalty being assessed against AUTHORITY, then, in addition to the provisions of Section 11.01, AIRLINE shall be responsible and shall reimburse AUTHORITY in the full amount of any such monetary penalty or other damages.

Section 17.05 – Stormwater Regulations.

- A. Acknowledgments. Notwithstanding any other provisions or terms of this Agreement.

1. AIRLINE acknowledges that the AUTHORITY is subject to federal stormwater regulations 40 CFR Part 122, for vehicle maintenance shops (including vehicle rehabilitation, mechanical repairs, painting, fueling and lubrication), equipment cleaning operations and/or deicing operations that occur at the Airport as defined in these regulations and, as applicable, state stormwater regulations provided by The Nevada Water Pollution Control Law set forth in NRS Sections 445A.300 through 445A.730, inclusive. AIRLINE further acknowledges that it is familiar with these stormwater regulations; that it may conduct or operate vehicle and aircraft maintenance, equipment cleaning operations and/or deicing activities as defined in the federal stormwater regulations; and that it is aware that there are significant penalties for submitting false information, including fines and imprisonment for knowing violations.
2. AUTHORITY acknowledges that it has taken steps necessary to apply for or obtain a stormwater discharge permit as required by the applicable regulations for the Airport, including the Airline Premises occupied and operated by AIRLINE. AIRLINE acknowledges that the stormwater discharge permit issued to the AUTHORITY may name AIRLINE as a co-permittee. In the event the State of Nevada requires a permit specific to the Airport at the renewal date of the current general stormwater discharge permit, the AUTHORITY shall implement a process to ensure that it communicates the issues and consults with AIRLINE sufficiently in advance of obtaining such an Airport-specific permit so as to allow AIRLINE to comment on and seek permit terms that are cost effective and take into account safety and impacts to AIRLINE operations. AUTHORITY shall supply AIRLINE with copies of all permit renewal applications, draft permits, permit modifications, and final permits for which AIRLINE is a co-permittee within a reasonable time of receipt of these documents by AUTHORITY. Should AIRLINE decide to not participate as co-permittee AIRLINE must obtain its own National Pollutant Discharge Elimination System (NPDES) permits and develop and implement a Stormwater Pollutant Prevention Plan (SWPPP) for AIRLINE's operations.

3. AUTHORITY and AIRLINE both acknowledge that close cooperation is necessary to ensure compliance with any stormwater discharge permit terms and conditions, as well as to ensure safety and to minimize costs and impacts to operations. AIRLINE acknowledges and agrees that it will undertake all reasonably necessary actions to minimize the exposure of stormwater (and snow melt) to "significant materials," generated, stored, handled or otherwise used by AIRLINE, and as pursuant to AIRLINE's operations, by adhering to AUTHORITY's requirements and Best Management Practices as defined herein, and as applicable to AIRLINE's operations. These terms are defined in the federal stormwater regulations as follows: (a) "significant materials" include, but are not limited to: raw materials; fuels, materials such as solvents, detergents and plastic pellets; finished materials such as metallic products; raw materials used in food processing or production; hazardous substances designated under section 101(14) of CERCLA; any chemical the facility is required to report pursuant to section 313 of title III of SARA; fertilizers; pesticides; waste products such as ashes, slag and sludge that have a potential to be released with stormwater discharges (see 40 CFR 122.26(b)(12)); (b) "Best Management Practices (BMP)" describes practices employed to prevent or reduce source water pollution, such as the construction of runoff-retention basins and replanting eroding surfaces. AUTHORITY and AIRLINE agree to work collaboratively regarding the control of deicing fluid in areas not directly within the control of AIRLINE.

B. Permit Compliance. The AUTHORITY will provide AIRLINE with written notice of those stormwater discharge permit requirements that AIRLINE may be obligated to perform including, but not limited to: certification of non-stormwater discharges; preparation of stormwater pollution prevention or similar plans; implementation of good housekeeping measures and BMP; and maintenance of necessary records. Such written notice shall include applicable deadlines. To the extent that the AUTHORITY is required to respond and/or act sooner than thirty (30) days, AIRLINE shall within seven (7) days of AIRLINE'S receipt of such written notice, notify AUTHORITY in writing of its dispute of any of the stormwater discharge permit requirements it has been directed to undertake and the reasoning and justification as a basis for such dispute. In all other cases, AIRLINE shall, within thirty (30) days of AIRLINE'S receipt of such written notice, notify the AUTHORITY in writing of its dispute of any of the stormwater discharge permit requirements it has been directed to undertake and the reasoning and justification as a basis for such dispute. If new compliance requirements are substantial, the AIRLINE will also coordinate a meeting with AUTHORITY to discuss the new requirements prior to the deadline for submittal of AIRLINE's notice of dispute. AIRLINE'S failure to provide such timely notice will be deemed an assent by AIRLINE to undertake performance as required. If AIRLINE provides the AUTHORITY with timely written notice of its dispute and justification therefore, AUTHORITY agrees to reconsider applicability of disputed provisions. AIRLINE warrants that it will not object to written notice from the AUTHORITY for purposes of delay or avoiding compliance. AIRLINE agrees to undertake, at its sole expense those stormwater discharge permit requirements directly related to its operations for which it has received written notice of responsibility from the AUTHORITY, other than those for which a timely notice of dispute has been submitted. AIRLINE warrants that it shall meet any and all deadlines that may be imposed on or agreed to by the AUTHORITY and AIRLINE. AIRLINE acknowledges that time is of the essence. AUTHORITY agrees to provide AIRLINE, at its request, with any non-privileged information collected and submitted to any governmental entity or entities pursuant to applicable stormwater regulations. AIRLINE agrees that the terms and conditions of the AUTHORITY's stormwater discharge permit may change from time to time. AUTHORITY will first fully communicate the issues and consult with AIRLINE for any joint

and separate comments that the parties may wish to make to the State of Nevada regarding such proposed changes. The AUTHORITY will give AIRLINE written notice of a violation of the AUTHORITY's stormwater discharge permit or the provisions of this Article and AIRLINE agrees to immediately undertake and diligently pursue the cure of such violation. If AIRLINE fails to cure any violation, or if such violation is material and of a continuing nature, the AUTHORITY may seek any and all remedies provided herein or otherwise provided by law to terminate the Agreement and repossess the Premises.

- C. Indemnification. Notwithstanding any other provision of this Agreement, AIRLINE agrees to indemnify and hold harmless the AUTHORITY from and against any and all claims, demands, costs, fees (including reasonable attorneys and other legal fees), fines, penalties, charges and demands by and liability caused, in whole or in part, from AIRLINE's activities, including failure to comply with AIRLINE's obligations under this Article, the applicable stormwater regulations and stormwater discharge permit, unless they result from the AUTHORITY, its officers', employees', or agents' negligence or willful misconduct. This indemnification with respect to occurrences during the term of this Agreement shall survive any termination, cancellation or non-renewal of this Agreement. Claims under Section 17.05 Stormwater Regulations are governed by this Section 17.05 (C) and shall not be subject to the general indemnification provisions in Section 11.01.

ARTICLE 18
GENERAL PROVISIONS

Section 18.01 – Subordination to Bond Resolution.

- A. This Agreement and all rights granted to AIRLINE hereunder are expressly subordinated and subject to the lien and provisions of the pledges, transfer, hypothecation, or assignment made by AUTHORITY in the Resolution. AUTHORITY and AIRLINE agree that to the extent required by the Resolution or law, the holders of the Bonds or their designated representatives shall have the right to exercise any and all rights of AUTHORITY hereunder.
- B. AUTHORITY shall notify AIRLINE in advance of any amendments or supplements to the Resolution that would materially alter the terms and provisions of this Agreement. AUTHORITY and AIRLINE shall use their best efforts to agree on the implementation of any such material amendments or supplements desired solely by AUTHORITY for its own purposes. However, in the event AUTHORITY and AIRLINE cannot agree on the implementation of any material amendments or supplements desired solely by AUTHORITY for its own purposes, AIRLINE, in addition to cancellation rights provided elsewhere in the Agreement, shall have the right to cancel this Agreement upon thirty (30) days advance written notice.
- C. With respect to property leased by the AUTHORITY to AIRLINE hereunder which was or is to be acquired by the AUTHORITY with proceeds of Bonds, the interest on which is, or is intended to be, excludable from the gross income of the holders of such Bonds for federal income tax purposes, the parties hereby covenant to protect the tax-exempt status of the Bonds.
- D. AIRLINE agrees to execute all instruments, certificates, or other documents reasonably requested by AUTHORITY to assist AUTHORITY and bond counsel in determining and assuring that Bonds are issued in compliance with applicable rules and regulations of the Internal Revenue Service and the Securities and Exchange Commission and AIRLINE shall

provide whatever additional information is reasonably requested by AUTHORITY in connection with complying with any of those rules and regulations.

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

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

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

Section 18.05 – Quiet Enjoyment.

- A. AUTHORITY agrees that, so long as AIRLINE's payment of rentals, fees, and charges is timely and AIRLINE keeps all covenants and agreements contained herein, AIRLINE shall peacefully have and enjoy its Airline Premises and all rights, privileges, and licenses of the Airport, its appurtenances and facilities granted herein, subject to the terms and conditions herein contained.
- B. Consistent with the nature of AIRLINE's business, AIRLINE agrees that occupancy of its Airline Premises will be lawful and quiet and that it will not knowingly use or permit the use of Airline Premises in any way that would violate the terms of this Agreement, create a nuisance, or disturb other tenants or the general public. AIRLINE shall be responsible for the activity of its officers, employees, agents, and others under its control with respect to this provision.

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

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

Section 18.08 – Rules and Regulations.

- A. AIRLINE, its officers, employees, agents, and others under its control shall observe and obey all laws, regulations, and orders of the federal, state, county, and municipal governments

which may be applicable to AIRLINE'S operations at the Airport. AIRLINE will notify AUTHORITY immediately of any issues arising from any federal, state, county, or municipal government's laws, regulations, or orders as it pertains to the AIRLINE's operations at the Airport.

- B. AUTHORITY may from time to time adopt, amend, or revise reasonable and non-discriminatory rules and regulations for the conduct of operations at the Airport, for reasons of safety, health, preservation of the property, or for the maintenance of the good and orderly appearance of the Airport. AIRLINE, its officers, employees, agents, and others under its control shall faithfully comply with and observe such rules and regulations, except as they may conflict with the terms and provisions of this Agreement, or the regulations of another governmental authority having appropriate jurisdiction. AUTHORITY shall notify AIRLINE in advance of any amendments or supplements to such rules and regulations that would materially alter the terms of this Agreement adversely.
- C. AIRLINE shall be strictly liable and responsible for obtaining, maintaining current, and fully complying with, any and all permits, licenses, and other governmental authorizations, however designated, as may be required at any time throughout the entire Term of this Agreement by any federal, state, or local governmental entity or any court of law having jurisdiction over AIRLINE or AIRLINE's operations and activities.

Section 18.09 – Inspection. AIRLINE shall allow AUTHORITY's authorized representatives access to Airline Premises for the purpose of examining and inspecting said premises; for purposes necessary, incidental to, or connected with the performance of its obligations under this Agreement; or, in the exercise of its governmental functions. Except in the case of an emergency, AUTHORITY shall conduct such inspections during reasonable business hours with twenty-four (24) hours' notice and in the presence of AIRLINE's representative.

Section 18.10 – No Individual Liability. No member, officer, agent, director, or employee of AUTHORITY or AIRLINE shall be charged personally or held contractually liable by or to the other party under the terms or provisions of this Agreement or because of any breach thereof or because of its or their execution or attempted execution.

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

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

Section 18.13 – Savings. The parties hereto acknowledge that they have thoroughly read this Agreement, including any exhibits or attachments hereto and have sought and received whatever competent advice and counsel was necessary for them to form a full and complete understanding of all rights and obligations herein. The parties further acknowledge that this Agreement is the result of extensive negotiations between the parties and shall not be construed against AUTHORITY by reason of the preparation of this Agreement by AUTHORITY.

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

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

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

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

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

Section 18.19 – Most Favored Nation. AUTHORITY covenants and agrees not to enter into any agreement with any Air Transportation Company which (i) makes substantially similar use of the Airport, (ii) operates substantially similar aircraft, as measured by available aircraft seat being greater than or equal to fifty (50) passenger seats, and (iii) utilizes substantially similar facilities to that of AIRLINE, which contains more favorable terms than this Agreement, or to grant to any such Air Transportation Company rights or privileges with respect to the Airport which are not afforded to AIRLINE hereunder unless substantially the same terms, rights, privileges, and facilities are concurrently made available to AIRLINE.

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

Section 18.21 – Approvals.

- A. Unless otherwise stated, whenever this Agreement calls for approval by AUTHORITY, such approval shall be evidenced by the written approval of the President/CEO.
- B. Any approval required by either party to this Agreement shall not be unreasonably withheld, conditioned or delayed.

Section 18.22 – Notice.

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

President/CEO
Reno-Tahoe Airport Authority
Reno-Tahoe International Airport

P.O. Box 12490
Reno, NV 89510

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

B. Notices to AIRLINE shall be delivered to:

[Airline]
[Address]

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

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

Section 18.24 – Governing Law and Legal Forum. This Agreement is to be read and construed in accordance with the laws of the State of Nevada.

Section 18.25 – Force Majeure. Except as herein provided, neither AUTHORITY nor AIRLINE shall be deemed to be in default hereunder if either party is prevented from performing any of the obligations, other than the payment of rentals, fees, and charges hereunder, by reason of strikes, boycotts, labor disputes, embargoes, shortages of energy or materials, acts of God, acts of the public enemy, weather conditions, riots, rebellion, or sabotage, or any other circumstances for which it is not responsible or which are not within its control.

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

WHEREOF, the Parties hereto have caused this Agreement to be executed on the day and year first above written.

AIRLINE:

[AIRLINE]

By: _____

Name: _____
(Please Print)

Title: _____
(Please Print)

AIRPORT:

RENO-TAHOE AIRPORT AUTHORITY

By: _____

Name: _____ Daren Griffin, A.A.E. _____

Title: _____ President/CEO _____

Attachment B
Airline Gate Availability

RENO-TAHOE INTERNATIONAL AIRPORT (RNO)



AIRLINE GATE AVAILABILITY - JANUARY 2022

CONTACT: Interested parties may contact Brad Erger, the Competitive Access Liaison, at (775) 328-6485 or by email at berger@renoairport.com for information regarding gate availability.

GATE	STATUS	WIDTH	AIRCRAFT COMPATIBILITY
B-GATES			
B-1	WN	121'	6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27
B-2	EV	96'	20, 21, 22, 23, 24, 25, 26, 27
B-3	WN	121'	6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27
B-4	EV	145'	4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27
B-5	WN	121'	6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27
B-6	CU	145'	4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27
B-7	WN	121'	6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27
B-8	CU	123'	6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27
B-9	CU	139'	6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27
B-10	DL	125'	1 (L2), 2 (L2), 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 20, 21, 22, 23, 24, 25, 26, 27
B-11	CU	125'	6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 20, 21, 22, 23 (g), 24 (g), 25, 26, 27
C-GATES			
C-1	CU	94'	21 [1], 22, 23, 24, 25, 26, 27
C-2	CU	100'	19 (g), 21, 22, 23, 24, 25, 26, 27
C-3	UA	123'	6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27
C-4	QX	123'	6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19 (g), 20, 21, 22, 23, 24, 25, 26 (g), 27 (g)
C-5	UA	145'	4 (L1), 5 (L1), 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27
C-6	QX	123'	6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19 (g), 20, 21, 22, 23, 24, 25, 26, 27
C-7	CU	123'	6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 20, 21, 22, 23, 24, 25, 26, 27
C-8	CU	135'	4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19 (g), 20, 21, 22, 23, 24, 25, 26, 27
C-9	AA	135'	4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27
C-10	AA	135'	6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27
C-11	CU	123'	6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24
C-12	AA	123'	6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27

NOTES: Vacant gates are currently utilized as per turn gates by Non-Signatory and Signatory airlines and may be available for lease. Where the two letter acronyms below are listed next to a gate, that denotes the gate is leased as a preferential use gate by the corresponding airline. The numbers listed in the aircraft compatibility section refer to the aircraft types below. The color of the number refers to the capability of the gate as per the legend below. The information shown herein has been obtained from sources considered to be reliable, however, the RTAA and its Board of Trustees, officers, employees, agents, and contractors are not liable for the accuracy of the information or for its use by others. Airlines must independently evaluate circumstances and conditions that may affect their operations.

Airlines	Aircraft Types	Legend
WN - Southwest	B767-300ERW	1
EV- ExpressJet (ahal)	B767-300	2
DL - Delta/Skywest	B767-200	3
UA - United	B757-300W	4
QX - Horizon (Alaska)	B757-200W	5
AA - American	B737-900W	6
B6 - JetBlue	B737-800W	7
F9 - Frontier	B737-700W	8
G4 - Allegiant	B737-600W	9
CU - Common Use	B737-500	10
	B737-400	11
	B737-300	12
	B717	13
	A321	14
	A320	15
	A319	16
	A220-300	17
	A220-100	18
	Q400	19
	EMB190	20
	EMB175EWT	21
	EMB170	22
	EMB135 (ERJ)	23
	EMB 145 (ERJ)	24
	CRJ-900	25
	CRJ-700	26
	CRJ-200	27

	Open to indicated aircraft with nose wheel stop
	Special Operation Only - no wheel stop mark
w	Winglets
g	Groundloaded
[1]	Gate C3 restricted to max E175EWT
L1	L1 Door Service Only
L2	L2 Door Service Only

Attachment C

RNO Passengers and Cargo Statistics Report

<https://www.renoairport.com/airport-authority/facts-figures/statistics>

(Use this link for the most recently published data.)



Reno-Tahoe International Airport

Passengers and Cargo Statistics Report

January 2022



U.S. DOMESTIC INDUSTRY OVERVIEW FOR JANUARY 2022

Systemwide RNO Airlines Domestic Flights – year over year comparison

Number of Flights *:	Up 48.3% vs. Jan 2021, down 12.1% vs. Jan 2019
Capacity of Seats *:	Up 56.0% vs. Jan 2021, down 6.8% vs. Jan 2019
Crude Oil Average:	\$83.22 per barrel in January 2022 \$52.0 per barrel in January 2021

RNO Overview for January 2022 vs. January 2021

Total Passengers:	Up 104.0%
Avg. Enplaned Load Factor:	71.0%, up 18.1 pts.
Departures:	Up 34.5%
Departing Seats:	Up 51.5%
Cargo Volume:	Down 6.4%

RNO Overview for January 2022 vs. January 2019

Total Passengers:	Down 11.5%
Avg. Enplaned Load Factor:	Down 7.0 pts.
Departures:	Down 8.2%
Departing Seats:	Down 4.2%

*Source: Airline Activity and Performance Reports; * Cirium Flight Schedules via Diio mi*

JANUARY 2022 SUMMARY

Reno-Tahoe International Airport (RNO) served 296,641 passengers in January 2022, an increase of 104.0% versus the same period last year.

In January 2022, RNO was served by 11 airlines to 32 non-stop destinations. The total seat capacity increased 51.5% and flights increased 34.5% when compared to January 2021.

RNO handled 11,052,383 pounds of air cargo in January 2022, a decrease of 6.4% when compared to January 2021.

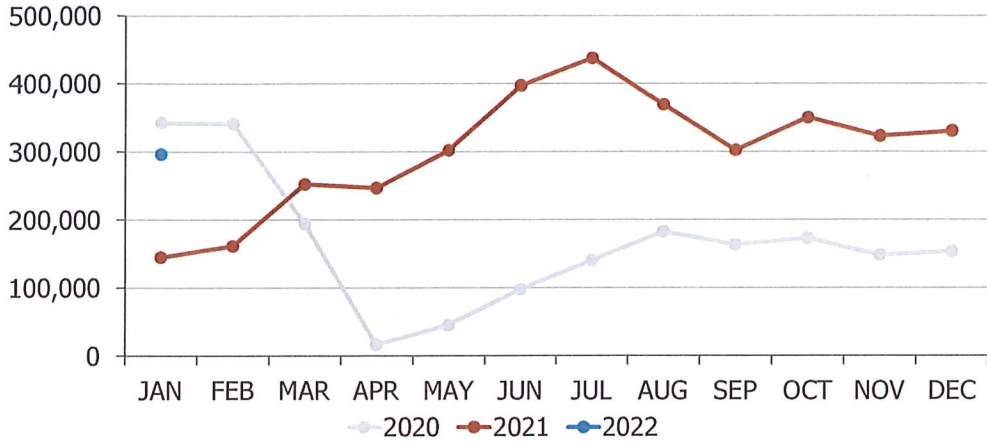
JSX Public Charters

JSX offers non-stop flights from RNO to Las Vegas, Orange County and Burbank using a 30-seat Embraer 135/145 aircraft. JSX operates out of Stellar Aviation, a private Fixed Base Operator, located at 485 South Rock Blvd.

wemoveyou

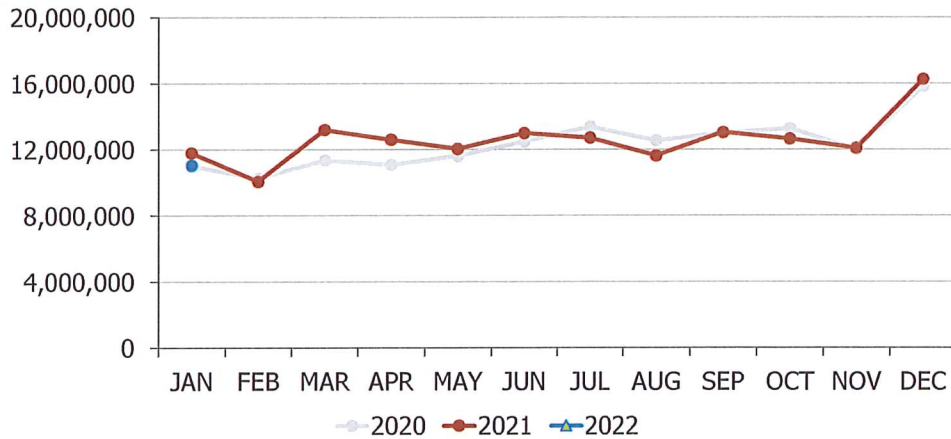


Passengers



Total Passengers			
	Jan-22	Jan-21	Difference
aha!	3,405	0	
Alaska/Horizon	24,894	14,527	71.4%
Allegiant Air	4,350	2,550	70.6%
American	46,811	25,629	82.6%
Delta	32,338	18,119	78.5%
Frontier	7,053	2,157	227.0%
JetBlue	8,535	1,024	733.5%
Southwest	118,798	50,882	133.5%
United	44,030	25,179	74.9%
Volaris	5,267	4,360	20.8%

Cargo

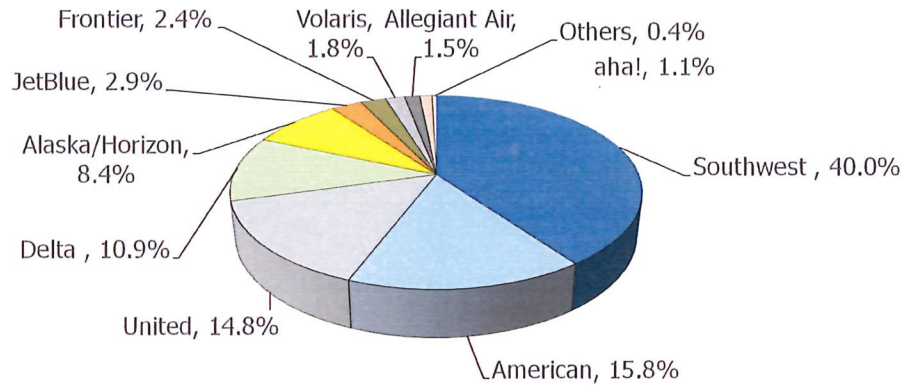


In January 2022, UPS cargo volume was up 9.1% and DHL was up 1.2% when compared to January 2021. FedEx was down 16.2% during the same period.

wemoveyou

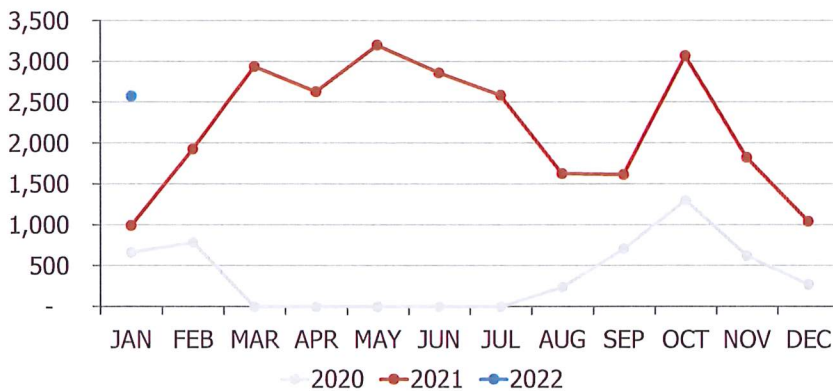


AIRLINE MARKET SHARE (passengers)



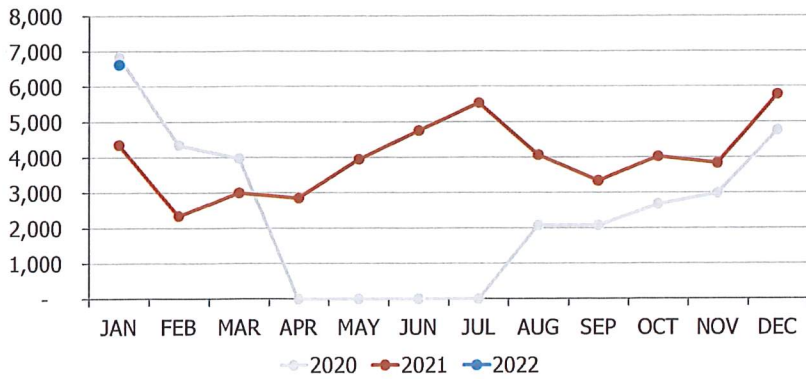
Airline Market Share			
	Jan-22	Jan-21	YOY Change
aha!	1.1%	n/a	n/a
Alaska/Horizon	8.4%	10.0%	(1.6)
Allegiant Air	1.5%	1.8%	(0.3)
American	15.8%	17.6%	(1.8)
Delta	10.9%	12.5%	(1.6)
Frontier	2.4%	1.5%	0.9
JetBlue	2.9%	0.7%	2.2
Southwest	40.0%	35.0%	5.1
United	14.8%	17.3%	(2.5)
Volaris	1.8%	3.0%	(1.2)
Others	0.4%	0.7%	(0.3)

TOTAL CHARTER PASSENGERS



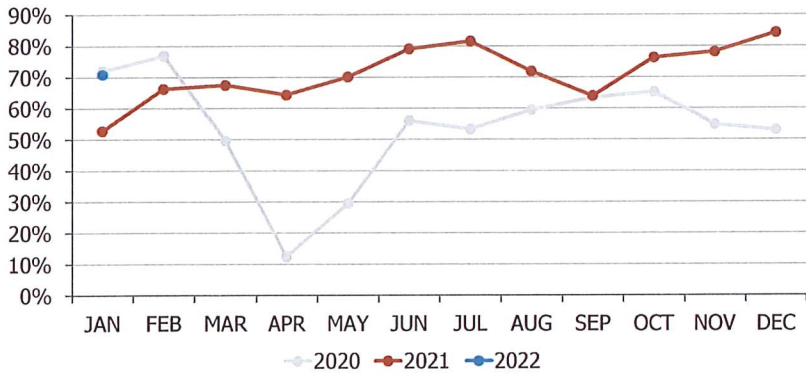
In January 2022, RNO served 2,578 passengers on charter flights, an increase of 159.4% when compared to January 2021.

TOTAL INTERNATIONAL PASSENGERS

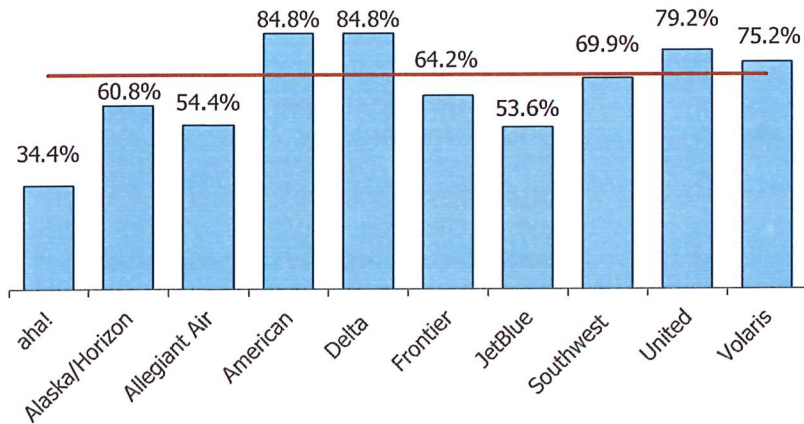


In January 2022, RNO served 6,629 international passengers, an increase of 52.0% when compared to January 2021.

AVERAGE ENPLANED LOAD FACTOR

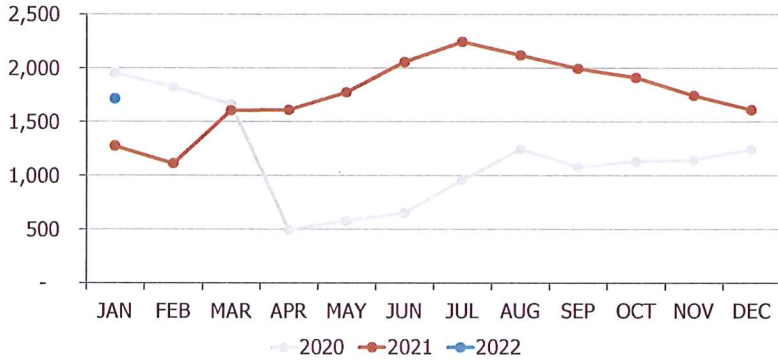


In January 2022, RNO's average enplaned load factor was 71.0%, an increase of 18.1 pts. versus January 2021.



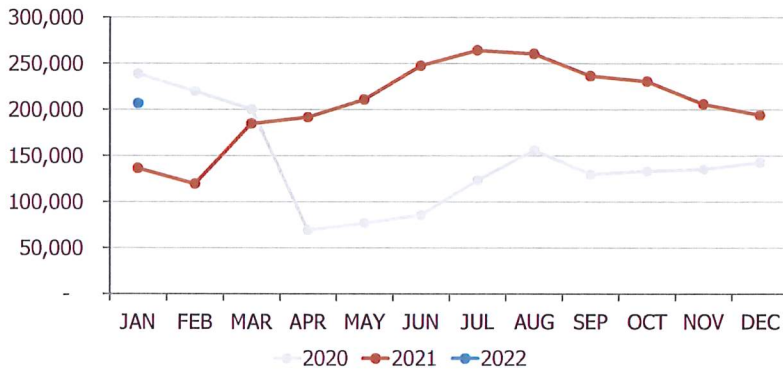
The red horizontal line on the left represents RNO's average enplaned load factor.

DEPARTURES



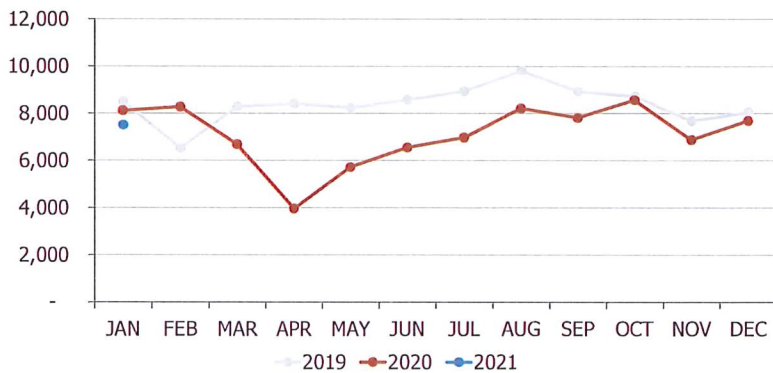
In January 2022, RNO handled 1,719 departures, an increase of 34.5% when compared to January 2021. This includes charter flights on Swift Air. Without the charter flights, the departures were up 34.8% for the same period.

DEPARTING SEATS



In January 2022, RNO offered 207,199 departing seats, an increase of 51.5% when compared to January 2021. This does not include charter flights.

TOTAL OPERATIONS



A total of 8,858 operations were handled at RNO in January 2022, an increase of 17.8% when compared to January 2021. Total operations include: Air Carrier, Air Taxi, General Aviation and Military operations as reported by the FAA.

March 2022 RNO Flight Schedule

Destination	Airlines	Total Departures	Details
Arcata/Eureka	aha! ExpressJet	9	Twice weekly. Thu & Sun
Austin	American	31	Daily
Bakersfield	aha! ExpressJet	8	Twice weekly. Mon & Fri
Burbank	Southwest	31	Daily
Chicago O'Hare	United	23	Daily (from March 4 to March 26)
Dallas/Fort Worth	American	64	Twice daily
Denver	Southwest	59	Twice daily. Once on Sat
	United	93	Three daily
Eugene	aha! ExpressJet	13	Three weekly. Mon, Wed, Fri
Fresno	aha! ExpressJet	13	Three weekly. Mon, Wed, Fri
Guadalajara	Volaris	18	Four weekly. Mon, Wed, Thu, Fri
Houston-Intercontinental	United	32	Daily
Las Vegas	Allegiant	18	Four weekly. Mon, Thurs, Fri, Sun
	Frontier	17	Three to four weekly. Thurs, Fri, Sun
	Southwest	198	Six to seven daily
Long Beach	Southwest	58	Twice daily. Once on Sat
Los Angeles	Alaska	31	Daily
	Delta	93	Three daily
	JetBlue	21	Five weekly. Mon, Thu, Fri, Sat, Sun
	Southwest	40	Daily. Twice on Tues & Wed
	United	34	Daily
Medford	aha! ExpressJet	14	Three weekly Tue, Thu, Sun
New York-JFK	JetBlue	31	Daily
Oakland	Southwest	31	Daily
Ontario	aha! ExpressJet	14	Three weekly. Tue, Thu, Sun
Palm Springs	aha! ExpressJet	13	Three weekly. Mon, Wed, Fri
Pasco	aha! ExpressJet	14	Three weekly. Tue, Thu, Sun
Phoenix	American	115	Three to four daily
	Southwest	59	Twice daily
Portland	Alaska	42	Daily (One to two daily beginning March 17)
Redmond/Bend	aha! ExpressJet	13	Three weekly. Mon, Wed, Fri
Salt Lake City	Delta	108	Three to four daily
San Diego	Southwest	61	Twice daily
San Francisco	United	124	Four daily
San Jose	Southwest	29	Daily
Seattle	Alaska	104	Three to four daily
Spokane	aha! ExpressJet	13	Three weekly. Mon, Wed, Fri

Multiple airlines in a market

2.23.2022 TT

wemoveyou



Total Passengers Jan-22					
	Passengers		% Diff.	YOY % Diff.	
	2020	2021		2022	
JAN	342,796	145,421	-57.6%	296,641	104.0%
FEB	341,935	162,071	-52.6%		
MAR	194,796	252,828	29.8%		
1st QTR	879,527	560,320	-36.3%		
APR	17,265	247,220	1331.9%		
MAY	46,015	302,403	557.2%		
JUN	98,619	397,906	303.5%		
2nd QTR	161,899	947,529	485.3%		
JUL	140,986	438,168	210.8%		
AUG	183,343	369,686	101.6%		
SEP	164,103	302,929	84.6%		
3rd QTR	488,432	1,110,783	127.4%		
OCT	173,682	350,631	101.9%		
NOV	148,777	323,508	117.4%		
DEC	154,103	330,687	114.6%		
4th QTR	476,562	1,004,826	110.8%		
TOTAL	2,006,420	3,623,458	80.6%		
YTD		145,421		296,641	104.0%

Total Enplaned Passengers Jan-22				
Month	2020	2021	2022	% Diff.
JAN	172,452	72,887	147,773	102.7%
FEB	170,067	80,263		
MAR	99,986	126,359		
APR	8,690	125,009		
MAY	22,807	149,486		
JUN	48,274	197,261		
JUL	66,039	217,124		
AUG	93,015	188,207		
SEP	82,844	152,267		
OCT	87,379	177,407		
NOV	74,910	161,926		
DEC	76,164	164,561		
TOTAL	1,002,627	1,812,757		
YTD		72,887	147,773	102.7%

Total Deplaned Passengers				
Month	2020	2021	2022	% Diff.
JAN	170,344	72,534	148,868	105.2%
FEB	171,868	81,808		
MAR	94,810	126,469		
APR	8,575	122,211		
MAY	23,208	152,917		
JUN	50,345	200,645		
JUL	74,947	221,044		
AUG	90,328	181,479		
SEP	81,259	150,662		
OCT	86,303	173,224		
NOV	73,867	161,582		
DEC	77,939	166,126		
TOTAL	1,003,793	1,810,701		
YTD		72,534	148,868	105.2%

Total Cargo Volume in Pounds Jan-22					
	Cargo in Pounds		% Diff.	YOY % Diff.	
	2020	2021		Pounds	Metric Tons
JAN	11,008,444	11,805,228	7.2%	11,052,383	5,012
FEB	10,266,728	10,068,001	-1.9%		
MAR	11,356,256	13,204,912	16.3%		
1st QTR	32,631,428	35,078,141	7.5%		
APR	11,090,789	12,611,682	13.7%		
MAY	11,613,489	12,048,247	3.7%		
JUN	12,488,906	13,000,085	4.1%		
2nd QTR	35,193,184	37,660,014	7.0%		
JUL	13,387,102	12,722,035	-5.0%		
AUG	12,563,172	11,636,003	-7.4%		
SEP	13,014,081	13,055,518	0.3%		
3rd QTR	38,964,355	37,413,556	-4.0%		
OCT	13,281,548	12,660,541	-4.7%		
NOV	11,988,995	12,089,489	0.8%		
DEC	15,834,177	16,260,767	2.7%		
4th QTR	41,104,720	41,010,797	-0.2%		
TOTAL	147,893,687	151,162,508	2.2%		
YTD		11,805,228		11,052,383	5,012

Enplaned Passengers & Load Factor				
Airline	Enplaned PAX	Jan-22	Jan-21	Diff.
aha!	1,822	34.4%	n/a	n/a
Alaska/Horizon	12,573	60.8%	43.4%	17.5
Allegiant Air	2,083	54.4%	44.9%	9.5
American	23,383	84.8%	61.6%	23.2
Delta	15,922	84.8%	43.6%	41.2
Frontier	3,352	64.2%	53.1%	11.1
JetBlue	4,256	53.6%	35.5%	18.1
Southwest	59,704	69.9%	58.5%	11.4
United	21,599	79.2%	51.5%	27.7
Volaris	2,423	75.2%	57.8%	17.4

wemoveyou

