LEASE AGREEMENT

BETWEEN

KENTON COUNTY AIRPORT BOARD

AND

ALLEGIANT AIR, LLC

FOR GATES A19 & A21 IN CONCOURSE A
AND RELATED FACILITIES AND EQUIPMENT

Effective as of January 1, 2016
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# LEASE AGREEMENT

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LEASE AGREEMENT
BETWEEN
KENTON COUNTY AIRPORT BOARD
AND
ALLEGIANT AIR, LLC

THIS AGREEMENT is made and entered into in Boone County, Kentucky, effective as of January 1, 2016 by and between the KENTON COUNTY AIRPORT BOARD, a local air board and a body corporate and politic created pursuant to the provisions of Chapter 183 of the Kentucky Revised Statutes, hereinafter referred to as the "Board" and Allegiant Air, LLC, a Nevada Corporation, authorized to do business in the Commonwealth of Kentucky, hereinafter referred to as the "Company".

WHEREAS, the Board operates an airport located in Boone County, Kentucky, known as the Cincinnati/Northern Kentucky International Airport (the "Airport");

WHEREAS, the Company is a scheduled air carrier which utilizes the Airport for transportation by air of passengers, freight, and/or mail; and

WHEREAS, the Company desires to lease Gates A19 and A21 in Concourse A and related facilities and equipment in connection with its air transportation business at the Airport.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, the parties agree as follows:

SECTION I
DEFINITIONS

Unless the context clearly indicates some other meaning, the following words and terms shall, for all purposes of this Agreement, have the following meanings:

“Affiliate” means an Alliance Carrier or a Code Share Carrier of the Company.

"Agreement" means this Agreement between the Board and the Company, and any and all modifications, alterations, amendments and supplements thereto.

"Airport Use Agreement" means the Airport Use Agreement between the Kenton County Airport Board and Company dated as of January 1, 2016, and any and all modifications, alterations, amendments, supplements and extensions thereof or hereafter made.

“Airline” means the Company, an Affiliate, and an Air Transportation Company.

“Airline Gate Area” means Gates A19 and A21 in Concourse A at the Airport as identified and set forth on Exhibit "A" attached hereto and incorporated herein by reference, including, the holdrooms, ramp areas, ticket lift counters, LAN access points, gate information display screens,
loading bridges, ground power units, potable water cabinets and preconditioned air units associated therewith.

“Airline Shared Space” means the baggage make-up area in Terminal 3, the baggage make-up area in Concourse A, the baggage claim area in Terminal 3 and the pre-conditioned air chiller plant that are designated for use by the Company as identified on Exhibit “B” attached hereto and incorporated herein by reference.

“Air Transportation Company” means any air carrier other than: (i) the Company, and (ii) an Affiliate.

“Alliance Carrier” means an air carrier that has entered into an agreement with another air carrier to share passengers with one another in a national or international network and to substantially cooperate with one another in joint marketing ventures and/or branding in a national or international marketplace.

"Board" means the Kenton County Airport Board, a public and governmental body corporate and politic created pursuant to the provisions of Chapter 183 of the Kentucky Revised Statutes, or, if such entity shall be abolished, the board, body, commission or agency succeeding to the principal functions thereof or to which the powers and duties thereof shall be given by law.

“Business Day” means a Monday, Tuesday, Wednesday, Thursday or Friday and excludes Saturday and Sunday of each calendar week, and also excludes federal holidays.

"Code Share Carrier" means an air carrier that (i) is a parent or subsidiary of another air carrier, or (ii) operates at the Airport under an air carrier’s trade name and uses that air carrier’s two-letter designator code for some or all of its flights serving the Airport, or (iii) operates at the Airport using a trade name of a parent or subsidiary of an air carrier and uses the two-letter designator code of such parent or subsidiary for some or all of its flights serving the Airport.

“Company” means Allegiant Air, LLC a corporation duly incorporated and existing under the laws of the State of Nevada and qualified to do business in the Commonwealth of Kentucky or, if such corporation shall merge, consolidate or shall sell substantially all of its assets, the corporation or other entity succeeding to the principal functions thereof.

“Competition Plan” means that certain plan that was submitted to and approved by the Federal Aviation Administration pursuant to the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century, including any and all updates and amendments thereto.

“Competition Plan Coordinator” means the person designated by the Chief Executive Officer who is responsible for monitoring the results and performing the duties relative to the Competition Plan.
“Chief Executive Officer” means the Chief Executive Officer of the Board, or his or her designee, or such other person authorized to act as the Chief Executive Officer of the Airport.

“Chief Financial Officer” means the Chief Financial Officer, or his or her designee, responsible for the financial operations of the Airport under the general supervision of the Chief Executive Officer.

“Chief Operating Officer” means the Chief Operating Officer, or his designee, responsible for the day-to-day operations of the Airport under the general supervision of the Chief Executive Officer.

“First Preference User” means the Company and an Affiliate.

“LAN” means the local area network that provides passive infrastructure cabling via local area network access points located at Airline Gate Areas, Ticket Counters, Operations Area, and Airline Shared Space.

“Operations Area” means the general operations area, including the baggage service office(s), as shown on Exhibit “C”.

“Shared Equipment” means the flight information display system (“FIDS”), the baggage information display system (“BIDS”), the LAN, the paging system, and the baggage handling system (conveyors, carrousels and associated equipment), that are designated for use by the Company, including the automated ground transportation system in the passenger tunnel connecting Terminal 3 to Concourse A.

“Ticket Counters” means those certain ticket counters in Terminal 3 at the Airport together with the ticketing queue areas, associated ticket offices, ticket office common space, including the LAN access points, ticket information display screens, and ticket counter weight scales all as set forth on Exhibit “D” attached hereto and incorporated herein by reference.

SECTION II
LEASED PREMISES

A. The Board does, by these presents, hereby non-exclusively lease and demise to the Company, and the Company does, by these presents, hereby take from the Board, for and during the Term and upon and subject to the terms and provisions and conditions of this Agreement the Airline Gate Areas, the Operations Area, and the Ticket Counters. If the Company has more than two (2) ticket positions per Airline Gate Area, the Board reserves the right during the Term of this Agreement to remove one or more of such additional ticket positions from the Company’s Leased Premises by serving written notice to the Company which removal shall be effective thirty (30) days after delivery of written notice to Company.
B. The Airline Gate Areas, Ticket Counters, and Operations Area shall hereinafter be referred to as Company’s “Leased Premises”. The Leased Premises is being furnished in a “where-is” and “as-is” condition.

C. In connection with the Company’s lease and use of the Airline Gate Areas, Ticket Counters, and Operations Area, the Company shall have the non-exclusive right to use the Shared Equipment and Airline Shared Space in common with other tenants at the Airport as may be assigned by the Board and subject to the provisions of this Agreement. The Board reserves the right, from time to time, to substitute, add, remove and/or reassign portions of the Shared Equipment and Airline Shared Space to Company or other tenants at the Airport as may be determined appropriate by the Chief Executive Officer of the Board; provided the disruption to Company’s operations shall be minimized to the extent reasonably possible and such substitution, additional, removal, and/or reassignment will result in providing Company with equivalent service all as reasonably determined by the Chief Executive Officer. In making such substitutions, additions, removals, and/or reassignments, the Board shall provide thirty (30) days advance written notice to the Company, except in the case of an emergency or exigent circumstances and in such cases notice shall be given as soon as practicable. The Board specifically reserves the right to remove the automated ground transportation system as part of the Shared Equipment without a replacement for such system, provided that during the term of this Agreement for so long as the existing underground tunnel that connects Terminal 3 to Concourse A is the primary means for passenger ingress and egress to Concourse A, the Board agrees to maintain a pedestrian moving sidewalk within the underground tunnel to aid in passenger movement. The Company’s use of the Shared Equipment, Airline Shared Space, Airline Gate Areas, Ticket Counters, Operations Area and other facilities, operations, and equipment at the Airport shall be subject to such procedures, limitations, requirements, protocols, and/or operational guidelines as may be set forth in the Board’s Operational Manual, as the same may be amended, from time to time, in the reasonable discretion of the Chief Executive Officer during the term hereof (the “Operational Manual”). The Operational Manual shall be in writing. Any changes to the Operational Manual shall be furnished by the Board to the Company and such changes shall be effective as of the effective date specified by the Board. The Board shall furnish changes to the Operational Manual thirty (30) days in advance of the effective date of such changes, except in the case of an emergency or exigent circumstances and in such cases notice shall be given as soon as practicable and effective when delivered to the Company. Changes to the Operational Manual that are furnished to local station managers or other local representatives of the Company shall be binding on the Company. Changes to the Operational Manual shall not be inconsistent with the terms of this Agreement. The Company shall adhere to the requirements of the Operational Manual. The Company shall operate the Board’s equipment associated with an Airline Gate Area and Ticket Counters within normal operating capacity, consistent with manufacturer recommendations, and without abuse. To the extent the Operational Manual permits employees of the Company to operate the Shared Equipment, the Company shall insure that only properly trained and supervised employees use the Shared Equipment, within normal operating capacity, consistent with manufacturer recommendations and without abuse. The Company’s use of the Shared Equipment is “where-is” and “as-is” with all faults, subject to the maintenance obligations specified in Section IX.
D. In connection with the Company’s lease and use of an Airline Gate Area, the Company shall have the right to use the hydrant fuel line at the Airline Gate Area, subject to entering into such agreements as Delta may reasonably require. Upon entering into such agreements as Delta may reasonably require, the hydrant fuel line at an Airline Gate Area shall form part of the Airline Gate Area for purposes of this Agreement.

SECTION III
TRADE FIXTURES AND SIGNAGE

A. The Company shall not install any furnishings, equipment, machinery, appliances or make any improvements of any kind upon or about the Airline Gate Areas or Ticket Counters. If the Company requests to install any furnishings, equipment, machinery, appliances or make any improvements to the Airline Gate Areas or Ticket Counters, the Company shall submit such request in writing to the Chief Executive Officer together with such other information as the Chief Executive Officer may require. The approval of the Chief Executive Officer may be withheld in the sole discretion of the Chief Executive Officer. The Company shall be permitted to place furnishings and equipment in the Operations Area and ticket offices; provided that, the Company shall not be permitted to make any alterations or improvements of any kind upon or about the Operations Area or ticket offices without first having submitted such request in writing to the Chief Executive Officer together with such other information as the Chief Executive Officer may require, which approval shall be in the sole discretion of the Chief Executive Officer.

B. The Company shall not be permitted to display any advertising signs or branding of any type upon or about the Airline Gate Areas and Ticket Counters; however, the Company shall be permitted to display its name, logo and/or its flight related information (or that of an Affiliate) on the designated gate information display screens and ticket information display screens furnished by the Board. No other information is permitted to be displayed on the gate information display screens and ticket information display screens.

SECTION IV
TERM

A. This Agreement shall become effective as of January 1, 2016 (the "Effective Date") and shall continue in full force and effect for a term expiring December 31, 2020, unless terminated prior thereto as hereinafter provided (the “Term”).

B. Prior to the termination or expiration of this Agreement, the Company shall surrender the Leased Premises peaceably and quietly and in the same condition as when tendered by the Board, ordinary wear and tear excepted. Any items of personal property that the Company has failed to remove shall be deemed abandoned by Company and may be retained or disposed of by the Board.
SECTION V
PAYMENTS TO BOARD & SECURITY DEPOSIT

A. In consideration of the Company’s use of the Leased Premises, Shared Equipment and the Airline Shared Space, attached hereto as Exhibits "E-1 to E-3" is an illustrative schedule of rates for rentals, fees and charges payable by the Company under this Agreement. Prior to the beginning of each calendar year during the Term of this Agreement, including the first calendar year of this Agreement, in accordance with Section 6.2 of the Airport Use Agreement, the Board shall establish the actual rates to be paid by the Company for the ensuing calendar year and the net remaining revenue terminal rental adjustment to be applied as a credit for the benefit of the Company which credit shall be calculated in accordance with Sections 5.3(B)&(C) of the Airport Use Agreement. The Board shall provide the Company with the established rates for the ensuing calendar year by providing the Company with revised Exhibits "E-1" to "E-3" and the Company shall pay to the Board on the first day of each month during the calendar year the total monthly rental, fees and charges as set forth on Exhibit "E-1" less the monthly net remaining revenue terminal rental adjustment set forth on Exhibit "E-1". The rental payments made by the Company during each calendar year shall be subject to an adjustment pursuant to Section 5.10 of the Airport Use Agreement and an annual settlement as provided under Section 6.3 of the Airport Use Agreement. During any calendar year, the Chief Financial Officer of the Board may make reasonable and equitable adjustments to the rental and use charge for the Shared Equipment when the Chief Financial Officer of the Board reasonably determines such adjustments are necessary and appropriate based upon the removal, addition, reassignment or substitutions of portions of the Shared Equipment as provided in Section II, C of this Agreement. Such adjustments shall be effective as of the date of the removal, additional, reassignment or substitution as set forth in written notice by the Board to the Company.

B. In order to assure faithful performance by the Company under the terms of this Agreement, concurrently with the execution of this Agreement, the Company shall deposit with the Board, at the Company’s expense, security equivalent to three months estimated rates and charges, payable to the Board in one of or a combination of the following forms approved by the Chief Financial Officer of the Board. The form of this security shall be a payment bond, with surety approved by the Chief Financial Officer, or an irrevocable letter of credit issued in a form and by a bank approved by the Chief Financial Officer. Such security shall be held by the Board and may be applied by it to any default by the Company hereunder. Company shall cause the surety company or bank issuing such bond or letter of credit to give the Chief Executive Officer notice in writing by registered mail at least 45 days prior to expiration or termination of such bond or letter of credit of its intention not to renew or terminate said bond or letter of credit.

C. Initially the sum of ___________ Dollars (__________), made payable in US Dollars in a form set forth above shall be deposited with the Board. Such amount represents three months estimated rates and charges as of the date of this Agreement. At any time during the term of this Agreement, the Board upon reasonable notice to the Company may require the Company to increase such security deposit, if in the sole discretion of the Board, the Company’s
estimated rates and charges for any immediately following three month period exceed the amount then currently on deposit with the Board.

D. At the termination of this Agreement, and provided that the Company has performed all of its duties hereunder said security shall be returned to the Company.

E. Without waiving any other right of action available to the Board in the event of default in payment, if Company is delinquent for a period of thirty (30) days or more in paying to the Board any rental due and owing to the Board pursuant to this Agreement, the Company shall pay to the Board interest thereon at the rate of eighteen (18) percent per annum from the date such item was due and owing until full payment (plus interest) has been paid, including the Board’s attorney fees and all costs of collection.

SECTION VI
RIGHT OF ACCESS TO THE LEASED PREMISES

A. The Company, its directors, officers, employees, customers, agents, representatives, guests, contractors, suppliers of materials, furnishers of services and invitees (in common with others having the right), shall have the non-exclusive right of ingress to and egress from the Leased Premises and such other portions of the Airport to or from which said persons shall reasonably require ingress and egress; provided, however, that such right of ingress and egress shall be subject to the reasonable rules, regulations and requirements of general applicability of the Board as the same may be in effect from time to time.

B. The Board shall at all times furnish the Company the non-exclusive use of and means of access (suitable to the nature of Company's business and operations) from the Leased Premises to and from the public streets and thoroughfares and to the Airport roadways, ramps, taxiways and runways. The access road, or roads, and taxiways need not be the same throughout the term of this Agreement so long as the Company is provided at all times with a suitable access road or roads and taxiways.

C. The Board may, at any time, temporarily or permanently, close or consent to or request the closing of any roadway, taxiway or runway and any other area at the Airport presently or hereafter used as such, so long as a reasonable alternative means of ingress and egress remains available to the Company, its employees, customers, guests, contractors, suppliers of materials, furnishers of services and invitees.

D. The Board or its designee shall have during the term of this Agreement the right of entry upon Leased Premises: (i) to examine and inspect the same, (ii) for any purpose connected with the Board's rights or obligations hereunder, (iii) to service or post or keep posted thereon notices provided by any law or rules or regulations of the Commonwealth of Kentucky or the United States which the Board deems to be necessary for the protection of the Board or the Leased Premises; and
(iv) for all other lawful purposes; provided that in exercising the right of entry pursuant hereto, the Board shall not unreasonably interfere with the use or occupancy of the Leased Premises.

E. Without limiting the generality of the foregoing, the Board, by its officers, employees, agents, representatives, contractors and furnishers of utilities and other services, shall have the right for its own benefit, for the benefit of the Company or for the benefit of parties other than the Company at the Airport, to maintain existing and future utility, mechanical, electrical and other systems and to enter upon the Leased Premises at all reasonable times to make such repairs, replacements or alterations thereto as required in the determination of the Board and, from time to time, to construct or install such systems over, in or under the Leased Premises for access to other parts of the Airport and not otherwise conveniently accessible, provided that the maintenance, construction and installation of such systems does not unreasonably interfere with the Company's operation of the Leased Premises. Upon completion of such repairs, replacements or alterations, the Board shall return the Leased Premises to their condition prior to the commencement thereof.

F. So long as the Company pays the rental and other charges provided under Section V and performs the other covenants required in this Agreement to be performed by it, and no Event of Default as defined in Section XV shall have occurred, the Company shall have peaceful and quiet possession of the Leased Premises.

SECTION VII
USE OF LEASED PREMISES

A. The Company shall use the Leased Premises generally for and in connection with the operation of its air transportation business at the Airport and consistent with provisions of this Agreement and in accordance with the Rules and Regulations of the Airport and the Operational Manual. Specifically, the Leased Premises shall be utilized for the loading and unloading of passengers, baggage, mail and air cargo, on and off of airplanes, for the ticketing, and enplaning and deplaning of passengers utilizing the air transportation services of the Company, for the receiving and dispatching of baggage of said passengers and cargo and for the general operations of the Company at the Airport in connection with its air transportation business and for no other purpose.

B. The Leased Premises shall not be used for providing by sale or otherwise of foods or beverages or for the operation of sales, services, or concession stands of any kind or for the furnishing, display or selling of insurance, banking, car rental, money exchanging, advertising or other commercial service. It being understood and agreed by the Company that the operation, leasing and subletting of space and facilities anywhere on the Airport for concession purposes of any type providing services, goods or advertising to the members of the general public is reserved to the Board. Nothing contained herein shall prohibit the Company from installing and operating vending machines for food and beverages for use by the Company’s employees in the Operations Areas to which the Company’s passengers do not have access.
C. The Leased Premises shall be used only for the purposes specified in this Agreement. The Company shall, at all times, during the term of this Agreement, use the Leased Premises for those purposes.

D. The Company shall not permit a mechanic's lien for any labor or materials nor any claim for labor or wages or penalties in relation thereto, to attach to or against the Leased Premises or the Company's interest granted hereunder, or the Airport or the Board (including within the definition thereof for purposes of this paragraph, the Board's members, officers, agents, servants or employees, individually) and, if any such lien or claim is filed against the Leased Premises, or the interest of the Company hereunder or against the Airport or the Board, the Company shall protect and save the Board harmless against any loss, liability or expense whatsoever by reason thereof and shall proceed with or defend, at its own expense, such action or proceeding as may be necessary to remove the lien or satisfy the claim, (without limiting or abrogating the Company’s right to contest, in good faith and with reasonable diligence, the validity of any lien or claimed lien) notwithstanding any other provision contained in this Agreement.

E. Simultaneously with the execution of this Agreement, the Company shall execute and deliver to the Board the Exclusive Use Area Agreement attached hereto as Exhibit “F”.

SECTION VIII
GATE ASSIGNMENT POLICY FOR THE AIRLINE GATE AREAS

A. Introduction.

It is the objective of the Board to offer to all Air Transportation Companies desiring to operate at the Airport adequate gate positions and related facilities and equipment on a fair and reasonable basis. In furtherance of this objective, it is the Board’s intent to pursue an optimum balance in overall utilization of gates and related facilities and equipment through the sharing of the same, from time to time, as hereinafter provided.

B. Company Flight Schedules.

Upon execution of this Agreement and continuing on the first day of each month thereafter until termination of this Agreement, the Company shall provide to the Competition Plan Coordinator, a written schedule of its flight information for each gate it utilizes at the Airport, including the flight information of Affiliates which utilize any of Company’s gate(s). The flight information shall include a gate utilization chart showing when aircraft are scheduled to be utilizing the gate, and a designation of air carrier, flight numbers, aircraft types, projected arrival and departure times and points of origin and destination. The information shall be furnished to the following address: Office of Competition Plan Coordinator, Cincinnati/Northern Kentucky International Airport, P.O. Box 752000, Cincinnati, Ohio 45275-2000. In lieu of providing the information in paper form, the parties may mutually agree, in writing, that said information shall be provided in standardized electronic format. In addition, the Board shall have the right to receive such other flight information as it deems necessary or appropriate. The Board shall reasonably prescribe the manner in which such additional information shall be provided.
C. Gate Assignment

1. Priority Use

Provided Company is complying with the Minimum Use Requirement (as hereinafter set forth) for an Airline Gate Area, the Company shall have the first preferential use rights to such Airline Gate Area for a First Preference User.

At times when an Airline Gate Area is not needed to accommodate the flights of a First Preference User, it shall promptly be made available to an Air Transportation Company if the Board so requests, provided that an Air Transportation Company’s use of an Airline Gate Area will not result in substantial labor disharmony between a First Preference User’s employees or service providers and those of an Air Transportation Company’s employees or service providers. The Company shall give an Air Transportation Company which is utilizing a Airline Gate Area and the Board at least sixty (60) days prior written notice of the need to require an Air Transportation Company to cease using an Airline Gate Area on the days and at the times specified in such notice due to a First Preference User’s verifiable plans to operate a flight at a time that would actually conflict with an Air Transportation Company’s use of the Airline Gate Area; provided that a First Preference User’s flights shall not be diverted from any other gate at the Airport to create a conflict; provided further, that a First Preference User shall use its commercially reasonable efforts to use other reasonably available leased gates of the First Preference User at the Airport prior to serving such notice to an Air Transportation Company.

In connection with an Air Transportation Company’s use of an Airline Gate Area under this subsection (C)(1), it shall only be permitted to use the Airline Gate Area for such time as is reasonably required for passenger and baggage loading and unloading operations and ground handling services and an Air Transportation Company shall not be permitted to park its aircraft at the Airline Gate Area after the time reasonably required to load or unload passengers and baggage without the consent of the Company.

An Airline shall remove aircraft sufficiently in advance of the scheduled arrival of another Airline flight so as not to impede or interfere with such arrival. In the event of any delays or irregular operations because of weather, mechanical problems or unanticipated causes, the affected Airlines will cooperate to minimize the inconvenience to passengers of both Airlines, however, ultimate preference shall be given to a First Preferential User. If a First Preference User is required to use an alternative gate due to such irregular operations, the First Preference User shall not be charged an additional gate fee for such usage.


Company shall average at least four (4) total flights (for the purposes of this subsection (C)(2) a “flight” shall mean an arrival and departure) per Business Day for an Airline Gate Area (hereinafter the “Minimum Use Requirement”). Company’s Minimum Use Requirement for an Airline Gate Area shall be determined by taking the total number of actual flights of Company and its Affiliate’s at the Airline Gate Area for each Business Day during the previous three (3) months.
and dividing by the total number of Business Days in the applicable three (3) month period. If the average equals or exceeds four (4) flights per Business Day for the Airline Gate Area, then Company has satisfied its Minimum Use Requirement for the applicable Airline Gate Area. If the Board requires the Company to divert a flight from an Airline Gate Area that flight shall be credited toward the originally intended Airline Gate Area prior to its diversion for purposes of satisfying the Minimum Use Requirement.

Flights at another gate at the Airport shall not be used in any manner in determining whether Company has satisfied its Minimum Use Requirement for an Airline Gate Area and flights shall not be diverted from other gates at the Airport for the purpose of satisfying the Minimum Use Requirement for an Airline Gate Area. Notwithstanding anything contained herein to the contrary, events that are beyond the reasonable control of Company, including but not limited to events caused by acts of God, war, riots, floods, explosions, fires, earthquakes, strikes, terrorism, or labor disputes which prevent Company from complying with the Minimum Use Requirement shall be considered a hardship and shall excuse Company’s compliance during the days of such hardship up to a period of sixty (60) days.

In the event that the actual use by Company of an Airline Gate Area shall fall below the Minimum Use Requirement, the Board may elect to cancel preferential rights with respect to that Airline Gate Area by serving written notice to Company. Such cancellation shall be at the Board’s option. Such cancellation shall be effective thirty (30) days after the date the Board serves notice to Company. In the event that preferential use rights with respect to an Airline Gate Area are canceled pursuant to this subsection (C)(2), because of Company’s failure to meet the Minimum Use Requirement, Company and its Affiliates shall still be entitled to use the Airline Gate Area, but the use of the Airline Gate Area shall be governed under the provisions of subsection (C)(3), below.

Company shall be entitled to restoration of preferential rights for an Airline Gate Area which have been canceled if all of the following conditions are met: (a) more than six (6) months have elapsed since the effective date of cancellation; (b) Company has met or exceeded the Minimum Use Requirement during the previous three (3) months; (c) Company’s present and projected gate utilization supports its needs for preferential use of the Airline Gate Area; (d) the Board determines, in its reasonable discretion, such restoration shall not create a hardship for an Airline Transportation Company that is using the Airline Gate Area; and (e) the Board approves the restoration of preferential rights to the Airline Gate Area in writing, subject to the conditions for use of such Airline Gate Area as provided herein.

3. Common Use.

During the period that Company’s preferential use rights with respect to an Airline Gate Area are terminated pursuant to subsection (C)(2), above, because of Company’s failure to meet the Minimum Use Requirements for the Airline Gate Area, the provisions of this subsection (C)(3) shall govern use of the Airline Gate Area.

The Board, from time to time, in its sole discretion, shall have the right to assign and reassign positions at the Airline Gate Area to an Airline. The Board, in making such assignments and
reassignments, will be guided by all pertinent factors and considerations, including, an Airline’s past utilization of the Airline Gate Area and its bona fide plans to increase utilization of the Airline Gate Area, the need for compatibility of flight times, operations, facilities, labor and equipment; and other adequate and available facilities at the Airport. The Board shall not be responsible for any costs associated with such assignments or reassignments.

The Board in making such assignments and reassignments shall permit an Airline which has been continuously utilizing a position at the Airline Gate Area at specific flight times to continue to use such Airline Gate Area at such time(s) until the Board determines that such Airline has ceased actually using the Airline Gate Area at such time(s); provided that the Board may assign and reassign other available positions at the Airline Gate Area, if any, to other Airlines at such times. An Airline's arrival or departure time may vary up to fifteen (15) minutes without losing priority. Any Airline which ceases using the Airline Gate Area at specific flight times due to strikes, lockouts, acts of terrorism, or other causes beyond the Airline's reasonable control, shall not lose priority at the affected time(s) for a period of up to sixty (60) days; provided that the Airline shall use its commercially reasonable efforts to remove the cause as soon as possible within said sixty (60) day period and provided further that the Board may assign and reassign all positions at the Airline Gate Area to other unaffected Airlines during such period. An Airline will lose priority if it fails to commence utilization of the Airline Gate Area at the affected time(s) on the sixty-first (61st) day following the event which caused the Airline to cease using the Airline Gate Area at such time(s).

The Board shall provide prior notice as soon as practicable to an Airline of such assignments or reassignments. An Airline shall not intentionally or willfully do anything or willfully fail to do any act which will hinder or disrupt the operations of the other Airline. An Airline shall remove its aircraft sufficiently in advance of the scheduled arrival of another Airline flight so as not to impede or interfere with such arrival. In the event of any conflict due to delays or irregular operations because of weather, mechanical problems or other unanticipated causes, such conflicts shall be resolved in the manner least likely to inconvenience the passengers of both Airlines, but ultimate preference shall be given to the Airline scheduled to be utilizing the gate at the affected time. Such conflicts shall be reasonably resolved by the Airlines whenever possible. In the absence of such resolution, the Chief Operating Officer shall resolve such conflicts. When the Airlines are able to resolve such conflicts, the Company shall promptly report the fact that a conflict occurred and its resolution to the Chief Operating Officer.

During any period where an Air Transportation Company is using a Gate or Ticket Counter under this Section VIII, the Company shall not be responsible for the acts or omissions of such Air Transportation Company and the Board will require such Air Transportation Company to indemnify the Board and Company and furnish insurance in such amounts as is required by the Board.

D. Air Transportation Company’s use of Ticket Counters, and Employees.
In connection with an Air Transportation Company's use of an Airline Gate Area, under the provisions of subsection (C) above, an Air Transportation Company may use those portions of the Ticket Counters designated by the Board, from time to time, for the time period reasonably required for the ticketing of passengers. The Air Transportation Company may further use its own employees (and service providers) for its operations.

**E. Company Handling Agreements.**

If the Board exercises its right to assign an Air Transportation Company to an Airline Gate Area under the provisions of subsection (C) above, and if the Board requests Company to provide a handling agreement to such Air Transportation Company in connection therewith, then to the extent requested by the Board the Company shall reasonably cooperate in handling the Air Transportation Company's passenger gate ticket processing and passenger and baggage loading and unloading operations and ground handling operations on Company owned or leased facilities and equipment, as requested by the Board. The Company's obligation to handle an Air Transportation Company shall be subject to: (1) availability of any needed Company equipment, facilities and manpower; (2) the right of the Company to use its facilities, equipment and operational systems in providing any such services; (3) the right of the Company to provide such facilities, equipment and services for its own operations, those of any Affiliate before those of the Air Transportation Company; (4) when reasonably required, the right of the Company to require that only Company or its service providers operate any Company owned equipment or systems in performing such services and accommodations; and (5) is subject to Company's right to charge an Air Transportation Company reasonable rates and charges, pursuant to Paragraph F(2) below, for the services provided by the Company.

In providing any services, the Company shall require an Air Transportation Company to enter into a handling agreement, whichever is appropriate, which agreement or agreements shall be subject to the written approval of the Board, and contain standard indemnity provisions and shall be consistent with the terms of this Agreement, and contain such other reasonable terms and conditions as the Company requires of other parties entering into use and/or handling agreements, as the case may be, at the Airport.

An Air Transportation Company shall have the right to use the handling service companies of its choice and shall not be required to purchase the handling services of Company.

**F. Rates and Charges.**

1. **Board Rates and Charges.**

To the extent that the Board provides an Air Transportation Company with use of an Airline Gate Area and Ticket Counters under this Section VIII, the Board shall charge the Air Transportation Company reasonable rates and charges for use of the same based upon a reasonably allocable share of the rental and use charges and maintenance and operation costs charged to Company under this Agreement, as determined by the Chief Financial Officer. To the extent said charges are collected by the Board, the Board shall credit the same when received by the Board to the Company to reduce the
amount of the rental and use and maintenance and operational charges paid by the Company under this Agreement. The Board may require a letter of credit or bond from an Air Transportation Company in an amount determined to be appropriate by the Board to secure an Air Transportation Company’s payment obligation. Notwithstanding the foregoing, the Board shall not under any circumstances be responsible for any default in payment by an Air Transportation Company.

2. **Company Rates and Charges.**

   To the extent that the Company handles an Air Transportation Company at an Airline Gate Area under subsection (E) above, the Company shall be permitted to charge an Air Transportation Company reasonable rates and charges which may at Company’s option include the higher of: (a) the competitive rates that would be charged by the Company to others for similar services at the Airport; or (b) the competitive rates that would be charged by other service providers for similar services at the Airport. The Company shall have the right to require payment in advance, a reasonable security deposit, letter of credit, or bond to secure an Air Transportation Company's performance. The Board shall not be responsible for any default in payment by an Air Transportation Company. Further, the parties agree that any and all rents and charges collected by the Company from an Air Transportation Company under this subsection (F)(2) shall not affect the amount of rental and use and maintenance and operational charges paid by the Company under this Agreement.

3. **Additional Information.**

   The Board may request and shall receive such information from the Company as is determined to be appropriate by the Board for purposes of subsection (F)(1), above, and to determine the reasonableness of Company’s charges to an Air Transportation Company under subsection (F)(2) above. The Board shall prescribe the manner in which such information shall be provided.

**SECTION IX
MAINTENANCE**

A. **Leased Premises.** The Board shall maintain the holdrooms and ramp areas associated with an Airline Gate Area, the ticket office common space, including the ticket queue areas, ticket counter areas, and ticket counter structures, and shall further maintain the Airline Shared Space (“M&O Areas”). The Board shall maintain these M&O Areas in a clean, neat, orderly, sanitary and presentable manner. The Company shall be responsible for maintaining and repairing the remainder of the Leased Premises in a clean, neat, orderly, sanitary and presentable manner. The Company shall also be responsible for snow removal on the ramp areas associated with each Airline Gate Area.

B. **Equipment.** With respect to the Airline Gate Areas and Ticket Counters, the Board shall also maintain the gate information display screens, ticket counter information display screens, ticket counter weight scales, loading bridges, ground power units, potable water cabinets, and
preconditioned air units. Delta will maintain, or cause to be maintained, the hydrant fuel lines for an Airline Gate Area. With respect to the Shared Equipment, the Board will maintain the LAN, FIDS, and the carrousel in the make up area in Concourse A; however, all other Shared Equipment will be maintained by Delta Air Lines, Inc. (“Delta”) or such other contractors or parties as hereafter may maintain such Shared Equipment and the Board shall have no responsibility for the maintenance and/or repair work performed thereon by others, but the Board shall enforce its contractual rights against Delta and such other contractors to perform Delta’s and/or the contractor’s maintenance obligations. The Company shall be responsible for maintaining its personal property.

C. Utilities. The Board will maintain the electrical power, light, water, sanitary sewer, air conditioning and heat that currently serves the Leased Premises. Certain portions of the Leased Premises may be separately metered and the Company shall pay for such usage as billed by the Board. The Company shall pay for its proportional usage of said utilities as determined by the Board in a reasonable and non-discriminatory manner.

D. Hazardous Substances/Company Responsibilities.

1. The Company covenants and agrees that it will not use, store, maintain, discharge or conduct operations involving hazardous substances (as hereinafter defined), whether intentionally or unintentionally, at the Leased Premises, or at the Airport in violation of any applicable federal, state, county or local statutes, laws, regulations, rules, ordinances, codes, standards, orders, licenses or permits of any governmental authorities, relating to environmental matters (being hereafter collectively referred to as the Environmental Laws), including by way of illustration and not by way of limitation; the Clean Air Act, the Federal Water Pollution Control Act of 1972, the Resource Conservation and Recovery Act of 1976, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 and the Toxic Substances Control Act (including any amendments or extensions thereof and any rules, regulations, standards, or guidelines issued pursuant to any Environmental Laws). Except in compliance with all Environmental Laws, the Company, its contractors, subcontractors suppliers or subtenants, or anyone at the Leased Premises or the Airport with the consent of the Company shall not discharge "Hazardous Substances" (as defined hereinafter) into the sewer and/or storm water drainage systems serving the Airport, or cause any Hazardous Substances to be placed, held, stored, processed, treated, released or disposed of on or at the Leased Premises or the Airport. The Company will, at its sole cost and expense, immediately remove all Hazardous Substances that exist in violation of applicable Environmental Laws and as a direct result of the acts or omissions of the Company, its contractors, subcontractors, suppliers or subtenants, arising from its or their use or occupancy of the Leased Premises or the Airport. The Company will, at its sole cost and expense, immediately remove all Hazardous Substances that exist in violation of applicable Environmental Laws and as a direct result of the acts or omissions of the Company, its contractors, subcontractors, suppliers or subtenants, arising from its or their use or occupancy of the Leased Premises or the Airport; provided, however, that Company shall have no obligation to remove any Hazardous Substances that exist in violation of Environmental Laws and as a direct result of (i) the acts or omissions of third parties with whom the Company has no contractual relationship; (ii) the acts or omissions of the Board; (iii) the acts or omissions of Delta Air Lines. "Hazardous Substances" shall mean any material that, because of its quantity, concentration or physical or chemical characteristics is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health safety or to the environment. Hazardous Substances include, by way of illustration and not by way of limitation, any substance defined as a "hazardous substance" or
"pollutant" or "contaminant" pursuant to any Environmental Law; any asbestos containing
materials; petroleum, including crude oil or any fraction thereof, natural gas liquids; and any
other toxic, dangerous or hazardous chemicals, materials or substance of waste(s).

2. Neither the Company, its members, officers, agents, servants, employees, contractors, subcontractors, suppliers or subtenants shall cause any Hazardous Substance to be brought upon, kept, used, stored, generated or disposed of in, on, or about the Leased Premises or the Airport, or transported to or from the Gate or the Airport unless such action is in compliance with all applicable Environmental Laws and the Airport’s Rules and Regulations. The Company shall be required to keep, in an orderly and easily accessible manner, all records evidencing its compliance with all applicable Environmental Laws and the Airport’s Rules and Regulations for all Hazardous Substances brought upon, kept, used, stored, generated or disposed of in, on or about the Leased Premises or the Airport, or transported to or from the Leased Premises. The Company shall maintain such records for the period of time as is required by applicable Environmental Laws.

3. The Company shall indemnify, defend, and hold harmless the Board from and against any and all losses arising during or after its use of Leased Premises or the Airport as a result of or arising from: (a) a breach by the Company of its obligations contained in the preceding paragraphs (1) and (2), above, or (b) any release of Hazardous Substance from, in, on or about the Leased Premises or the Airport caused by any act or omission of the Company, its members, officers, agents, servants, employees, its contractors, subcontractors, suppliers or subtenants. Any claim for indemnification for environmental matters is limited to the indemnification provided under this Section.

SECTION X
GENERAL OBLIGATIONS OF COMPANY

A. Concurrently with entering into this Agreement, the Company agrees to enter into the Board's standard Security Agreement on the Board's standard form in relation to secured areas, the air operations area and security identification display areas within the Leased Premises, and the Company agrees to promptly execute a modification to such standard Security Agreement when mutually agreed upon or when otherwise required by federal law. The Company also agrees to repair or pay for all damage to the Board and its property caused by the wrongful or negligent acts or omissions of the Company, its agents, Affiliates, servants, employees or contractors, arising out of the Company's use or occupancy of the Leased Premises. The Company shall provide and use suitable covered receptacles for all garbage, trash and other refuse in or in connection with the Leased Premises. Piling of boxes, cartons, barrels or other similar items, in an unsightly or unsafe manner on or about the Leased Premises is forbidden.

B. The Company shall acquire and pay for all licenses, permits and other similar authorizations as required under federal, state or local laws and regulations insofar as they are
necessary for the Company to comply with the requirements of this Agreement and permit the Company to exercise the rights and privileges extended hereunder.

C. The Company, its officers, agents, servants, employees, contractors, licensees, Affiliates, and any other person over which the Company has the right to control shall comply with all present and future laws, ordinances, orders, directives, codes, rules, and regulations of the federal, state and local governmental agencies, including the Board, which may be applicable to the Company's operations at the Airport.

D. The Company will pay or, in good faith, contest on or before their respective due dates, to the appropriate collecting authority, all federal, state and local taxes, assessments and fees, which are now or may hereafter be levied upon the Leased Premises, or upon the Company or upon its business conducted at the Airport, or upon the Company's interest hereunder, or upon any of the Company's property used in connection therewith.

E. The Company agrees to pay, or guarantees payment, of all lawful fines and penalties as may be separately assessed against the Board, or which the Board may be required to pay, for violations of federal, state or local laws, ordinances, rulings or regulations by the Company or its officers, agents, servants, employees, contractors, licensees or any other person over which the Company has the right to control within thirty (30) days of written notices by the Board to the Company of such fines or penalties.

F. The Company shall not do anything or permit anything to be done on the Leased Premises which may interfere with the effectiveness or accessibility of the drainage and sewage system, the fire protection system, the alarm system and any existing facilities for the protection of the Airport and the public.

G. The Company shall, during the Term of this Agreement, have a sufficient number of trained personnel and procedures for safely storing, dispensing and otherwise handling fuel, lubricants and oxygen used or located on the Leased Premises or used or handled by or for the Company on the Airport including: (1) grounding and fire protection; (2) public protection; (3) control of access to storage areas; and (4) marking and labeling storage tanks and tank trucks, including identification of specific types and fuel octane designations.

H. The Company shall use its best efforts to prevent unauthorized persons from gaining access to restricted flight and aircraft operational areas through its facilities. In the event that security guards or other similar personnel are required under any federal regulation or otherwise in order to prevent trespass and unauthorized access to flight and aircraft operational areas from the Leased Premises, the costs of such personnel and all expenses related thereto shall be paid by the Company.

I. Except as provided under Section VIII(E), the Company shall not have the right to ground handle an Air Transportation Company at Company’s Airline Gate Areas. Nothing herein shall prevent the Company from providing ground handling services to an Air Transportation Company at such Air Transportation Company’s premises leased from the Board.
J. In connection with a Company’s use of, ingress to and egress from any portion of the Leased Premises or Airport to which it has access or use rights, the Company nor any of its service providers shall take any action or omit to take any action where doing so or failing to do so would damage any facilities or equipment at the Airport, or injure any person or unreasonably interfere with any operation of any other tenant.

K. The Company shall be required to fuel aircraft using the hydrant fuel lines at the Airline Gate Areas. The Company shall not be permitted to use or contract for the use of fuel trucks to fuel aircraft at the Airline Gate Areas unless the hydrant fuel line at an Airline Gate Area is either inoperable or inaccessible due to the positioning of aircraft, as determined by the Chief Operating Officer of the Board in writing. The Company shall enter into such agreements as Delta shall reasonably require for the use of the hydrant fuel lines.

SECTION XI
NONDISCRIMINATION

A. The Company, for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this Lease for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Company shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

B. Company for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (1) 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 said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied benefits of, or otherwise be subjected to discrimination, (3) that the Company shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to 49 Code of Federal Regulation (CFR), Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

C. That in the event of breach of any of the above nondiscrimination covenants, Board shall have the right to terminate the Agreement and re-enter and repossess said land and the facilities thereon, and hold the same as if said Agreement had never been made or issued. This provision shall not be effective until the procedures of 49 CFR, Part 21, are followed and completed including exercise or expiration of appeal rights. Pursuant to 14 CFR Part 158, Assurance No. 7, the Board may terminate this Lease if (a) the Company has an exclusive lease or use agreement for existing facilities at the Airport, and (b) any portion of the Company’s existing exclusive use facilities is
not fully utilized and is not made available by the Company for use by potentially competing air carriers or foreign air carriers.

D. Company shall furnish it service permitted hereunder on a fair, equal and not unjustly discriminatory basis to all users thereof, and shall charge fair, reasonable, and not unjustly discriminatory prices for each unit of service, provided that the Company may make reasonable and nondiscriminatory discounts, rebates and other similar types of price reduction to volume purchasers.

E. Company assures that it will undertake an affirmative action program if required by 14 CFR, Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR, Part 152, Subpart E. Company assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this Subpart. Company assures that it will require that its covered suborganizations provide assurances to the Company that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR, Part 152, Subpart E, to the same effect.

F. The Company assures that when applicable during the term of this Lease, it will comply with pertinent statutes, Executive Orders, and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from federal assistance. This provision obligates Company for the period during which federal assistance is extended to the Airport program, except where federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases, when applicable during the term of this Lease, this provision obligates the Company or its transferee for the longer of the following periods:

(a) the period during which the property is used by the Board or any transferee for a purpose for which Federal assistance is extended or for another purpose involving the provision of similar services or benefits; or

(b) the period during which the Board or any transferee retains ownership or possession of the property.

G. It is the policy of the Department of Transportation that disadvantaged business enterprises as defined in 49 CFR, Part 23, shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with federal funds under this Agreement. Consequently, the Disadvantaged Business Enterprise (DBE) requirements of 49 CFR, Part 23, apply to this Agreement.

H. Company agrees to insure that Disadvantaged Business Enterprises as defined in 49 CFR, Part 23, have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal funds provided under this Agreement. In this regard, the Company shall take all necessary and reasonable steps in accordance with 49 CFR, Part 23, to ensure that
Disadvantaged Business Enterprises have the maximum opportunity to compete for and perform such contracts. Company shall not discriminate on the basis of race, color, national origin or sex in the award or performance of Department of Transportation-assisted contracts.

I. The Company agrees to comply with all Federal, state and local laws respecting discrimination in employment and non-segregation of facilities including, but not limited to, requirements set out at 41 CFR 60-1.4, 60-250.4 and 60-741.4, which equal opportunity clauses are hereby incorporated by reference. Notification is hereby given that compliance with these clauses may require you to file annually certain reports (e.g. the EEO-1 Report and the VETS-100 Report) with the Federal government and may require you to develop written Affirmative Action Programs for Women and Minorities, Covered Veterans and/or Persons with Disabilities.

J. The Company hereby assures that it will include the above provisions in all subleases and cause sublessees to similarly include clauses in further subleases pertaining to the Leased Premises.

K. Company has been advised, and understands, that failure to carry out the requirements of this Section and of the DBE regulations will constitute a breach of this Agreement.

SECTION XII
INDEMNIFICATION

A. As used in this Section, the term “Board” shall be inclusive of all officers, employees and agents of the Board, whose actions are imputable to and constitute the responsibility of the Board and the indemnification by the Company of the Board shall include indemnification of such Board officers, employees and agents of the Board. As used in this Section, the term “Delta” shall be inclusive of all officers, employees and agents of Delta, whose actions are imputable to and constitute the responsibility of Delta and the indemnification by the Company of Delta shall include indemnification of such Delta officers, employees and agents of Delta.

B. The Company will pay, and will protect, indemnify and save the Board harmless from and against any and all fines, penalties, liabilities, losses, damages, costs and expenses (including reasonable attorneys’ fees and expenses of the Company and the Board), causes of action, suits, claims, demands and judgments of whatsoever kind and nature (including, but not by way of limitation, those arising or resulting from any injury to or death of any person or damage to property, or other damages and those asserted for or related to direct, indirect, incidental, exemplary, special, punitive or consequential damages, loss of use, interest, operations, or interruption of business or failure of equipment, and regardless of whether the Board has been advised of the possibility of such damages), arising directly or indirectly out of the following: (i) the use, operation or occupancy of the Leased Premises, Airline Shared Space, and/or Shared Equipment by the Company its officers, employees, agents, contractors, subcontractors, subtenants, suppliers, licensees or invitees; (ii) violation by the Company its officers, employees, agents, contractors, subcontractors, subtenants, suppliers, licensees or invitees of any agreement, warranty, covenant or
condition of this Agreement; (iii) violation by the Company its officers, employees, agents, contractors, subcontractors, subtenants, suppliers, licensees or invitees of any other contract, agreement or restriction relating to the Leased Premises, Airline Shared Space and/or Shared Equipment; or (iv) violation by the Company its officers, employees, agents, contractors, subcontractors, subtenants, suppliers, licensees or invitees of any applicable laws, including, but not limited to, any law, ordinance, regulation or court order, affecting the Leased Premises, Airline Shared Space, and/or Shared Equipment; excepting such liability as may result from the sole negligence of the Board.

C. The Company will pay, and will protect, indemnify and save Delta harmless from and against any and all fines, penalties, liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees and expenses of the Company and the Board), causes of action, suits, claims, demands and judgments of whatsoever kind and nature (including, but not by way of limitation, those arising or resulting from any injury to or death of any person or damage to property, or other damages and those asserted for or related to direct, indirect, incidental, exemplary, special, punitive or consequential damages, loss of use, interest, operations, or interruption of business or failure of equipment, and regardless of whether Delta has been advised of the possibility of such damages), arising directly or indirectly out of the following: (i) the use, operation or occupancy of the Ticket Counters, Shared Equipment, and/or hydrant fuel lines associated with the Airline Gate Areas by the Company its officers, employees, agents, contractors, subcontractors, subtenants, suppliers, licensees or invitees; (ii) violation by the Company its officers, employees, agents, contractors, subcontractors, subtenants, suppliers, licensees or invitees of any agreement, warranty, covenant or condition pertaining to the Ticket Counters, Shared Equipment, and/or hydrant fuel lines associated with the Airline Gate Areas; (iii) violation by the Company its officers, employees, agents, contractors, subcontractors, subtenants, suppliers, licensees or invitees of any other contract, agreement or restriction relating to the Ticket Counters, Shared Equipment, and/or hydrant fuel lines associated with the Airline Gate Areas; or (iv) violation by the Company its officers, employees, agents, contractors, subcontractors, subtenants, suppliers, licensees or invitees of any applicable laws, including, but not limited to, any law, ordinance, regulation or court order, affecting the Ticket Counters, Shared Equipment, and/or hydrant fuel lines; excepting such liability as may result from the sole negligence of Delta.

D. The Board or Delta shall promptly notify the Company in writing of any claim or action brought against the Board or Delta in respect of which indemnity may be sought against the Company, setting forth the particulars of such claim or action, and the Company will assume the defense thereof, including the employment of counsel, and the payment of all expenses. The Board and Delta may employ separate counsel in any such action and participate in the defense thereof, and the fees and expenses of such counsel shall be payable by the Company.

E. In the event that the Company or its officers, employees, agents, contractors, subcontractors, subtenants, suppliers, licensees or invitees shall utilize any deicing pad or deicing facility ("Deicing Facility") for aircraft, located on any ramp or other premises on the Airport owned by or exclusively leased to any person, corporation or entity ("Other Entity"), the Company shall indemnify, defend and hold harmless the Other Entity from and against any and all claims, liabilities or damages to persons or property (including, but not limited to, any portion
of the ramp facility, deicing facility, or property of such Other Entity) in any manner arising out of or related to the acts or omissions of the Company its officers, employees, agents, contractors, subcontractors, subtenants, suppliers, licensees or invitees in connection with its use of the ramp facility or the deicing facility. Under no circumstances shall the Other Entity be responsible with respect to claims, liabilities or damages related to or arising out of any deicing or failure to de-ice aircraft by the Company its officers, employees, agents, contractors, subcontractors, subtenants, suppliers, licensees or invitees. Company does hereby release any existing or future claim with respect to such matters. The provisions of this paragraph shall inure to the benefit of such Other Entity as a third party beneficiary under this Agreement.

F. Limitation of Liability. If and to the extent that the Board is not held harmless or indemnified under Section XII(B) above for any Claim(s) (as hereinafter defined), in order to further protect the Board in such event, the maximum extent of the Board’s cumulative liability in all cases for any Claim(s) shall be limited as set forth in this Section XII(F). For any Claim for which the Board is not held harmless or indemnified under Section XII(B), the maximum amount of the Board’s liability to the Company or any third party shall be limited to the amount of insurance proceeds actually payable under the Board’s policies of insurance for such Claim regardless of the amount, or if no proceeds of insurance are payable under the Board’s insurance policies for such Claim the maximum extent of the Board’s total cumulative liability for such Claim shall be limited to the aggregate amount of $150,000.00 which is the total maximum extent of the Board liability to Company or any third party regardless of the number of Claims. A “Claim” for purposes of this Section XII(F) means any suit, claim, demand, judgment of whatsoever kind or nature regardless upon the theory or legal grounds in which it is asserted or based (including, but in no way limited to, contract, tort, equity, strict liability, or any theory or basis for recovery) for fines, penalties, liabilities, losses, damages, costs and expenses of whatsoever kind or nature (including but in no way limited to, those arising or resulting from injury to or death of any person or damage to any property, or other damages, and those asserted for or related to direct, indirect, incidental, exemplary, special, punitive or consequential damages, loss of use, interest, operations, or interruption of business or failure of equipment, and regardless of whether the Board has been advised of the possibility of such damages) that arise or relate in any manner whatsoever, directly or indirectly, out of this Agreement or the Company’s use and/or operations at the Airport, for which the Board is found liable and not held harmless or indemnified under Section XII(B) above. This Section XII(F) shall not limit the Board’s damages for Claims for the Board’s intentional or willful misconduct. The parties agree that this is a reasonable limitation of liability in favor of the Board and recognize that the Board would not have entered into this Agreement, but for the limitation of liability herein contained. No employee, official, director, officer, agent, contractor or employee of the Board shall be liable by or to the Company for any reason whatsoever.

G. The obligation of the Company under this Section and the limitation of the Board’s liability hereunder shall survive the termination or expiration of this Agreement.
SECTION XIII
INSURANCE

A. Property Insurance - Board.

The Board shall maintain property insurance on the Leased Premises. Such insurance shall be maintained with an insurance company or companies at not less than eighty (80%) percent of the full replacement value of the property so insured, provided that the Board may maintain deductibles and/or self insured retentions as may be otherwise provided for by the Board. Such insurance shall be maintained by the Board during the Term hereof to the extent the coverages specified are insurable and obtainable at reasonable premiums as reasonably determined by the Board.

B. Property Insurance - Company.

The Company, at its own expense, shall obtain commercial property insurance that provides for all risk coverage at all times during the Term hereof, on all personal property and mobile equipment owned by the Company, including any trade fixtures, at the full replacement value of the property so insured. All insurance policies shall contain loss payable endorsements in favor of the Board as their interest may appear hereunder. Company and the Board agree that any payments received by either from such insurance companies by reason of loss under such policy or policies shall be applied toward repair and reconstruction necessitated by the loss or casualty.

C. General Liability Insurance - Company.

Company shall, at its own expense, maintain with insurance underwriters satisfactory to the Board occurrence form insurance policies providing premises liability insurance covering the (i) Company (ii) the Board, and (iii) Delta with respect to the Ticket Counters, Shared Equipment and hydrant fuel lines associated with the Airline Gate Areas, as their interest may appear against claims for bodily injury, personal injury, death and property damage in a limit of not less than Fifty Million and No/100 Dollars ($50,000,000.00) or any other increased amount as the Board may require. Full policy limits shall apply to this Agreement with respect to operations under this Agreement. Such insurance shall provide coverages comparable to commercial general liability (CGL) insurance written on standard ISO occurrence form CG 00 01 10 93 (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, mobile equipment, independent contractors, products-completed operations, personal injury and advertising injury and liability assumed under an insured contract.

D. Aircraft Liability Insurance - Company.

Company shall, at its own expense, maintain with insurance underwriters satisfactory to the Board occurrence form insurance policies providing aircraft liability insurance, including property damage, covering the Company and Board, as their interests may appear, in a limit of not less than: Three Hundred Million and No/100 Dollars ($300,000,000.00) on each aircraft owned or operated by Company on the Airport.
E. **Automobile and Umbrella Liability Insurance - Company.**

If Company uses motor vehicles on the Airport, Company shall maintain, at its own expense, business automobile liability insurance and, if necessary, commercial umbrella insurance with a limit of not less than Fifty Million and No/100 Dollars ($50,000,000) each accident. Such insurance shall cover liability arising out of any auto (including owned, hired and non-owned autos) while on Airport. Insurance shall provide coverage comparable to automobile liability insurance written on ISO form CA 00 01 (or a substitute form providing equivalent coverage).

F. **Worker's Compensation-Company.**

Company shall, at its own expense, procure and maintain a Kentucky workers' compensation insurance policy.

G. **Unemployment Insurance - Company.**

Company, at its own expense, shall maintain statutory unemployment insurance protection for all its employees.

H. **Additional Insureds.**

All policies (except Worker's Compensation and Unemployment Insurance) required hereunder shall include the Board and all of its respective directors, officers, employees and agents as additional insureds to the full limits of the Company’s policies. The General Liability Insurance Policy shall include Delta and all of its respective officers, employees and agents as additional insureds with respect to the Ticket Counters, Shared Equipment and hydrant fuel lines associated with the Airline Gate Areas. The Board and Delta shall have no liability for any premiums charged for such coverage, and the inclusion of the Board and Delta as additional insured is not intended to, and shall not, make the Board or Delta a partner or joint venturer with Company in Company's operations at the Airport.

I. **Evidence of Insurance.**

Upon execution of this Agreement, Company shall furnish the Board, and Delta with respect to the Ticket Counters, Shared Equipment, and hydrant fuel lines associated with the Airline Gate Areas, with certificates evidencing existence of valid policies of insurance with the coverage specified, which certificates shall state that the coverage shall not be amended so as to decrease the protection below the limits specified herein or be subject to cancellation without at least thirty (30) calendar days advance written notice to Board, and Delta with respect to the Ticket Counters, Shared Equipment and hydrant fuel lines associated with the Airline Gate Areas. A renewal policy or renewal certificate shall be delivered to the Chief Executive Officer, and Delta with respect to the Ticket Counters, Shared Equipment and hydrant fuel lines associated with the Airline Gate Areas.
with the Airline Gate Areas, at least thirty (30) calendar days prior to a policy's expiration date, except for any policy expiring on the expiration date of this Agreement or thereafter.


Company's insurance shall be primary and noncontributory with respect to any other insurance available to or for the benefit of the Board, or Delta with respect to the Ticket Counters Shared Equipment, and hydrant fuel lines associated with the Airline Gate Areas. Company's insurance policies shall contain a severability of interest clause. Any deductibles or retentions are subject to approval by the Board. Any other insurance or self-insured retention of the Board shall be considered excess insurance only. All policies required hereunder must be satisfactory to the Board, including the quality of the insurer, deductible, or retentions. By requiring insurance herein, the Board does not represent that coverage and limits will necessarily be adequate to protect Company, and such coverage limits shall not be deemed as a limitation on Company's liability under the indemnities granted to the Board under this Agreement. Failure of the Board to demand such certificates or other evidence of full compliance with these insurance requirements or failure of the Board to identify a deficiency from evidence that is provided shall not be considered as a waiver of Company's obligation to maintain such insurance. The Board shall have the right, but not the obligation, of prohibiting Company from entering the Premises until such certificates or other evidence of insurance has been placed in complete compliance with these requirements and approved by the Board.

K. Failure to Maintain Insurance.

In the event Company shall at any time fail to have in effect the insurance required under the provisions of this Agreement, upon written notice to the Company of its intention to do so, the Board shall have the right to secure the insurance required hereunder at the cost and expense of the Company. In the event Company shall at any time fail to furnish the Board with the certificate or certificates required hereunder, the Board may, at any time, after fifteen (15) calendar days written notice to Company of its intention to do so, secure the required certificate or certificates at the cost of the Company. In either event Company agrees to reimburse the Board for the cost thereof plus fifteen percent (15%) thereof for administrative overhead.

L. Waiver of Subrogation.

The Board and the Company hereby release the other from any and all liability or responsibility for any loss or damage to property caused by an insured fire or any other insured peril to the extent of any insurance proceeds received by the releaser, even if such fire or other casualty shall have been caused by the fault or negligence of the other party or anyone for whom such party may be responsible. The Board's and the Company's policies shall contain a clause or endorsement or policy wording to the effect that this waiver of subrogation shall not adversely affect or impair said policy or prejudice the right of the releaser to recover thereunder. The foregoing release shall not apply to the intentional acts or omissions of either party.

M. Contractor, Subcontractor, Subtenant Insurance:
Company shall include in each contract with a contractor, or subcontractor who performs any work on behalf of, or for the benefit of the Company relating to this Agreement, and in each license or sublease with its subtenants using any space hereunder, the provisions set forth in Paragraphs XIII(A), XIII(B), XIII(C), XIII(D), XIII(E), XIII(F), XIII(G), XIII(H), XIII(I), XIII(J), XIII(K) and XIII(L) hereof requiring such contractor, subcontractor, or subtenant to be bound to the Board for such insurance requirements to same extent the Company is bound to the Board hereunder. If a contractor, subcontractor, or subtenant carriers Aircraft Liability Insurance less than the amount required by XIII(D), such lesser amount shall only be acceptable if it is determined to be satisfactory to the Risk Manager of the Board. Company shall cause these parties to be bound to the insurance requirements and shall cause evidence of the insurance required hereunder to be furnished to the Board prior to the commencement of any work by a contractor or subcontractor or the use of any space by a subtenant.

SECTION XIV
DAMAGE AND DESTRUCTION

A. If the Leased Premises shall be partially damaged by fire or other casualty, but not rendered untenable, or rendered untenable but capable of being repaired in one-hundred eighty (180) days, the same shall be repaired with due diligence by the Board at its own cost and expense. If the Leased Premises are completely destroyed by fire or other casualty or so damaged that it will remain untenable by the Company for more than one-hundred eighty (180) days, either party may serve notice to the other of its intent to terminate this Agreement and this Agreement shall thereby terminate with no further obligation of the Board to provide the Leased Premises and no further obligation of Company to pay charges after the Leased Premises were rendered untenable. Provided neither party elects to terminate this Agreement, then the Leased Premises shall be repaired or reconstructed with due diligence by the Board at its own cost and expense and the charges payable hereunder with respect to the untenable portions of the Leased Premises shall be proportionately paid up to the time of such damage or destruction and shall thenceforth cease until such time as the same shall be repaired or reconstructed by the Board.

B. It is understood that, in the application of the foregoing provisions, the Board's obligations shall be limited (1) to repair or reconstruction of the Leased Premises to the same extent and of equal quality as existing at the date of execution of this Agreement; and (2) to the extent of insurance proceeds available to the Board for such purposes. Repair and reconstruction of all of Company's personal property in the Leased Premises shall be the responsibility, and at the cost, of the Company.

SECTION XV
TERMINATION BY THE BOARD
A. **Events of Default Defined.** The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean, whenever it is used in this Agreement, any one or more of the following events:

1. The Company shall fail to pay when due and owing any installment of any rent, charge or fee, or any part thereof provided for in this Agreement, and such failure shall continue unremedied for a period of ten (10) days; or

2. The Company shall fail to observe or perform any other of the Company's covenants, agreements or obligations hereunder (including, without limitation, the Company's obligation under Section X hereof) other than those referred to in clause (1) set out above in this Section XV, and such failure shall continue unremedied for a period of thirty (30) days after the Board shall have given to the Company written notice specifying wherein the Company has failed to observe or perform any such covenant, agreement or obligation; or

3. There shall occur the dissolution or liquidation of the Company, except that the Company may, without constituting an Event of Default, consolidate with or merge into another corporation or other entity or permit one or more other corporations or other entities to consolidate with or merge into it, or transfer or convey all or substantially all of its property, assets and licenses to another corporation or other entity but only on condition that the corporation or other entity resulting from or surviving such merger (if other than the Company) or consolidation or the corporation or other entity to which such transfer or conveyance is made shall within thirty (30) days thereafter (a) expressly assume in writing and agree to perform all of the Company's obligations hereunder, (b) be qualified to do business in the Commonwealth of Kentucky, and (c) if such corporation or other entity shall not be organized and existing under the laws of the United States of America or any state or territory thereof or the District of Columbia, deliver to the Board an irrevocable consent to service of process in and to the jurisdiction of the Courts of the Commonwealth of Kentucky with respect to any action or suit, in law or in equity, brought by the Board to enforce this Agreement. If the Company is the surviving corporation in such a merger, the express assumption referred to in the preceding sentence shall not be required; or

4. The Company shall file a voluntary petition or institute any proceeding under the United States Bankruptcy Code, either as such code now exists or under any amendment thereof which may hereafter be enacted, or under any act or acts, state or federal, dealing with or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment to such act or acts either as bankrupt, or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby the Company asks, seeks or prays to be adjudicated a bankrupt, or to be discharged from the Company's debts or obligations, or offers to the Company's creditors to effect a composition or extension of time to pay the Company's debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for a readjustment of the Company's debts, or for any other similar relief; or any involuntary petition in bankruptcy or any other proceedings of the foregoing or similar kind or character shall be filed or be instituted or taken against the Company and shall not be dismissed for a period of sixty (60) days; or a custodian or receiver of the Company or of a substantial portion of the property or
assets of the Company shall be appointed by any court and shall not be dismissed for a period of sixty (60) days; or the Company shall make a general assignment for the benefit of the Company's creditors or the Company shall enter into an agreement of composition with the Company's creditors; or the Company shall admit in writing its inability to pay its debts generally as they become due; or

5. The Company shall abandon or vacate all or substantially all of the Leased Premises for a period of thirty (30) days, other than pursuant to and as permitted by Section XV hereof.

The provisions of clauses (2) and (5) of this Section XV are subject to the following limitations: if by reason of force majeure the Company is unable in whole or in part to carry out any of its agreements contained herein (other than its payment obligations contained in Section V hereof), the Company shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; acts of terrorism; orders or restraints of any kind of the government of the United States of America or of the Commonwealth of Kentucky or of any of their departments, agencies or officials, or of any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; and any other cause or event not reasonably within the control of the Company. The Company agrees to remedy with all diligent and reasonable dispatch the cause or causes preventing the Company from carrying out its agreements, provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Company. An event of force majeure shall not extend beyond a period of sixty (60) days.

B. Remedies on Default by the Company. Upon the occurrence of any Event of Default referred to above in Paragraph A and at any time thereafter so long as the same shall be continuing the Board may, at its election, give the Company written notice of intention to terminate this Agreement on date specified in said notice, which date shall not be earlier than ten (10) days after such notice is given, and if all Events of Default have not been cured on the date so specified, the Company's rights to possession of the Leased Premises shall cease, and with or without reentry by the Board, this Agreement and Term hereof shall thereupon cease, and the Board may then reenter and take possession of the Leased Premises as the Board's former estate and the Company shall forthwith surrender possession and use of the Leased Premises; provided that the Company shall be, and shall remain, liable for all rentals, charges and fees accrued hereunder to the date such termination becomes effective and for all other sums then owing by the Company hereunder.

No waiver, expressed or implied, of default by the Board of any of the terms, covenants or conditions hereof to be performed, kept and observed by the Company shall be construed to be or act as a waiver of any subsequent default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by the Company. The acceptance of rentals, charges or fees or the performance of all or any part of this Agreement by the Board for or during any periods after default of any of the terms, covenants or conditions herein contained to
be performed, kept and observed by the Company shall not be deemed a waiver of any right on
the part of the Board to cancel this Agreement for failure by the Company to so perform, keep or
observe any of the terms, covenants or conditions hereof to be performed, kept and observed.

SECTION XVI
TERMINATION BY COMPANY

The Company may terminate this Agreement in the event that the Board shall fail to
observe or perform any of the Board's covenants, agreements or obligations hereunder and such
failure shall continue unremedied for a period of sixty (60) days after the Company shall have
given to the Board written notice specifying wherein the Board has failed to observe or perform
any such covenant, agreement or obligation, plus such additional time as is reasonably required
to correct any such failure if the Board has instituted corrective action within such sixty (60) day
period and is diligently pursuing the same to completion.

The provisions of this Section XVI are subject to the following limitations: if by reason
of force majeure the Board is unable in whole or part to carry out any of its agreements contained
herein, the Board shall not be deemed in default during the continuance of such inability. The
term "force majeure" as used herein shall mean, without limitation, the following
disturbances: acts of public enemies; orders or restraints of any kind of the government of the
United States of America or of the Commonwealth of Kentucky or of any of their departments,
agencies or officials (other than the Board) or of any civil or military authority; insurrections;
riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to
machinery, transmission pipes or canals; and any other cause or event not reasonably within the
control of the Board. The Board agrees, however, if practicable, at reasonable cost (in the
Board's judgment) and subject to the remaining terms hereof, to remedy with all reasonable
dispatch the cause or causes preventing the Board from carrying out its agreements, provided
that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within
the discretion of the Board.

No waiver, expressed or implied, of default by the Company of any of the terms,
covenants or conditions hereof to be performed, kept and observed by the Board shall be
construed to be or act as a waiver of any subsequent default of any of the terms, covenants and
conditions herein contained to be performed, kept and observed by the Board. The payment of
rentals, charges or fees or the performance of all or any part of this Agreement by the Company
for or during any periods after default of any of the terms, covenants or conditions herein
contained to be performed, kept, or observed by the Board shall not be deemed a waiver of any
right on the part of the Company to cancel this Agreement as aforesaid for failure by the Board
to so perform, keep or observe any of the terms, covenants or conditions hereof to be performed,
kept and observed.

SECTION XVII
ASSIGNMENT AND SUBLETTING
The Company agrees not to assign this Agreement or any part hereof in any manner whatsoever or to sublet the Leased Premises or any part thereof or any of the privileges recited herein without the prior written consent of the Board and any assignment or sublease without such approval shall be void. The Board reserves the right to deny any proposed sublease or assignment in its sole and absolute discretion. However, the foregoing consent shall not be required, if the requirements of Paragraph A (3) of Section XV are met, as to the assignment of this Agreement or any rights hereunder to any corporation or entity with which the Company may merge or consolidate or which may succeed to the business or assets of the Company or a substantial part thereof.

SECTION XVIII
HOLDING OVER

In the event the Company shall hold over and remain in possession of the Leased Premises after expiration of this Agreement without any renewal thereof, such holding over shall not be deemed to operate as a renewal or extension of this Agreement but shall only create a tenancy from month to month which may be terminated at any time by the Board.

SECTION XIX
RULES AND REGULATIONS

The Board shall have the right to and may adopt and enforce reasonable rules and regulations with respect to the use of the Airport and facilities thereon which the Company agrees to observe and obey. Specifically, the Board shall have the right to and may adopt and enforce reasonable rules and regulations with respect to the use of the Leased Premises and the exercise by the Company of its rights hereunder in respect to the handling and storing of hazardous articles and materials and of petroleum products including glycol, as the Board may determine is necessary under the provisions of Federal Aviation Regulations, Part 139, or other laws or regulations which are or which from time to time may be enacted or become required by ruling or other enactment of any governmental authority having jurisdiction thereof.

SECTION XX
NO PERSONAL LIABILITY

No covenant, obligation or agreement of the Board shall be deemed to be a covenant, obligation or agreement of any present or future member, officer, agent or employee of the Board in other than his official capacity, and neither the members of the Board, any official executing this Agreement nor any officer, agent or employee of the Board shall be liable personally or be subject to any personal liability or accountability by reason of the covenants, obligations or agreements of the Board contained herein.
SECTION XXI
GENERAL PROVISIONS

A. Except as otherwise provided in this Agreement, notices under this Agreement shall be given to the Board by certified mail, postage prepaid, or nationally recognized overnight courier addressed to the Chief Executive Officer, Cincinnati/Northern Kentucky International Airport, P.O. Box 752000, Cincinnati, Ohio 45275-2000, and notice to the Company, must be sent certified mail, postage prepaid, or by nationally recognized overnight courier addressed Attention: Keith Hanson, Allegiant Air, LLC, Director of Airports, 8360 S. Durango Drive, Las Vegas, Nevada, 89113, or such other respective addresses as the parties may designate to each other from time to time in writing.

B. Nothing herein contained shall be deemed to grant the Company any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act.

C. This Agreement is subject and subordinate to the provisions of any agreement heretofore or hereafter made between the Board and the United States Government relative to the financing, operation, or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of rights, money or property to the Board for Airport purposes, or the acquisition or expenditure of funds for the improvement or development of the Airport, and this Agreement shall be deemed amended to conform to any such agreements.

D. The headings of the several sections of this Agreement and any subheadings are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope or intent of any provisions of this Agreement and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction hereof.

E. This Agreement and the rights, duties, and obligations of the parties hereunder are governed by the laws of the Commonwealth of Kentucky. Any disputes relating to this Agreement shall be resolved in accordance with the laws of the Commonwealth of Kentucky.

F. The Company, by execution of this Agreement, certifies that it:

1. is not owned or controlled by one or more citizens or nationals of a foreign country included in the list of countries that discriminate against U.S. firms published by the Office of the United States Trade Representative (USTR);

2. has not knowingly entered into any contract or subcontract for this project with a contractor that is a citizen or national of a foreign country on said list, or is owned or controlled directly or indirectly by one or more citizens or nationals of a foreign country on said list.

3. has not procured any product nor subcontracted for the supply of any product for use on the project that is produced in a foreign country on said list.
Unless the restrictions of this Paragraph F are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to a company who is unable to certify to the above. If the Company knowingly procures or subcontracts for the supply of any product or service of a foreign country on the said list for use of the project, the Federal Aviation Administration may direct, through the Board, cancellation of the contract at no cost to Board or to the United States Government.

Further, the Company agrees that it will incorporate this provision for certification without modification in each contract and in all lower tier subcontracts. The Company may rely upon the certification of a prospective subcontractor unless it has knowledge that the certification is erroneous.

The Company shall provide immediate written notice to the Board if the Company learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The subcontractor agrees to provide immediate written notice to the Company, if at any time it learns that its certification was erroneous by reason of changed circumstances.

This certification is a material representation of fact upon which reliance was placed when making this Agreement. If it is later determined that the Company or any subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration may direct, through the Board, cancellation of this Agreement or subcontract for default at no cost to the Board or the United States Government.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a Company is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

G. The Company represents that it has carefully reviewed the terms and conditions of this Agreement, is familiar with such terms and conditions and agrees faithfully to comply with the same to the extent to which said terms and conditions apply to its activities as authorized and required by this Agreement.

H. From time to time, there may be gates in Concourse A that are not currently being leased by the Board that the Board may make available to Company to use on an intermittent basis for the loading and unloading of passengers and baggage, and for the overnight parking of aircraft, in connection with the Company’s air transportation business in Concourse A. To the extent such other gates in Concourse A are available and to the extent that the Company desires to utilize the same, the Board will establish Policies and Procedures which shall govern the
Company’s use thereof. The Policies and Procedures may be amended from time to time by the Chief Executive Officer of the Board and such amendments shall be provided to Company thirty (30) days in advance of the effective date of the amendment. The Board expressly does not represent that such other gates will be available in Concourse A during the Term hereof and Company’s use of the same is subject to availability and the Policies and Procedures. Nothing in the Policies and Procedures will limit, impair or affect the Company’s rights and interests under this Agreement.

I. The Chief Executive Officer of the Board, or his/her representative, shall be designated as the official representative of the Board in all matters pertaining to this Agreement and shall have the right and authority to act on behalf of the Board with respect to all action required of the Board in this Agreement.

SECTION XXII
SUCCESSORS AND ASSIGNS BOUND BY COVENANTS

All covenants, stipulations and agreements in this Agreement shall extend to and bind the legal representatives, successors and assigns to the respective parties hereto.

SECTION XXIII
COUNTERPARTS

This Agreement may be executed in any number of counterparts each of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION XXIV
INVALID PROVISIONS

In the event any covenant, condition or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition or provision herein contained will not affect the validity of any other covenant, condition or provision; provided that the invalidity of any such covenant, condition or provision does not materially prejudice either the Board or Company in its respective rights and obligations contained in the valid covenants, conditions or provisions of this Agreement.

SECTION XXV
ENTIRE AGREEMENT

The parties hereto understand and agree that this instrument contains the entire Agreement between the parties. The parties further understand and agree that neither party nor
its agents have made representations or promises with respect to this Agreement except as expressly set forth herein; and that no claim or liability shall arise for any representations or promises not expressly stated in this Agreement. Any other writing or parol agreement with the other party being expressly waived.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers and their respective seals to be hereunto affixed the day and year first written above.

KENTON COUNTY AIRPORT BOARD

By:

ATTEST:
Chairman

Secretary-Treasurer

ALLEGIANT AIR, LLC.

By:________________________

Its:________________________

Witness:_______________________

Approved as to form and legality:

______________________________

Printed Name:__________________
ZIEGLER & SCHNEIDER, P.S.C.
EXHIBIT A
AIRLINE GATE AREAS
EXHIBIT B
AIRLINE SHARED SPACE
EXHIBIT D
TICKET COUNTERS
EXHIBIT E
RENTAL AND USE CHARGES
EXHIBIT F
EXCLUSIVE USE AGREEMENT
Note: This exhibit to be updated and replaced to add the PC Chiller Plant (4,679 SF) as Airline Shared Space.
AREA = 182.90 sf
Cincinnati/Northern Kentucky International Airport
Kenton County Airport Board
Terminal 3 Concourse A Leased Premises, Shared Equipment, and Airline Shared Space
Summary of Rental, Fees and Charges

Allegiant

9/23/2015

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<th>Space Description</th>
<th>Billable Footage/ # of Gates</th>
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**TOTAL RENTAL, FEES AND CHARGES**

$670,741.35

Net Remaining Revenues Terminal Rental adjustment (8)

$63,494.00

**ADJUSTED RENTAL, FEES AND CHARGES**

$607,247.35

(1) Concourse A terminal rental rate calculated in accordance with Section 5.8(B)(1) of the Airport Use Agreement
(2) Terminal Ramp Area Rental Rate calculated in accordance with Section 5.8(B)(2) of the Airport Use Agreement
(3) Concourse A Loading Bridge charge calculated in accordance with Section 5.8 (B)(4) of the Airport Use Agreement
(4) Calculated in accordance with Exhibit E-2.
(5) Calculated in accordance with Exhibit E-3.
(6) Calculated in accordance with Section 5.6(B)(3) of the Airport Use Agreement.
(7) Hallway includes 1,721 sq. ft. allocated based upon amount of leased ticket office space.
(8) Application of Net Remaining Revenues Terminal Rental Adjustment calculated in accordance with Section 5.3 (B) & (C) of the Airport Use Agreement.

Dollar amounts shown are for illustrative purposes only and are based on the Airport Use Agreement Exhibits.
Net Annual Terminal O&M Charge Under Delta Agreements (1)(2)  
Utilities (3)  
Total Terminal 3 Facility Base Building Charge

<table>
<thead>
<tr>
<th></th>
<th>Annual Cost</th>
<th>SQ. Ft.</th>
<th>Rate per Sq. Ft.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Annual Terminal O&amp;M</td>
<td>$20,992,719.39</td>
<td>851,883</td>
<td>$24.64</td>
</tr>
<tr>
<td>Charge Under Delta</td>
<td>$0.00</td>
<td>851,883</td>
<td>$0.00</td>
</tr>
<tr>
<td>Agreements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilities (3)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Terminal 3</td>
<td>$20,992,719.39</td>
<td></td>
<td>$24.64</td>
</tr>
<tr>
<td>Facility Base Building</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Delta Agreements pertaining to the Terminal 3 Facilities are as defined in the Airport Use Agreement  
(2) Net Annual Terminal O&M Charges is calculated in accordance with Section 5.6(A)(1) of the Airport Use Agreement  
(3) In accordance with Section 5.6 (A)(8) of the Airport Use Agreement to the extent that utilities are included in the calculation of the Base Rental Rate a separate charge for utilities will not be included in of the Base Building Rental Rate

Dollar amounts shown are for illustrative purposes only and are based on the Airport Use Agreement Exhibits
### Bag Claim Allocated Cost

<table>
<thead>
<tr>
<th>Description</th>
<th>Building SQ Ft</th>
<th>Base Bldg Charge</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baggage Claim(2)</td>
<td>30,610</td>
<td>$24.64</td>
<td>$767,098</td>
</tr>
<tr>
<td>Bag Claim Equipment Maintenance Costs(currently included in Bag System)(3)</td>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Bag Claim Allocated Cost</strong></td>
<td></td>
<td></td>
<td><strong>$767,098</strong></td>
</tr>
</tbody>
</table>

- Concourse A Gates: 22
- Concourse B Gates: 28
- **Total Gates for Allocation:** 50

**Cost Per Conc. A Gate:** $19,212.97

### Bag System Allocated Cost

<table>
<thead>
<tr>
<th>Description</th>
<th>Building SQ Ft</th>
<th>Base Bldg Charge</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Macroline (7)</td>
<td>22,514</td>
<td>$24.64</td>
<td>$554,906.53</td>
</tr>
<tr>
<td>T-Drive (2)</td>
<td>24,137</td>
<td>$24.64</td>
<td>$588,901.48</td>
</tr>
<tr>
<td>Total T3 Bag System Area</td>
<td>46,651</td>
<td></td>
<td>$1,143,807.91</td>
</tr>
<tr>
<td>Tunnel Conveyors (7)</td>
<td>111,074</td>
<td>$24.64</td>
<td>$2,737,448.84</td>
</tr>
<tr>
<td>TAC Risers (2)</td>
<td>1,728</td>
<td>$24.64</td>
<td>$42,607.77</td>
</tr>
<tr>
<td>Con B Matrix (2)</td>
<td>46,922</td>
<td>$24.64</td>
<td>$1,131,649.37</td>
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<tr>
<td>Total Tunnel Areas &amp; Matrix Serving all Gates</td>
<td>158,725</td>
<td>$24.64</td>
<td>$3,911,417</td>
</tr>
<tr>
<td>Con B (excludes matrix area) (2)</td>
<td>112,943</td>
<td>$24.64</td>
<td>$2,783,223.41</td>
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<tr>
<td><strong>Base Building Cost allocated at Cost per Sq. Foot</strong></td>
<td>318,319</td>
<td></td>
<td>$7,844,247.91</td>
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<tr>
<td><strong>T3 &amp; Tunnel Areas Serving All Gates</strong></td>
<td></td>
<td></td>
<td>$5,961,029.50</td>
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<tr>
<td><strong>Concourse B Gates Only</strong></td>
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<td></td>
<td>$2,883,223.41</td>
</tr>
<tr>
<td><strong>Total Cost to be Allocated Based on Square Foot in Each Area as % of Total Sq. Feet</strong></td>
<td></td>
<td></td>
<td><strong>85%</strong></td>
</tr>
<tr>
<td><strong>Total Bag System Allocated Costs</strong></td>
<td></td>
<td></td>
<td><strong>$5,425,238.45</strong></td>
</tr>
</tbody>
</table>

### Cost to be Allocated Based on Building Square Feet

- Bag System Future Delta Funded Capital Improvements: $0.00
- Bag System Future Board Funded Capital Improvements: $0.00
- Bag System Prior Fled improvement Costs: $0.00
- Bag System Maintenance Costs (3): $1,920,724
- **Total Cost to be Allocated Based on Square Foot in Each Area as % of Total Sq. Feet:** $1,920,724
- **Total Bag System Allocated Costs:** $5,425,238.45

### AGTS Allocated Cost

<table>
<thead>
<tr>
<th>Costs Allocated to AGTS System</th>
<th>Building SQ Ft</th>
<th>Base Bldg Charge</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGTS Areas (2)</td>
<td>56,006</td>
<td>$24.64</td>
<td>$1,390,633.37</td>
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<tr>
<td>AGTS Prior Fled Improvement Costs</td>
<td></td>
<td></td>
<td>$0.00</td>
</tr>
<tr>
<td>AGTS Future Delta Funded Capital Improvements</td>
<td></td>
<td></td>
<td>$0.00</td>
</tr>
<tr>
<td>AGTS Future Board Funded Capital Improvements</td>
<td></td>
<td></td>
<td>$0.00</td>
</tr>
<tr>
<td>AGTS Maintenance Costs (3)</td>
<td></td>
<td></td>
<td>$1,442,538</td>
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<tr>
<td><strong>Total AGTS Allocated Costs</strong></td>
<td></td>
<td></td>
<td><strong>$2,833,171.87</strong></td>
</tr>
</tbody>
</table>

**Agreed upon Reduction %:** 50%

**Total to be allocated by Gate:** $1,417,585.78

- Concourse A Gates: 22
- Concourse B Gates: 28
- Concourse C Gates: 48
- **Total Gates for Allocation:** 98

**Cost Per Conc. A Gate:** $14,404.46

(1) Calculated in accordance with Exhibit E-2.
(2) Square Feet for each area as set forth in exhibits to Terminal 3 Facility Lease Agreement between Delta and the Board.
(3) Maintenance costs shall be estimated annually in accordance with Section 6.2 of the Airport Use Agreement and will be adjusted to actual amounts calculated in accordance with the Terminal 3 Facility Lease Agreement as part of the annual settlement process in accordance with Section 6.3 of the Airport Use Agreement.
(4) $46,951+168,725 divided by 318,319=.65%
(5) 112,943 divided by 318,319=.35%

Dollar amounts shown are for illustrative purposes only and are based on the Airport Use Agreement Exhibits.