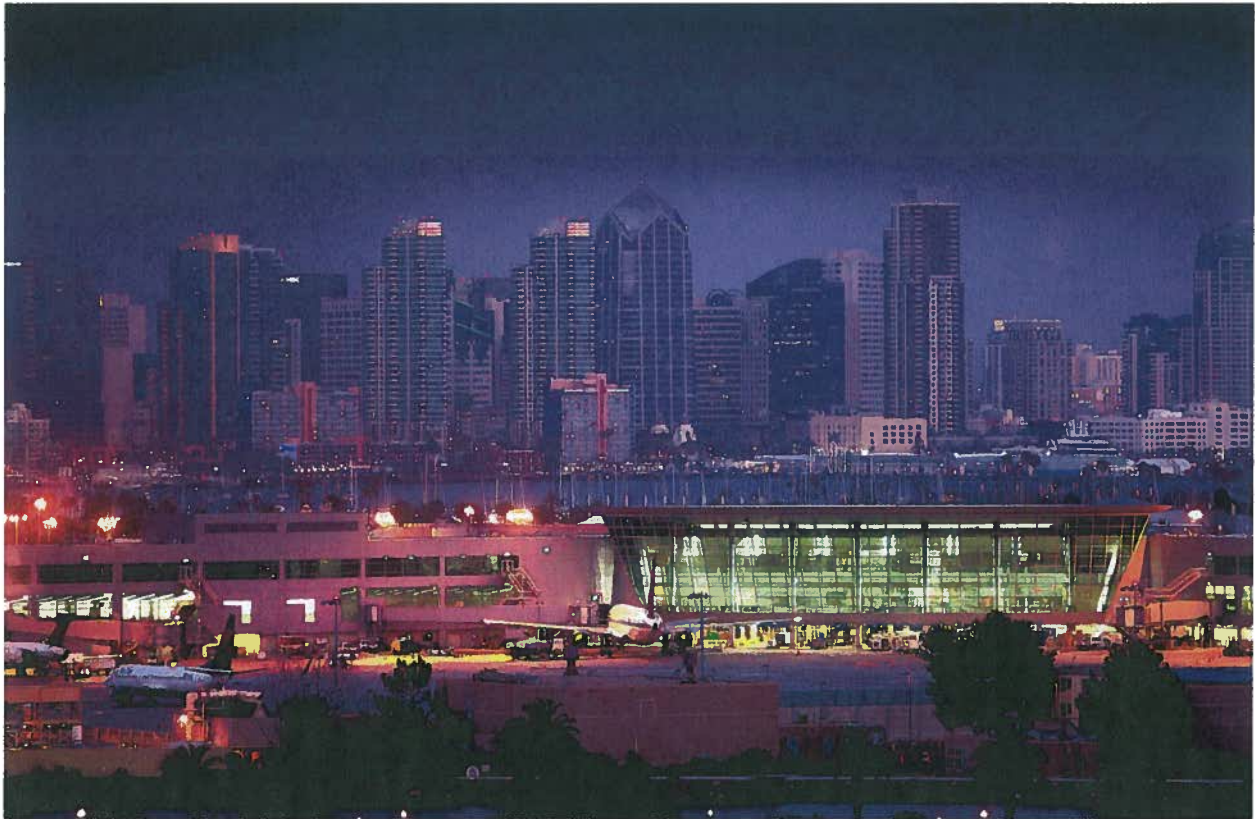


Competition Plan

*San Diego International Airport (SAN)
(Federal Fiscal Year 2014)*



San Diego County Regional Airport Authority

October 2013

SAN DIEGO INTERNATIONAL AIRPORT - SAN

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OVERVIEW AND BACKGROUND

OVERVIEW

The San Diego County Regional Airport Authority (Authority) was created on January 1, 2003 pursuant to state law. The Authority is a local governmental entity of regional government, with the jurisdiction extending throughout the County of San Diego. It has the exclusive responsibility to study, plan, and implement any improvements, expansion or enhancements at San Diego International Airport, as well as to study, plan and implement any improvements, expansion or enhancements at existing or future airports within its control. As of December 31, 2012, the Authority oversees and manages only the day-to-day operations of San Diego International Airport ("Airport" or "SAN"). The Airport serves the greater San Diego County region of southern California, and enplaned over eight million passengers in calendar year 2012.

COMPETITION PLANS

The Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21), Pub. L. 106-181, Section 155, dated April 5, 2000, codified at 49 U.S.C §47106 (hereinafter "Section 155") requires the submission of a Competition Plan by certain large and medium sized airports which are designated as covered airports. A "covered airport" ("Covered Airport") is defined as "a commercial service airport that has more than 0.25 percent of the total number of passenger boardings at all such airports; and at which one or two carriers control more than 50 percent of passenger calendar year boardings."

The Federal Aviation Administration (FAA) is prohibited from approving a new Passenger Facility Charge ("PFC") application or an Airport Improvement Program ("AIP") grant from a Covered Airport until a competition plan determined by the FAA to comply with Section 155 has been received.

As a result of the Justice Department's approval of the United Airlines and Continental Airlines merger in late CY11, the Airport was required to file a Competition Plan. The combined enplanements of United Airlines and the former Continental Airlines, resulting from their merger are 14.3% of the Airport's total enplanements in CY12.

Based on passenger enplanement data from the Department of Transportation's (DOT) Air Carrier Activity Information System database ("ACAIS"), the Airport is a Covered Airport for Federal Fiscal Year 2014 ("FFY 2014") beginning October 1, 2013 because Southwest Airlines Company and United Airlines, Inc. enplaned a combined 51.9% of the Calendar Year 2012 passengers at Airport.

Table 1
CY2012 SAN Enplanements

Airline	Enplanements	Percentage of Enplanements
Southwest	3,262,264	37.6%
United	1,242,850	14.3%
Other Carriers	4,181,478	48.1%
Airport Total	8,686,592	100%

FAA's Program Guidance Letter 04-08 dated September 30, 2004, states that pursuant to the FAA's authority under 49 U.S.C. sections 47107(a)(15) and 47122, the competition plan and subsequent updates are reports within the meaning of section 47107(a)(15) and its implementing AIP grant assurance No. 26 and must be made available to the public. When this Competition Plan is approved, the Authority will post the Plan and FAA's approval letter on the Airport website at www.san.org.

INTRODUCTION

SAN is the primary commercial airport for San Diego County, California ("County"), with over eight million enplaned passengers for calendar year 2012. The only other airport in the County with scheduled passenger service is McClellan-Palomar Airport located in Carlsbad, California ("CLD") which enplanes fewer than 50,000 passengers each year.

SAN is located three miles northwest of downtown San Diego and sits on 661 acres. The Airport includes two mainline jet terminals with 41 gates as of the last terminal expansion in 1998 and an additional 10 gates that opened on August 13, 2013, and a commuter terminal with four gates. The Airport features one 9,401-foot long and 200-foot wide runway, and is the busiest single runway commercial airport in the United States. The Airport accommodated an average of 509 arrivals and departures a day in 2012, 90% of which were for scheduled passenger and cargo service. Twenty-two (22) passenger carriers provided service to fifty-six (56) non-stop destinations throughout 2012.

Highlights of the Airport's history follow:

1928 - The Airport was founded as a municipal airport.

1942 – The Airport's current runway was constructed.

1967 – The new East Terminal (now "Terminal 1") opened.

1976 – SAN adopted a nighttime flight restriction for airlines operating at the Airport.

1979 - The new West Terminal (now "Terminal 2 East") opened.

1998 - The new West Terminal expansion ("Terminal 2 West") opened.

2009-2013 – Construction of the Terminal 2 West ("T2 West") expansion program (the "Green Build"), including 10 new gates, commenced in 2009 and was completed on schedule in August 2013.

1. AVAILABILITY OF GATES

1.1 - Number of gates available at Airport by lease arrangement, i.e., exclusive, preferential, or common-use, and current allocation of gates

The Authority does not lease gates on an exclusive use basis at Airport. All gates are common use. Use of a gate may be granted to an airline for preferential or secondary use rights or it is an Authority controlled gate. An airline may earn a preferential use gate assignment based on minimum daily average utilization requirements. A comprehensive set of rules for gate use and assignment are included within the Airport's Airline Operating and Lease Agreement (hereafter "AOLA") a copy of which is attached as "Exhibit A". No more than six preferential use gates may be assigned to a single airline, per the provisions of Article 5 of the AOLAs, entitled "Assignment and Use of Common Use Premises and RON Positions". Current gate allocations are as follows:

Table 2
Allocation of Gates by Type – Preferential vs. Authority Controlled as of October 1, 2013

Terminal	Number of Preferential Gates Assigned	Number of Authority Gates	Hardstand Positions	Total Gates
Commuter	0	0	10	N/A
Terminal 1 East	6	5		11
Terminal 1 West	5	3		8
Terminal 2 East	7	6		13
Terminal 2 West	14	5		19
Total	32	19		51

Table 3
Allocation of Gates by Carrier as of October 1, 2013

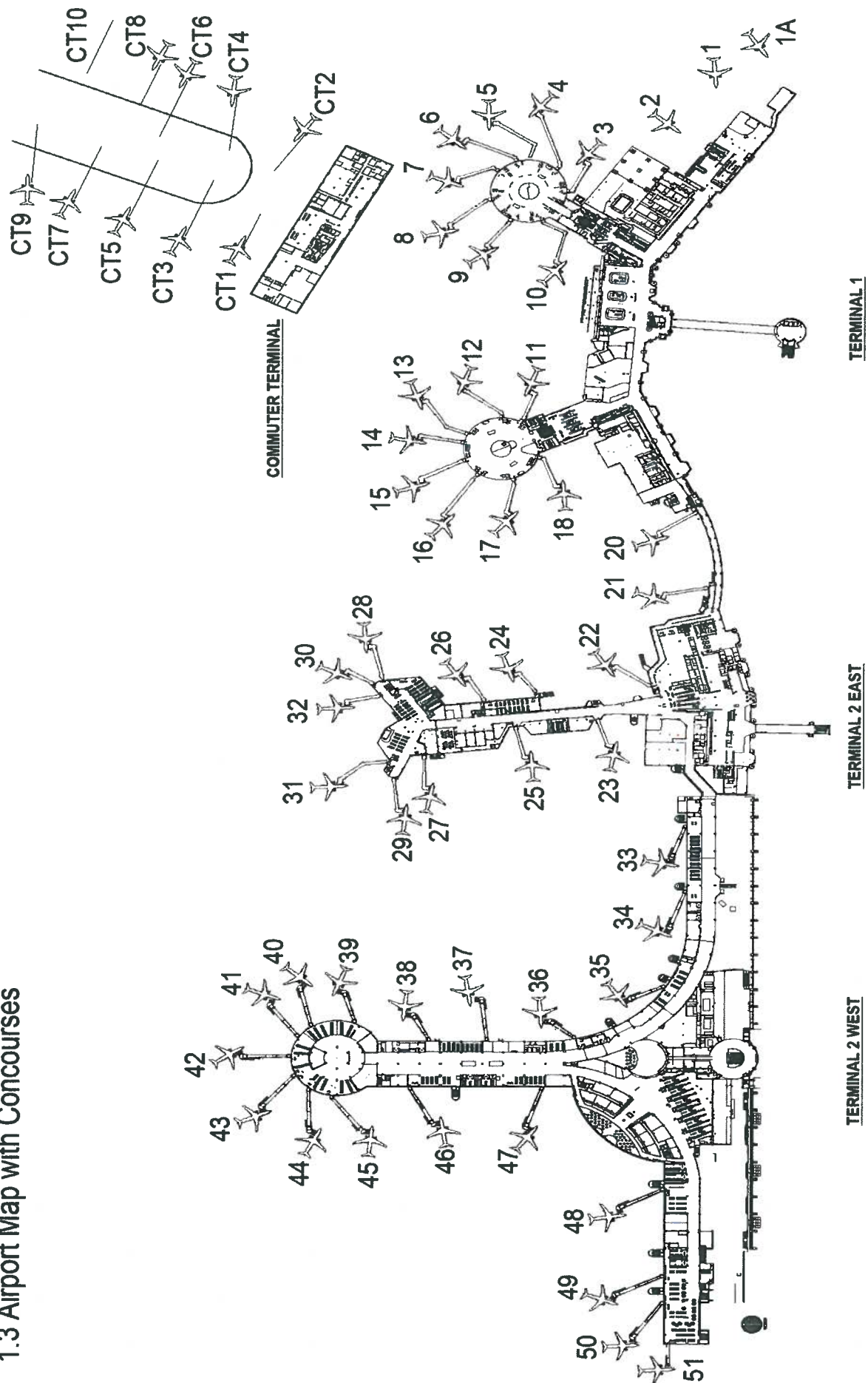
Airline	Number of Preferential Gates Assigned	Preferential Gates Assigned	Other Gates Used
Air Canada	0	N/A	21
Alaska Airlines	5	14 - 18	12, 13, 21
Allegiant Airlines	0	N/A	22
American Airlines	4	27, 29, 31, 32	26
American Eagle Airlines (LAX)	0	N/A	Commuter 1, 2
British Airways	0	N/A	20
United Airlines	6	38-40, 44-46	43

Delta Airlines	4	47 – 51	0
Frontier Airlines	1	28	30
Hawaiian Airlines	0	0	22 or 30
Japan Airlines	0	0	20 or 22
JetBlue Airways	1	37	41
SeaPort Airlines	0	N/A	Commuter 1, 2
SkyWest (US Airways Express)	0	N/A	33
SkyWest (Delta Connection, LAX)	0	N/A	Commuter 3, 4
SkyWest (United Express LAX)	0	N/A	Commuter 3, 4
Southwest Airlines	6	1-6	1A, 7-10
Spirit	1	30	21
Sun Country Airlines	0	N/A	49
US Airways	3	33, 34, 35	41
Virgin America	1	25	N/A
West Jet	0	N/A	22

1.2 - Have any carriers been serving Airport for more than three years relying on common use gates?

All gates at Airport are common use. Carriers may be granted preferential use rights or secondary use rights as noted in Section 1.1, above. International carriers are granted secondary use rights only on the Airport's international gates.

1.3 Airport Map with Concourses



1.4 - Describe Airport's gate use monitoring policies, including any differences in policy at gates subject to PFC Assurance #7 and samples of gate use monitoring charts, along with a description of how the charts are derived and how they are used by Airport.

Airlines are required to submit monthly flight schedules to Authority thirty (30) days in advance. The Authority uses these airline-provided flight schedules to assemble Airport-wide gate schedules, which plot flight activity on each gate using 15-minute time intervals. A sample gate chart is attached as "Exhibit B". There are no differences in gate policy based on whether gates are subject to PFC Assurance #7.

The charts are updated and reviewed monthly by a Gate Management Working Group ("GMWG") to ensure that all existing or upcoming additional flights can be accommodated and/or determine if any flights must be temporarily or permanently (re)assigned to new gates. The GMWG consists of management staff from the Authority's Aviation and Commercial Business, Airside Operations, Landside Operations, Airport Planning and Air Service Development Departments. The Airside Operations Department refers to this schedule on a daily basis, as needed to accommodate flight delays and irregular operations. The Air Service Development Department continually reviews airlines' schedules as far in the future as they are published, and advises the GMWG of any schedule revisions or additions that may impact the existing gate scheduling.

1.5 - Describe the process for accommodating new service and for service by a new entrant.

An existing airline assigned a preferential use gate has the right to add new scheduled service to its preferential use gate after giving a thirty (30) day prior written notice to the Authority, provided the requested time slot does not conflict with an assigned use of that gate by a second priority user. (A secondary user may be assigned use of another airline's preferentially-assigned gate for a time period that the preferential user is not operating at that gate, or at an Authority-controlled gate.) If the preferential user's new flight conflicts with the schedule of a second priority user, the airline shall provide the Authority at least a ninety (90) day written notice of its intent to add the new operation. The Authority will locate another available gate for the secondary user, if possible.

Should an airline assigned a secondary use gate wish to add service to that gate, the airline must submit its flight schedule to Authority sixty (60) days in advance to request the Authority to assign the flight to a gate. The Authority uses the gate charts described in Section 1.4, above, to ensure that the new flight(s) can be accommodated, without conflict to existing operations.

When a new entrant wishes to commence service, the Authority, based on the information in the gate chart, will work with the new entrant to arrange for use of available gates, and consider modifying gate assignments to existing carriers. To date, the Authority has been able to offer existing office and operations facilities to new entrants. Interior structural modifications have been necessary occasionally, either by the Authority or through the new entrant's tenant improvement project.

The Authority, including the Air Service Development, Aviation and Commercial Business, Airside Operations, Landside Operations, the Information Technology Department, Aviation Security and Public Safety and Airport Planning staff, meet internally on a weekly basis to review and implement all actions required to provide the new entrant with terminal and airside facilities, an AOLA, badging information, contacts for ground-handling services, etc. Aviation & Commercial Business takes the

lead in informing, guiding and ensuring that a new entrant provides required information and documentation, submits a tenant improvement package pertaining to its new leased premises and in coordination with the other Authority departments completes all required action and executes an AOLA before initiating service. Aviation & Commercial Business, Airside and Landside Operations Departments advise and coordinate with any impacted airlines in the terminal where the new entrant will be located.

1.6 - Describe any instances in which the PFC competitive assurance #7 operated to convert previously exclusive-use gates to preferential-use gates or it caused such gates to become available to other users.

All gates at Airport are common use, and have been since the inception of the Authority in 2003.

1.7 - Gate utilization (departures/gate) per week and month reported for each gate.

See "Gate Utilization – Departures per Gate Per Month and Per Week", attached hereto as "Exhibit C".

1.8 - Describe the circumstances of accommodating a new entrant or expansion of service during the 12 months preceding filing, including the length of time between initial carrier contact of airport and start of service, the identity of the carriers and how they were accommodated.

Alaska Airlines, an existing airline, contacted SAN in January 2012 regarding four new nonstop flights to three California cities - Fresno, Monterey and Santa Rosa, commencing June 4, 2012. All flights were accommodated at Alaska's three preferential use gates in Terminal 1. The Authority approved Alaska's request to install nine check-in kiosks across the ticketing lobby to accommodate the increase in passengers.

Japan Airlines announced in February 2012 it would commence service in December 2012, with service to Tokyo four times a week. The airline was assigned to operate at Gate 20, one of three international gates. The Authority provided vacant exclusive use office and ramp space for lease and created a second office by modifying space within an existing office suite. Japan Airlines chose to partner with American Airlines for above-the-wing handling, including the use of American's ticket counter. The Authority provided a list of current, badged on-Airport ground handlers for Japan's consideration in contracting for various services and Japan utilized this information to procure the services it required.

1.9 - Resolution of any access complaints by a new entrant or an air carrier seeking to expand service during the 12 months preceding the filing, including a description of the process to resolve the complaint.

The Authority has not denied access to any carrier since the inception of the Authority in January 2003, nor have there been any access complaints filed during this time.

1.10 - Describe use/lose, or use/share policies and recapture policies for gates and other facilities. If no such policies exist, explain the role, if any, that underutilized gates play in accommodating carrier request for gates;

The Authority policies ensure open access to gates at Airport. It (a) assigns preferential use gates to eligible airlines based on the daily average utilization; (b) establishes procedures for the consensual reallocation of gates and facilities among airlines; (c) reserves the right to require sharing and temporary use of gates; (d) establishes priorities to accommodate requests for gates and facilities by airlines seeking to initiate, change or expand operations (e) establishes minimum utilization requirements for the use and continued use of preferential use gates, (f) establishes criteria and guidelines for gate assignments, and (g) sets the period of use for the use of Authority controlled gates by airlines.

Although all gates at Airport are common use, an airline may earn preferential use gate assignments based on minimum daily average utilization requirements (currently 625 departing seats per day for their first gate and 750 departing seats a day for gates two through six). No more than six preferential use gates may be assigned to a single airline. In the event a carrier does not meet the daily average utilization requirements for its preferential assignment(s), the Authority may give the airline a written notice after which the airline has sixty (60) days to add operations to meet the daily average utilization requirement. If the airline fails to do so, the Authority may re-assign that gate to another carrier or designate the gate as an Authority-controlled gate.

An airline is designated as the first priority user for its scheduled operations at its preferential use gates. Another airline may be assigned second priority use rights on that gate during time periods when the gate is not used for scheduled operations by the first priority user. An airline with second priority use may not be forced off a preferential use gate due to the preferential use airline's wish to add service at the same time as the secondary user's operation, unless, pursuant to a 90-day notice from the preferential user to the Authority, an acceptable replacement gate is located for the secondary user.

At an Authority-controlled gate, any airline may be designated as a second priority user. No first priority or preferential use is granted at Authority-controlled gates. As the international gates are classified as Authority-controlled gates, an airline operating international flights (requiring FIS facilities) shall be assigned second priority use rights, which protects its scheduled operations at that gate. The Authority reserves the right to re-allocate all preferential use rights to gates at the beginning of each fiscal year, or more often, if need be.

1.11 Plans to make gates and related facilities available to new entrants or to air carriers that want to expand service at Airport and the methods of accommodating new gate demand by air carriers at the airport (common use, preferential-use, or exclusive-use gates).

There are currently gates available for new entrants and existing carriers who may want to expand service at the Airport, depending upon the time of day desired by the new entrant. A terminal expansion program was completed in August 2013, which provided ten (10) additional new gates in Terminal 2. In another area of Terminal 2, the Authority is completing the construction of new and expanded holdrooms and equipping two existing unassigned common use gates with common use passenger processing ("CUPPS") equipment. This will enable existing airlines to easily add service and provide available gates for new entrants.

1.12 Availability of an airport competitive access liaison to assist requesting carriers, including new entrants.

The Aviation & Commercial Business Department at Airport actively assists both existing and new entrant carriers in gaining access to the facilities required for their operations.

1.13 Number of aircraft remain overnight ("RON") positions available at the Airport by lease arrangement, i.e. exclusive, preferential, common-use or unassigned, and distribution by carrier. Describe procedures of monitoring and assigning RON positions and for communicating availability of RON positions to users.

All RON parking positions at Airport are common use. The Airport now has fifty-one (51) at-gate RON positions, all of which are currently occupied, plus two gates where two aircraft can be accommodated. There are also thirty-six (36) remote RON positions, which include ten positions on the Commuter Terminal ramp. Assignments to individual RON positions are determined by a committee chairperson within the Airport's Lindbergh Airline Managers Committee ("LAMC"), which is comprised of the local station managers. The current RON Committee chairperson possesses an inventory of available RON positions. The Authority advises of the availability of new RON positions via communication at the LAMC meetings. Upon completion of the Terminal 2 expansion program in August 2013, ten (10) at-gate RON positions and ten (10) remote RON positions were created to the west of the expanded terminal.

2. LEASING AND SUBLEASING

2.1 - Is subleasing or handling arrangements with an incumbent carrier necessary to obtain access;

No, there are currently ticket counter, gates and other facilities available to a new entrant carrier.

2.2 - How the airport assists requesting airlines to obtain a sublease or handling arrangement.

The Authority has not received any requests from any airline to assist in securing a sublease. (The only subleases that would be allowed involve exclusive use airline space, such as certain ticket counters, offices or storage.) Should an airline desire a handling agreement at Airport, the Authority provides a list of commercial aviation service and ground handling contractors who hold active licenses at the Airport to provide services to any requesting airline. The Airport currently has approximately 30 licensed commercial aviation service providers.

2.3 - Airport policies for sublease fees levels (e.g., maximum 15 percent above lease rates), and for oversight of fees, ground/handling arrangements and incumbent schedule adjustments that could affect access to subtenants.

The Authority allows an airline to charge a sub-lessee a reasonable amount sufficient for the airline to recover its direct costs, if any, of such sublease or use, including a reasonable allocation of tenant improvement costs and equipment costs for property and equipment owned by the airline. The rates charged by an airline shall not be less than the rates charged by the Authority for the use of Authority-controlled facilities; that is, the current annual terminal rental rate for space within the terminals.

The Authority oversees the activities of ground/handling arrangements by requiring each ground handler to enter into a license agreement with the Authority, under which the Authority assesses an 8% fee on gross receipts.

2.4 - Process by which availability of facilities for sublease or sharing is communicated to other interested carriers and procedures by which sublease or sharing arrangements are processed.

The Authority has not received requests by airlines to assist in securing a sublease. However, an airline must obtain the Authority's written consent prior to finalizing a sublease agreement. The sublease or other document must be in a form consistent with the terms and conditions of the AOLA and be submitted to and approved in writing by the Authority.

2.5 - Procedures for resolving disputes or complaints among carriers regarding use of airport facilities, including complaints by subtenants about excessive sublease fees or unnecessary bundling of services.

Authority is not aware of any such complaints; however, if one were received, the terms and conditions outlined in the current AOLA, within Airside Operations' Rules and Regulations and the Authority's Codes and Policies, would be applied to resolve a complaint. If a particular issue were not covered in any of the above documents, the Authority would meet and confer with the impacted airlines to resolve the issue in a manner that resulted in equal treatment among airlines and maximum overall operational efficiency of the Airport.

2.6 - Resolution of any disputes over subleasing arrangements in the 12 months preceding filing.

The Authority is not aware of any such complaints.

2.7 - Accommodation of independent ground service support contractors, including ground handling, maintenance, fueling, catering or other support services.

The Authority currently has approximately 30 active licensed ground service providers. These providers are accommodated in facilities leased by the airlines with which the provider has a contract. Other than a fueling company that leases a separate building and ramp space directly from the Authority, the Authority does not lease directly to independent ground service support contractors.

2.8 - Copies of lease and use agreements in effect at the Airport.

See the Authority's current AOLA, with a term of July 1, 2013 through June 30, 2018, attached hereto as "Exhibit A".

3. PATTERNS OF AIR SERVICE

3.1 - Number of markets served and identities of carriers serving the airport;

In 2012, the Airport had service to 56 destinations served by the following passenger airlines:

- Air Canada
- Alaska Airlines
- Allegiant Air
- American Airlines
- American Eagle
- British Airways
- Delta Air Lines
- Frontier Airlines
- Hawaiian Airlines
- Horizon Air
- Japan Airlines
- JetBlue Airways
- Mesa Airlines dba US Airways Express
- SkyWest Airlines dba United Express/US Airways Express/Delta Connection
- Southwest Airlines
- Spirit Airlines
- MN Airlines dba Sun Country
- United Airlines
- US Airways
- Virgin America
- Volaris Airlines and
- WestJet

See "Market Detail", attached hereto as "Exhibit D", listing those airlines and destinations served.

3.2 - Number of markets served on a non-stop basis and the average number of flights per day.

In 2012, the Airport had non-stop service to 56 destinations. See "Exhibit D", "Market Detail", listing the average number of flights per day for those destinations.

3.3 - Number of small communities served.

The Authority has entered into an AOLA with a small carrier to provide small market service to one destination within California. The service commenced May 1, 2013 and is possible due to an Essential Air Service Contract award. This carrier may expand to other small markets. The Authority continues to support these efforts.

3.4 - Number of markets served by low-fare carriers.

In 2012, over 45% of the capacity at the Airport was provided by low-cost carriers. In addition, service to 32 of the 56 markets served by SAN airlines were on low-cost carriers.

3.5 - Number of markets served by one carrier.

In 2012, there were 47 destinations that were served by only one airline.

3.6 - Number of new markets added or previously served markets dropped in the past year.

In 2012, SAN added Japan Airlines as its newest carrier with service to Tokyo/Narita Airport. In addition, Alaska Airlines' regional affiliate, Horizon Air, added service to Monterey, CA; Fresno, CA; and Santa Rosa, CA. In all, six airlines added new service to eleven destinations. Of those destinations, seven were to destinations not served in 2011. Other than seasonal summer service to Milwaukee, no markets were dropped by airlines in 2012 that were previously served in 2011.

4. GATE ASSIGNMENT POLICY

4.1 - Gate assignment policy and method of informing existing carriers and new entrants of this policy. This would include standards and guidelines for gate usage and leasing, such as security deposits, minimum usage, if any, fees, terms, master agreements, signatory, and non-signatory requirements.

The gate assignment policy is addressed in Article 5 of the Authority's current AOLA, attached as "Exhibit A". Every airline that has on-going services or commences service at SAN is party to this current AOLA. This policy applies to all commercial scheduled service airlines that, by executing and being party to an AOLA, become a signatory carrier to Airport. The Authority does not have a non-signatory agreement.

Preferential use gates are assigned by the Authority and are shown in Table 2, above. An airline is designated as the first priority user for its scheduled operations at its preferential use gates. Another airline may be assigned second priority use rights on that gate during time periods when the gate is not used for scheduled operations by the first priority user. Currently all mainline airlines that meet a daily average utilization requirement are assigned at least one preferential use gate.

Authority-controlled gates are available to all airlines on a second priority use basis. Authority-controlled gates are generally used by carriers with one or two daily flights or by Southwest Airlines, which requires more access to gates than the six preferential use gates per carrier limit allows. Southwest is using Authority controlled gates 1A and 7-10, as shown in Table 2.

4.2 - Methods for announcing to tenant carriers when gates become available. The description should discuss whether all tenant air carriers receive information on gate availability and terms and conditions by the same process at the same time.

There is currently no formal process outlined in the AOLA or in the Airport Rules and Regulations for announcing gate availability. However in accordance with the AOLA, any carrier intending to commence a new operation contacts the Authority and provides the details of the planned new service. A process is set forth in Article 5 in the AOLA for planning to accommodate the new service.

4.3 - Methods for announcing to non-tenant carriers, including both those operating at the airport and those that have expressed an interest in initiating service, when gates become available; and policies on assigning RON positions and how RON position availability announcements are made.

There is currently no formal process to announce to non-tenant carriers when gates become available. However, a non-tenant air carrier has the duty to contact the Authority to request initiating service. Article 5 in the AOLA addresses the process to accommodate the new entrant.

The policy on assigning RON positions is spelled out in Article 5.07, "RON Parking Positions", in the current AOLA (i.e., one local station manager is assigned by all the airline station managers as the RON Committee Chairperson [position rotated annually] and coordinates and assigns the RON positions under the ultimate supervision, control and approval of the Authority).

5. GATE USE REQUIREMENTS

5.1 - Gate use monitoring policy, including schedules for monitoring, basis for monitoring activity (i.e., airline schedules, flight information display systems, etc.), and the process for distributing the product to interested carriers.

The Authority's gate use monitoring policy is described in Section 1.4, above. An interested carrier may contact the Aviation and Commercial Business Department for a copy of the monthly gate use monitoring chart.

5.2 - Requirements for signatory status and identity of signatory carriers.

All passenger airlines who are federally certificated air carriers and who wish to engage in an air transportation business at Airport must enter into an AOLA, which is the Authority's signatory agreement. All SAN signatory carriers are listed in Section 3.1, above, and on "[Exhibit D](#)", "Market Detail", attached hereto. The Authority does not have a non-signatory operating agreement.

5.3 - Where applicable, minimum use requirements for leases (i.e., frequency of operations, number of seats, etc.).

There are currently no minimum use requirements stipulated in the AOLA, other than the number of departing seats required to obtain a preferential use gate(s). There is no minimum use requirement in order to lease terminal space.

5.4 - The priorities, if any, employed to determine carriers that will be accommodated through forced sharing or sub-leasing arrangements. Describe how these priorities are communicated to interested carriers.

The Airport does not have any instances of forced subleasing at the Airport. An airline with a preferentially assigned gate may share a gate with a secondary user airline, as assigned by the Authority. Gates 20, 21 and 22 are the Airport's only international gates, which five international-only airlines share, per pre-approved schedules, along with Alaska Airlines and Spirit Airlines, who currently operate to destinations in Mexico and must deplane at the FIS gates.

5.5 - Justifications for any differences in gate use requirements among tenants.

All gates at Airport are common use. There are no differences in gate use requirements among tenants.

5.6 - Usage policies for common-use gates, including, where applicable, a description of priorities for use of common-use gates. Explain how these priorities are communicated to interested carriers.

Airlines are assigned gates as either a preferential or a secondary user, depending upon the number of operations and enplanements generated by the particular airline. See Section 1.10, above, describing preferential use requirements and the option for another airline to be assigned secondary use to a preferentially assigned gate or an Authority-controlled gate. The Authority's policies and priorities are outlined in Article 5, "Assignment and Use of Common Use Premises and RON Positions" in the current AOLA.

5.7 - Methods for calculating rental rates or fees for leased and common-use space. Where applicable, provide an explanation of the basis for disparities in rental fees for common-use versus leased gates.

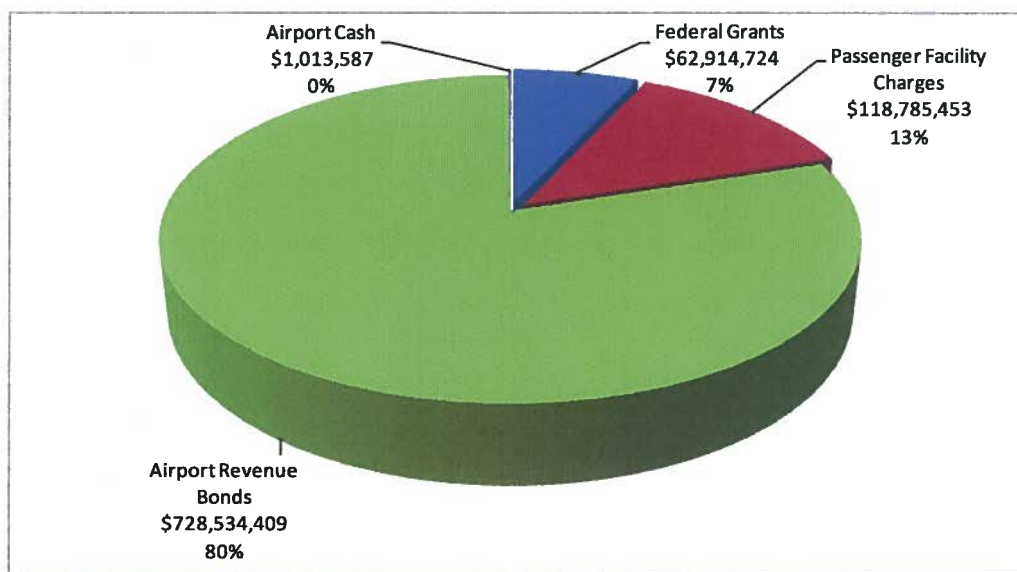
A rental rate for all leased airline exclusive, shared, joint and common use square footage is calculated by totaling the following annual costs that are attributable to the terminals: operating and maintenance expenses, bond debt service, amortization charges, other debt service and reserve requirements, as adjusted by certain credits for revenues attributable to the terminals. In the Authority's fiscal year 2013 (July 1, 2012 – June 30, 2013), this total dollar amount was divided by the square footage of the terminal rentable premises to obtain an annual per square foot terminal rental rate. There are not different rates for different types of space (ticket counter vs. office space, etc.). Joint use charges for gate holdroom space, bag claim areas and common use ticket counters are allocated among all airlines by a "20%/80%" formula set forth in Article 8 of the AOLA, based on each airline's total number of passengers as a percentage of all airlines' total passengers.

Because all gates are common use gates, there is no disparity in rental fees among gates.

6. FINANCIAL CONSTRAINTS

6.1 - The major sources of revenue for terminal projects

The Terminal 2 West expansion program ("The Green Build") provided ten (10) new passenger gates, a dual-level roadway, and expanded apron and RON aircraft parking. The project is funded by general airport revenue bonds ("GARBs"), AIP Grants, Passenger Facility Charges, Authority capital, and various non-FAA grants.



6.2 - Rates and charges methodology

The Authority at San Diego International Airport uses a hybrid rates and charges methodology (i.e., landing fees are calculated based on a residual airfield cost center rate-setting methodology while terminal rental rates are calculated based on a compensatory rate-setting methodology).

6.3 - Past use of PFCs for gate and related terminal projects.

The following gate and terminal related projects have been funded with PFCs:

- PFC #5,7 and 8 - Terminal 2 West Expansion – addition of 460,000 square foot terminal with ten new gates, new passenger loading bridges, new concessions and an enlarged security checkpoint.
- PFC #7 - Expand Terminal 2 East Facilities – addition of 7,600 square feet of new holdroom space and new concessions, a common use airline club and enlarged ticketing lobby area.
- PFC #7 - Replace/Protect Terminal 1 Escalators – replacement of two escalators at the Terminal 1 east rotunda, three escalators at the pedestrian bridge to the parking lot and

ground transportation, and installation of a canopy over the terminal escalators and stairways.

- **PFC #7 - Gate 1A Reconfiguration** – reconfiguration and expansion of Terminal 1 to accommodate current and future passenger needs and increased flight activity at SAN.

6.4 - Availability of discretionary income for Airport Capital Improvement Projects

The Authority's capital plan has been severely constrained in recent years due to the economic recession. Further, capital capacity has been limited by the inability to increase the PFC rate above \$4.50.

7. AIRPORT CONTROLS OVER AIRSIDE AND GROUND SIDE CAPACITY

7.1 - Majority-in-interest ("MII") or "no further rates and charges" clauses covering groundside and airside projects.

The Authority's AOLA does not contain any MII provisions.

7.2 - Any capital construction projects that have been delayed or prevented because an MII was invoked; and

The Authority's AOLA does not contain any MII provisions

7.3 - Plans, if any, to modify existing MII agreements.

The Authority does not plan to add any MII provision to the next AOLA.

8. AIRPORT INTENTIONS TO BUILD OR ACQUIRE GATES THAT WOULD BE USED AS COMMON FACILITIES

8.1 - The number of common-use gates that the airport intends to build or acquire and the timeline for completing the process of acquisition or construction. Indicate the intended financing arrangements for these common-use gates, and whether the gates will be constructed in conjunction with preferential or exclusive-use gates.

The Authority completed construction of a ten-gate expansion of Terminal 2, with an expanded apron and RON aircraft parking, in August 2013. This project is funded by general airport revenue bonds, AIP Grants, Passenger Facility Charges, Authority capital and various non-FAA grants. As for all the gates in the existing terminals, these new gates will all be common use and will either be assigned to airlines as preferential or secondary use gates or remain as Authority-controlled gates.

8.2 - Whether common-use gates will be constructed in conjunction with gates leased through exclusive or preferential-use arrangements.

All existing and future gates are (and will be) common use gates; and will be assigned to individual airlines as preferential or secondary use gates, contingent upon maintaining a specified level of enplanements for each gate.

8.3 - Whether gates being used for international service are available for domestic service.

The existing three gates being used for international service (Gates 20, 21 & 22) are also available for domestic service.

8.4 - Whether air carriers that only serve domestic markets operate from international gates. If so, describe and explain any disparity in their terminal rentals versus domestic terminal rentals.

Currently, Hawaiian Airlines operates one daily flight at Gate 22, an international gate. However, the Authority plans to relocate Hawaiian to a domestic gate in early 2014.

The terminal rents and fees are the same for both domestic and international gates; there is no disparity between the two types of gates.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
AIRLINE OPERATING AND LEASE AGREEMENT AT S.D.I.A.

SAN DIEGO, CALIFORNIA

WITH

FOR FIVE (5) YEARS
COMMENCING JULY 1, 2013
AND ENDING JUNE 30, 2018

“EXHIBIT A”

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
AIRLINE OPERATING AND LEASE AGREEMENT**

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- Exhibit M – Commuter Terminal Regional Jet Policy
- Exhibit N – RON Committee Over-Riding Principles
- Exhibit O – Repair and Maintenance Matrix
- Exhibit P – Insurance Requirements
- Exhibit Q – SDCRAA Letter of Credit Format
- Exhibit R – Memorandum of Understanding Between the Attorney General of California and the San Diego County Regional Airport Authority Regarding the San Diego International Airport Master Plan

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
AIRLINE OPERATING AND LEASE AGREEMENT**

THIS AIRLINE OPERATING AND LEASE AGREEMENT ("Agreement"), made and entered into on _____, _____, by and between the San Diego County Regional Airport Authority, a local government entity of regional government, existing under §170000 *et seq.* of the California Public Utilities Code ("Authority Act") and _____, a corporation under the laws of the State of _____.

WITNESSETH:

WHEREAS, the San Diego Unified Port District is the trustee of certain tidelands owned by the State of California, including the San Diego International Airport at Lindbergh Field, located in the City and County of San Diego, California; and

WHEREAS, the Authority Act establishes Authority as a local governmental entity of regional government, with the exclusive power and authority to oversee the establishment, operation and coordination of airport facilities within the County of San Diego, as well as study, plan and implement any improvements, expansion or enhancements at existing or future airports within its control; and

WHEREAS, pursuant to the Authority Act, District and Authority entered into a ground lease dated December 17, 2002 bearing Lessor's Document No. AA-0008, whereby District leased to Authority San Diego International Airport and other real property related thereto ("Airport"); and

WHEREAS, Authority operates Airport, a map of which is attached hereto as "Exhibit A" and by this reference made a part hereof; and

WHEREAS, Airline is engaged in the Air Transportation Business as a federally certificated commercial air carrier; and

WHEREAS, Authority and Airline desire to enter into this Agreement, whereby Authority will (1) lease certain designated Airport Terminal premises, if said leased premises are stated herein, to Airline, and (2) grant Airline certain rights and privileges to operate at and use Airport for the use of its aircraft and other related activities, upon the terms and conditions hereinafter provided; and

WHEREAS, it is contemplated that Authority will enter into the same or similar agreements with other federally certificated commercial air carriers operating at Airport; and

WHEREAS, Authority and Airline acknowledge that the continued operation of the Airport as a safe, convenient and attractive facility is vital to the economic health and welfare of Authority and the San Diego region and that the Authority's right to monitor the performance of Airline under this Agreement is a valuable right incapable of quantification.

NOW, THEREFORE, for and in consideration of the covenants, terms and conditions herein contained to be kept and performed by the respective parties hereto, and for other valuable consideration, the parties hereto covenant and mutually agree as follows:

ARTICLE 1

DEFINITIONS

The capitalized terms used in this Agreement and any reference to the Indenture shall, for all purposes of this Agreement, have the meanings specified in this Article 1, unless a different definition is given such term in said Indenture or the context clearly requires otherwise.

“Affiliate” shall mean, any airline that (a) is designated by Airline to operate at Airport as its Affiliate, (b) has executed an Affiliate Airline Operating Agreement with Authority and Airline, (c) operates its air service at Airport as Airline under a shared International Air Transportation Association (“IATA”) flight designator code, (d) is either wholly-owned by Airline, a subsidiary of the same corporate parent as Airline, or under contract to Airline with respect to its operations as an Affiliate at Airport, (e) does not sell seats in its own name on any aircraft operated at Airport, and (f) sells all seats on any aircraft operated at Airport in the name of Airline. While designated an Affiliate, such Affiliate (a) shall have the same rights to use the Exclusive Use Premises and the Airport as Airline; (b) shall be charged at the same landing fee rates as Airline without payment of any Non-Signatory Airline premiums; (c) shall participate in the reconciliation process whereby Airlines share in the true-up of projected against actual costs whereby Affiliate’s operations shall be included in the Airline’s reconciliation; and (d) shall not be counted as a separate air transportation company from Airline for purposes of allocating the *per capita* portion of any cost allocation formula, but such Affiliate’s passengers shall be counted as passengers of Airline for purposes of any passenger- based portion of such formula.

“Affiliate Airline Operating Agreement” shall mean, the agreement substantially in the form included in “Exhibit J,” attached hereto and by this reference made a part hereof.

“Agreement” shall mean this Airline Operating and Lease Agreement, including any future amendments or supplements.

“Air Transportation Business” shall mean the carriage by aircraft of persons, property, cargo or mail as a federally certificated air carrier and common carrier for compensation or hire, in interstate, intrastate or foreign commerce, as defined in the Federal Aviation Act of 1958, as amended.

“Airfield Area” shall mean (1) the Cost Center of the same name, as described in “Exhibit B”, a copy of which is attached hereto and by this reference made a part hereof, (2) the land identified as Airfield Area on “Exhibit A”, (3) all facilities, equipment, improvements, runways, taxiways, and control towers, for the purpose of controlling or assisting arrivals, departures and operations of aircraft, (4) other airport-related facilities operated and maintained by the FAA or any other federal agency, (5) security fences and service roads located on the Airport and part of the Airfield Area, and (6) signals, beacons, wind indicators, flood lights, landing lights, boundary lights, construction lights, radio and electronic aids or other aids to operations, navigation or ground control of aircraft whether or not of a type herein mentioned and even though located away from but related to the rest of the Airfield Area, except as otherwise provided herein.

“Airline” shall mean _____, who is named on the signature page hereof and operates at Airport as a federally certificated air carrier.

“Airlines” shall mean Airline and other Airlines who are federally certificated air carriers, who have signed Signatory Agreements, and who are engaged in an Air Transportation Business at Airport.

“Airline Rent, Fees and Charges” shall mean, for Airline and all Airlines, the rentals, fees, charges and other amounts payable hereunder pursuant to Article 8, as estimated, adjusted, or determined pursuant to “Exhibit I”, attached hereto and by this reference made a part hereof.

“Airline Leased Premises” shall mean those areas, if any, assigned to Airline as Exclusive Use Premises, Joint Use Premises, Shared Use Premises, and/or Common Use Premises, as defined herein and shown on “Exhibits C, D, E, F and G”, respectively, attached hereto and by this reference made a part hereof, and as they may be amended from time to time.

“Airport Facilities” or “Airport Facility” shall mean a facility, group of facilities, or category of facilities which constitute or are part of the Airport.

“Amortization Charges” shall mean the amounts properly allocated, whether directly or indirectly, and included in the calculation of Airline Rent, Fees and Charges to repay the Authority for costs incurred by the Authority for a Capital Project which are not otherwise being repaid in the calculation of Airline Rent, Fees and Charges as Annual Debt Service, or being repaid through Passenger Facility Charges (“PFCs”), or a federal, state, or local grant. The amount to be included in the calculation of Airline Rent, Fees and Charges for each Capital Project shall be in substantially equal annual installments of principal and interest for the term of the asset’s useful life as estimated by Authority, with interest calculated by Authority at a rate equal to the Thirty-Year Revenue Bond Index at the time the Capital Project is placed in service.

“Annual Debt Service” shall mean the aggregate amount of principal and interest and all other related requirements becoming due and payable during the Fiscal Year for Bonds or Other Debt Service of the Authority.

“Authority” shall mean the San Diego County Regional Airport Authority, created under the provisions of the Authority Act, and any successor or assignee.

“Authority Act” shall mean §§170000 *et seq.* of the California Public Utilities Code, and as it may be amended from time to time. “Authority Act” shall also have the same meaning as the “San Diego County Regional Airport Authority Act”.

“Authority-Controlled Facilities” shall mean those areas operated, managed and controlled by the Authority.

“Baggage Handling Systems” shall mean the baggage handling systems at Airport owned and controlled by Authority.

“Bankruptcy” shall mean bankruptcy as defined in the United States Bankruptcy Code, Title 11 U.S.C. §101 *et seq.*, as amended or supplemented from time to time, or any successor federal act.

“Board” shall mean the Board of Directors of Authority established pursuant to the provisions of the Authority Act.

“Bond” or “Bonds” shall mean any debt obligation of Authority issued under and in accordance with any Indenture involving the Authority.

“Capital Project” shall mean any project with a cost greater than One Hundred Thousand Dollars (\$100,000) that is undertaken and funded by Authority, with a useful life in excess of one (1) year as reasonably determined by Authority, which is acquired, purchased, or constructed to improve, maintain, or develop the Airport, including any extraordinary or substantial expenditure whose objective is to preserve, enhance or protect the Airport which can qualify as a capital expenditure.

“Common Use Equipment” shall mean the definition found in Section 15.09.

“Common Use Formula” shall mean the formula specified in Section 8.03.

“Common Use Premises” shall mean those areas described in “Exhibit F,” attached hereto and by this reference made a part hereof, for use by airlines on a non-exclusive common use basis, subject to the provisions of Article 5, including but not limited to Gates, Common Use Ticket Counters, free-standing self-service kiosks, skycap podiums, curbside positions, and queuing areas associated with Common Use Ticket Counters and curbside positions, in or adjacent to CUPPS-equipped terminals, for which Authority assesses charges based on the Common Use Formula.

“Common Use Passenger Processing Systems” or “CUPPS” shall mean information technology based systems owned by the Authority and which accesses an airline’s proprietary passenger processing network for passenger departure or arrival processing. CUPPS includes, if any, such systems and related equipment installed at curbside check-in locations, Common Use Ticket Counters, Gates, baggage claim areas, or free-standing self-service kiosks and other areas as determined by Authority.

“Common Use Systems Support” shall mean the Cost Center of the same name, as described in “Exhibit B”, attached hereto and by this reference made a part hereof.

“Common Use Ticket Counter” or “Common Use Ticket Counters” shall mean the ticket counter(s) in the CUPPS-Equipped Terminals which are controlled, operated or assigned by the Authority as set forth in Article 5.

“Cost Centers” shall mean the direct and indirect cost areas to be used in the accounting and assignment of Revenues, Operation and Maintenance Expenses, Annual Debt Service, Amortization Charges, and other deposits or reserves required by the Indenture as further defined in “Exhibit B”.

“CUPPS-Equipped Terminals” shall mean terminals equipped with Common Use Passenger Processing Systems (“CUPPS”).

“Daily Average Utilization” shall have the meaning defined in Article 5.

“Direct Cost Centers” shall mean those functionally or physically discrete areas established by Authority as primary revenue producing areas and to which costs shall be attributable or allocable under Authority’s accounting system, as more fully identified in “Exhibit B”.

“District” shall mean the San Diego Unified Port District, created by that certain act of the State of California, Stats. 1962, 1st Ex. Sess., c. 67, as amended, entitled “San Diego Unified Port District Act.”

“Domestic Flight” means an aircraft: (a) arriving at the Airport from a city located within the United States or from a city located outside of the United States designated as a pre-clearance location and which has passengers and/or cargo on board that do not require clearance by the Federal Inspection Services (“FIS”) at the Airport, or (b) departing from the Airport to a city located within the United States.

“Effective Date” shall mean July 1, 2013.

“Enplaned Passengers” shall mean all originating and all outgoing on-line transfer and off-line transfer revenue passengers departing from the Airport. The term “Enplaned Passengers” does not include through passengers.

“Exclusive Use Premises” shall mean those areas described in “Exhibit C”, attached hereto and by this reference made a part hereof, used solely by Airline, including, but not limited to, certain ticket counters (excluding Common Use Ticket Counters), associated passenger queuing areas, ticket and baggage service offices and operational support areas.

“Federal Aviation Administration” (“FAA”) shall mean the Federal Aviation Administration created by the Federal Aviation Act of 1958, as amended, or any successor agency thereto.

“Federal Inspection Services” (“FIS”) shall mean those services at Airport provided by federal agencies, including, but not limited to, U.S. Customs and Border Protection, U.S. Department of Agriculture and U.S. Department of Public Health, responsible for the clearing and/or inspection of passengers, baggage and cargo entering the United States.

“Federal Inspection Services Facilities” (“FISF”) shall mean those facilities at Airport provided to federal agencies, including but not limited to, the U.S. Customs and Border Protection, the U.S. Department of Agriculture and/or the U.S. Department of Public Health for the purpose of clearing and/or inspection of passengers, baggage or cargo entering the United States.

“Federal Inspection Services Use Charges” or “FIS Use Charges” has the meaning set forth in Section 8.03.

“First Priority Use” shall mean the right of an Airline to use its Preferential Use Gate for a specific assigned Scheduled Operation for a scheduled Period of Use, subject to the provisions of Article 5.

“Fiscal Year” or “FY” shall mean the period of time beginning on July 1 of each given year and ending on June 30 of the immediate subsequent year, or such other similar period as Authority designates as its Fiscal Year.

“Fund Deposits” shall mean those deposits required for any fund established pursuant to the Indenture or any supplemental indenture.

“Gate” or “Gates” shall mean the area(s) on the secure side of the Airport Facilities that transition the passenger from a Terminal to an airline’s aircraft parked in a Terminal Adjacent Aircraft Parking Position, which are controlled, operated or assigned by the Authority as set forth in Article 5.

“Indenture” shall mean, collectively, the Master Trust Indenture, dated as of November 1, 2005, by and between Authority and the trustee thereto, together with all supplemental indentures thereto, and the Master Subordinate Trust Indenture, dated as of September 1, 2007 by and between the Authority and the trustee thereto, together with any supplemental indentures thereto, or any other indenture or financial instrument which creates a debt obligation of the Authority.

“Indirect Cost Centers” shall mean those functional areas and related facilities established by Authority as areas that are not generally revenue producing areas and for which costs are not allocated to any Direct Cost Center under Authority’s accounting system, as more fully identified in “Exhibit B”.

“Joint Use Formula” shall mean the formula specified in Article 8.03.

“Joint Use Premises” shall mean those areas described in “Exhibit D”, attached hereto and by this reference made a part hereof, including but not limited to Terminal hold rooms, and baggage claim areas for which Authority assesses charges based on the Joint Use Formula.

“Landing Fee” shall mean the fee charged by the Authority for each aircraft landing by an airline at the Airport, calculated by multiplying the Landing Fee Rate by the Maximum Gross Landing Weight (“MGLW”), stated in one-thousand pound units. A Landing Fee shall not be charged for any aircraft landing that originated from the Airport but returned to Airport for emergency or maintenance reasons without having first landed at another airport.

“Landing Fee Rate” shall mean, in any Fiscal Year, the landing fee rate established by Authority and subject to adjustment pursuant to Section 8.03.

“Master Lease” shall mean the ground lease entered into between District and Authority dated December 17, 2002 bearing Lessor’s Document No. AA-0008, whereby District leased to Authority the Airport and other real property related thereto.

“Maximum Gross Landing Weight” (“MGLW”) shall mean the maximum certificated weight, in one thousand (1,000) pound units, that each aircraft operated by an airline is authorized by the FAA to land at airports, as recited in each airline’s flight manual governing that aircraft type.

“Minimum Daily Average Utilization ” shall mean six hundred and twenty five (625) or seven hundred and fifty (750) departing seats per day (as further described in Article 5, Section 5.01) conducted by an airline on Scheduled Operations at a single Preferential Gate assigned to the airline, subject to being adjusted by Authority from time to time to accommodate Airport operations and promote equity.

“Non-Signatory Airline” shall mean any federally certificated commercial air carrier using the Airport which is not a party to a Signatory Agreement.

“Non-Signatory Airline Revenues” shall mean revenues derived or received by the Authority from Non-Signatory Airlines.

“Operation and Maintenance Expenses” or “O & M Expenses” shall mean all reasonable and necessary current expenses of Authority, paid or accrued, for operating, maintaining, and repairing the Airport, including administrative expenses and other Authority expenses reasonably allocated to the Airport, as more specifically defined in the Indenture.

“Other Debt Service” shall mean any debt obligation for other than Bonds, including commercial paper, other indebtedness of the Authority, and all other related requirements.

“Passenger Facility Charges” or “PFCs” shall mean charges collected by Airline and which are due to the Authority pursuant to the Aviation Safety and Capacity Expansion Act of 1990 and 14 CFR Part 158, as amended.

“Passenger Loading Bridges” shall mean the passenger loading bridges at Airport owned and controlled by Authority.

“Period of Use - Gate” shall mean a maximum of two and one-half (2 ½) hours for a wide-body aircraft (for the purpose of this Agreement wide bodies include A300, A330, A340, A350, Boeing 747, 767, 777, 787 and others as designated in writing by the President/CEO from time to time), and a maximum of two (2) hours for all other legally permitted aircraft.

“Period of Use – Common Use Ticket Counter” shall mean a maximum of two and one-half (2 ½) hours immediately prior to the scheduled departure time of a flight.

“Preferential Use” means the scheduling preference given to Airline over similar operations by other airlines for the use of a Preferential Use Gate or Preferential Common Use Ticket Counter during applicable Periods of Use for its Scheduled Operations. An Airline assigned a Preferential Use Gate shall have the right to use the Joint Use Premises and Common Use Premises in the Terminal where the assigned Gate is located. Preferential Use Gates, together with the adjacent Joint Use Premises and Common Use Premises, shall be used only for the purpose of the Airline’s Air Transportation Business.

On the Effective Date of this Agreement, Airline is entitled to one (1) Preferential Use Gate for the first 625 Scheduled Departing Seats Per Day and one additional Preferential Use Gate for every additional 750 Scheduled Departing Seats Per Day, subject to the condition that no more than six (6) Preferential Use Gates shall be assigned to any one Airline at one time. The Authority may annually or more frequently if necessary, reset the minimum number(s) of Scheduled Departing Seats Per Day used in the Daily Average Utilization formula to ensure the allocation of Gates to Airlines is fair and that the Authority retains a sufficient number of Authority-Controlled Facilities. In calculating the Scheduled Departing Seats Per Day, Authority may refer to various months of an Airline’s Scheduled Operations to ensure the calculation is equitably set and applied. Article 5 shall govern the interpretation of this definition.

“Preferential Common Use Ticket Counter” shall mean a Common Use Ticket Counter that is assigned to Airline on a Preferential Use basis, subject to the provisions of Article 5.

“Preferential Use Gate” shall mean a Gate that is assigned to Airline on a Preferential Use basis subject to the provisions of Article 5.

“President/CEO” shall mean the President/Chief Executive Officer of Authority as referenced in the Authority Act, or the duly appointed and authorized designee or representative of the President/CEO.

“Remain Overnight Parking Position” or “RON Position” shall mean a location at Airport shown on “Exhibit H”, attached hereto and by this reference made a part hereof, designated for parking an aircraft, including use as a hardstand operation, temporary aircraft parking location, or the overnight storage of aircraft.

“Remain Overnight Parking Position Charges” or “RON Charges” shall mean the amount calculated for each Fiscal Year pursuant to “Exhibit I” to determine the charge imposed pursuant to Article 8 by Authority for parking an aircraft on an overnight basis at a Remain Overnight Parking Position.

“Rentable Premises” shall mean those areas and offices within the Terminals that are (1) available for lease to Airlines designated as Exclusive Use Premises, Joint Use Premises, Shared Use Premises, or Common Use Premises; (2) available for lease to other tenants; (3) used for passenger screening; and (4) used by Authority, excluding all areas used by Authority on the 2nd and 3rd floors of the Commuter Terminal and the third floor of Terminal 2.

“Requesting Airline” means an airline desirous of operating a Scheduled Operation at the Airport and who requests the use of a Gate.

“Reserve Requirements” shall mean any Fund Deposit (1) required for any fund established pursuant to the Indenture or any supplemental Indenture, or (2) any deposit for self-insurance or other purposes upon notice to the Airlines whose object is to preserve or protect the Airport related to an extraordinary or substantial expenditure event.

“Rules and Regulations” shall mean (1) the Rules and Regulations of the San Diego International Airport, (2) directives issued by the President/CEO, and (3) such other regulations, resolutions, or ordinances that may be enacted from time to time for the use of Airport.

“Scheduled Departing Seats Per Day” shall mean the (a) total number of seats available for sale to the public, (b) on an airline’s aircraft departing (outbound flight) from Airport at a single Gate, (c) on scheduled flight operations as published for sale in the Official Airline Guide (“OAG”), (d) on flights operated by an Airline during a normal seven (7) day consecutive day period (beginning on Sunday), divided by six (6). In determining the total number of Scheduled Departing Seats Per Day, an Airline may include the Scheduled Departing Seats Per Day from Airport of the Airline’s Affiliate, if the operations are conducted at one of the Airline’s Preferential Use Gates.

“Scheduled Operation” shall mean the scheduled arrival and/or departure operation of an airline which operation is currently published for sale in the OAG.

“Second Priority Use” shall mean the limited right of an airline to use an Authority-Controlled Facility or Preferential Use Gate or Preferential Common Use Ticket Counter of another Airline for a Scheduled Operation for an authorized Period of Use.

“Security Surcharges” shall mean the amount calculated by Authority for each Fiscal Year pursuant to “Exhibit I” to provide (1) security and access control services at Airport, and (2) dedicated Terminal areas assigned to the TSA for security screening.

“Shared Use Premises” shall mean those areas described in “Exhibit E”, attached hereto and by this reference made a part hereof, including but not limited to outbound bag makeup areas and the areas staffed by TSA within any baggage screening area before, baggage is routed to a baggage make-up carousel, for which Authority assesses charges based on the Shared Use Formula.

“Shared Use Formula” shall mean the formula specified in Section 8.03.

“Signatory Agreement” shall mean an Airline Operating and Lease Agreement signed by Airline and Airlines, under the same or substantially similar terms and conditions.

“Small Airline” shall mean an air carrier that operates at Airport solely using aircraft with less than ten (10) seats.

“State” shall mean the State of California.

“Terminal(s)” shall mean those airline passenger Terminal buildings at Airport, including but not limited to the Commuter Terminal, Terminal 1 and Terminal 2.

“Terminal Adjacent Aircraft Parking Position” shall mean a Common Use Premises shown on “Exhibit G”, attached hereto and by this reference made a part hereof, located adjacent to a Terminal and not separated from the Terminal by a taxiway or aircraft maneuvering area.

“Terminal Adjacent Aircraft Parking Position Charges” shall mean the amount calculated by Authority, in any Fiscal Year pursuant to “Exhibit I”, for parking an aircraft on an overnight basis at a Terminal Adjacent Aircraft Parking Position.

“Terminal Rental Rate” shall mean, in any Fiscal Year, the rental rate established for such Fiscal Year pursuant to “Exhibit I”.

“Transportation Security Administration” or “TSA” shall mean the Transportation Security Administration or its authorized successor(s).

ARTICLE 2

TERM

Section 2.01 – Term of Agreement. The term of this Agreement shall be for the period commencing July 1, 2013, and terminating at 11:59 p.m. on June 30, 2018, unless sooner terminated as herein provided.

Section 2.02 – Termination without Cause. Notwithstanding Section 2.01, above, this Agreement may be terminated by the Board or the President/CEO or by Airline with or without cause or default upon the giving of no less than ninety (90) days' notice in writing to the other party of the intention to so terminate. No liability shall incur whatsoever for any damage or loss occasioned by either party exercising the right to terminate, subject however to the payment of all Airline Rent, Fees and Charges, if any, as expressly provided herein.

Section 2.03 – Termination for Cause or Default. Notwithstanding Section 2.01, this Agreement may be earlier terminated by Authority for Airline's default in accordance with the provisions of Article 21 and such other provisions of this Agreement as are applicable.

ARTICLE 3

USES, RIGHTS AND PRIVILEGES

Section 3.01 – Use of Airport. Airline shall have the right to use Airport, in common with others so authorized, for the purpose of conducting its Air Transportation Business, subject, however, to the covenants, terms and conditions of this Agreement, the requirements of applicable laws, rules, and regulations, and the rules, policies, procedures and directives of Authority. In connection with Airline's use of the Airport, Airline may perform functions and conduct operations at the Airport reasonably necessary to conduct its Air Transportation Business. In accordance with the foregoing, Airline's right of use of the Airport shall include, but not be limited to, the following specific rights:

- A. The right to land and takeoff its aircraft on Airport runways;
- B. The right to move its aircraft on the ground on Airport taxiways and taxi-lanes;
- C. The right to process enplaning and deplaning passengers in the Terminals and adjacent locations as designated by Authority for such use;
- D. The right to park, load, unload, service, cater, fuel, tug, tow, and repair its aircraft, or aircraft of its Affiliates, in areas designated by Authority for such use;
- E. The right to purchase fuels, lubricants and any other goods and services required by Airline for the conduct of its Air Transportation Business at Airport, from any approved supplier, contractor or other airline holding an agreement from Authority to provide such services to others at Airport, subject to the provisions of this Agreement;
- F. The right to operate radio equipment necessary to conduct its Air Transportation Business;
- G. The right to perform training of employees;
- H. The right to provide sky cap services; and
- I. The right to maintain such portable equipment and facilities as may be required for the handling of passengers and cargo and ramp servicing of its aircraft in such locations as may be designated from time to time by the President/CEO. Provided, however, Airline is not permitted to store maintenance parts and supplies or any other items unrelated to ramp servicing or loading of aircraft on the Airfield Area. Airline acknowledges that the Airline Leased Premises may include a portion of property that may be used by other persons under agreement with Authority and agrees that in all uses of the Airline Leased Premises it will recognize the rights of such other persons and so conduct its activities as not materially to interfere in any way with such rights of other persons.

Section 3.02 – Restrictions.

- A. Air Transportation Business. Airline agrees for itself, its successors, and assigns that it will use the Airport and the Airline Leased Premises described in this Agreement only for the purpose of conducting its Air Transportation Business. Airline shall not use or permit the use of any portion of its Airline Leased Premises for any unlawful purpose. It shall not sell or offer for sale any product or service other than one directly related to its Air Transportation Business.
- B. Protection of Services. Airline shall not do or permit to be done anything that may interfere with the safe and efficient operation of any of the systems installed on or serving any portion of the Airport, including, but not limited to, drainage, water, sewer, fire protection, communications, electrical, plumbing, heating, ventilation, air conditioning, CUPPS technology and natural gas.
- C. Ground Handling. Ground handling services shall include passenger processing functions and aircraft supporting activities for airlines whether occurring in the Terminals, in, on or around the aircraft, or elsewhere to enable airlines to conduct their Air Transportation Business at Airport. Airline agrees to use only ground handling companies that meet the minimum standards set by the Authority for all ground handling companies providing services at Airport.

Airline shall not perform ground-handling services, except:

- (1) for its own aircraft or those of its Affiliates as provided in Section 3.01.D of this Agreement or
 - (2) for the aircraft of other Airlines or air carriers, provided it holds a separate ground-handling services agreement approved by the Authority.
- D. In-Flight Catering. Airline shall not perform in-flight catering except for its own aircraft or those of its Affiliates as provided in Section 3.01.D of this Agreement.
 - E. Non-Air Transportation Business. Airline shall not conduct any non-Air Transportation Business on Airport without the prior written consent of Authority. Airline is expressly prohibited from using the Airline Leased Premises for commercial advertising, duty free sales, or retail operations, sales, and services, whether it is purported to be in addition to or in lieu of the uses expressed herein, without the prior written consent of the Authority.

ARTICLE 4

AIRLINE LEASED PREMISES

Section 4.01 – Airline Leased Premises. Authority hereby leases to Airline, subject to the provisions of this Agreement, the Airline Leased Premises described and shown on “Exhibits C, D, E, F, and G”.

Section 4.02 – Demolition, Reconstruction, or Relocation.

- A. Airline and Authority agree in order to accommodate any new construction or remodeling, or for the orderly expansion, operation and/or development of Airport Facilities, that Authority, upon ninety (90) days' advance written notice, may require the demolition or reconstruction of certain Airline Leased Premises, or, the relocation, in whole or part, of Airline from its Airline Leased Premises. Such demolition, reconstruction or relocation shall be necessary, as determined in the sole discretion of the President/CEO. In the event of any relocation, Authority will provide, if available and requested by Airline, as comparable a location and facility as possible and, in the event of a partial relocation, a location reasonably adjacent to the existing Airline Leased Premises. The exact number of square feet of Airline Leased Premises to be demolished, reconstructed, or relocated shall be determined following Authority's review with Airline of those portions of the affected Airline Leased Premises. "Exhibits C, D, E, F, and G", describing Airline's Airline Leased Premises, shall be revised immediately after the time the Airline Leased Premises have been completely modified and/or relocated to incorporate the modified or relocated Airline Leased Premises which shall constitute a modification to this Agreement that shall be fully binding on both parties upon written confirmation by both parties.
- B. Any space leased to Airline as substitution or additional space shall be included as part of the Airline Leased Premises on the same terms and conditions and at the same rental rate as is provided for similar leased space as defined and provided for herein.
- C. In the event Authority serves notice to Airline under this Section 4.02, and removes any portion of the Airline Leased Premises from this Agreement, Authority shall reimburse Airline for its cost to relocate and/or construct and install improvements in the new Airline Leased Premises.
- D. After the reimbursement is issued to Airline, the Authority may collect the entire reimbursement amount from the Airlines, including Airline, based on a *pro-rata* per-square-foot Terminal rental surcharge, collected over a reasonable period of time as determined by the Authority. Authority shall assess an interest rate equivalent to the yield on its own investments as reported in its latest quarterly investment report to the Authority's Board.
- E. A reimbursement under this Section 4.02 shall be based on the square footage of the smaller of either the existing or new Airline Leased Premises multiplied by a per-square-foot dollar amount agreed to between Authority and Airline.
- F. This reimbursement may not exceed Airline's actual cost to relocate and construct "like-for-like" improvements (i.e., for the same use or activity as existed in the vacated space). Reimbursement shall be in the form of a one-time rent credit to Airline.
- G. The reimbursement shall be issued to Airline after Airline provides "as-built" plans for all construction and improvements, documentation of costs and paid receipts for the "like-for-like" improvements to Authority. Airline shall provide to Authority

such plans, documentation and receipts within ninety (90) days after substantial completion of construction. Authority shall issue the rent credit invoice within thirty (30) days after receipt of all such plans, documentation and receipts and after verification of the reimbursement costs being requested.

- H. The reimbursement provided above, if any, shall be Airline's sole and exclusive remedy and only form of compensation, costs or damages, including relocation assistance benefits (Cal. Gov. Code §7260 *et seq.*), due to termination, re-entry, condemnation, acquisition, or reacquisition by Authority.

Section 4.03 – Assignment and Sublease.

- A. Airline shall not assign, sublet, transfer, convey, sell, mortgage, pledge or encumber, in whole or in part, (hereinafter "Transfer") this Agreement, the Airline Leased Premises hereunder, nor will Airline allow the use of such Airline Leased Premises or Terminal Adjacent Aircraft Parking Positions hereunder by any other entity or person, without in each instance having first obtained the prior written consent of Authority. The consent of Authority shall be required for any Transfer. Consent by Authority to any type of Transfer described in this Article or elsewhere in this Agreement shall not in any way be construed to relieve Airline from obtaining further authorization from Authority for any subsequent Transfer of any nature whatsoever. As a condition to Authority's consent to any proposed Transfer, the proposed sub-lessee, assignee, user or other party shall execute a license agreement, sublease, or other written document in a form consistent with the terms and conditions of this Agreement acceptable to and approved by Authority.
- B. In the event Airline subleases all or any portion of its Airline Leased Premises, Airline shall charge the sub-lessee a reasonable amount sufficient for Airline to recover its direct costs, if any, of such sublease or use, including a reasonable allocation of tenant improvement costs and equipment costs for property and equipment owned by Airline. Airline shall have the right to petition Authority for approval of any increase in the amount, which approval shall be in the reasonable discretion of Authority. The rates charged by Airline hereunder shall not be less than the rates charged by Authority for the use of Authority-Controlled Facilities.
1. Airline recognizes that the Authority retains rights to Terminal Adjacent Aircraft Parking Positions and RON Positions which Airline may not sublease as they are common use with monthly allocation by Authority.
 2. Airline and Authority agree that Authority shall have the right to waive or amend the restrictions and requirements contained in this subsection applicable to Airline's sublease and use charges.
- C. Notwithstanding any Transfer, Airline shall remain fully liable for the payment of all of its Airline Rent, Fees and Charges and fully responsible for the performance of all of its other obligations hereunder. Any and all requests by Airline for consent under this Section 4.03 shall be made in writing by certified mail to Authority and shall include copies of the proposed documents of Transfer.

Said documents of Transfer shall completely disclose any and all considerations made or to be made to Airline for said Transfer.

- D. Any sublease or assignment shall require the sub-lessee or the assignee to be bound by all of the applicable terms and provisions of this Agreement. Any sublease or assignment under this Section must (i) expressly name Authority as a third-party beneficiary of the sub-lessee's or the assignee's obligations under the sublease or assignment, and (ii) grant a direct right of enforcement hereunder to Authority.

Section 4.04 – Quiet Enjoyment. Authority covenants that if Airline performs all of its obligations and make all payments as provided herein, Airline shall peaceably have and enjoy the Airline Leased Premises and all the rights, privileges, appurtenances and facilities granted herein.

Section 4.05 – Peaceable Surrender. Airline covenants and agrees to yield and deliver peaceably to Authority possession of the Airline Leased Premises on the expiration date or earlier termination of this Agreement, promptly and in as good condition as at the commencement of this Agreement or, if improved, in as good condition as of the completion date of the last improvement made to the Airline Leased Premises, but in either case with reasonable wear and tear excepted.

Section 4.06 – Authority's Title. Authority's title is derived from the provisions of the Authority Act and the Master Lease. This Agreement is granted subject to the terms and conditions of the Authority Act and the Master Lease. Subject to the provisions of this Article 4, Authority's title to the Airline Leased Premises and Airport is and always shall be paramount to the interests of Airline. Nothing herein empowers Airline to commit or engage in any act which can, shall or may encumber the title and interest of Authority, the San Diego Unified Port District, or the State of California.

Section 4.07 – Authority's Right of Entry. Authority, its officers, employees, agents, representatives, contractors and providers shall have the right at all reasonable times to enter the Airline Leased Premises for the purposes of inspection, emergency repairs to utility systems, environmental testing, remedying health or safety issues, and for any other purpose necessary or incidental to or connected with the performance of Authority's contractual obligations, exercise of its governmental functions, or its responsibilities as Airport proprietor. To accomplish said purposes, the Authority's activities may include, without limitation, erecting scaffolding, columns, and supports and/or using any necessary equipment. Any such entry and the activities resulting therefrom shall not be deemed to constitute an interference with possession of the Airline Leased Premises and shall be without abatement of rent; provided, however, Authority shall use its best efforts to ensure as little interruption to the Airline's operations as possible. Furthermore, Airline shall not claim or be entitled to damages for loss of business or profits or any other injury or inconvenience resulting directly or indirectly from any such entry or activities; provided, however, Authority shall repair any damage to the Airline Leased Premises or to Airline's property and indemnify and hold Airline harmless from any damage to person or property or injury to person caused by Authority during such inspections, repairs, additions, modifications, and/or alterations. To the extent permitted under applicable law, Authority shall preserve the confidentiality of all confidential or privileged information obtained through such inspections, unless Airline has consented, in writing, to disclosure or has publicly released such information.

ARTICLE 5

ASSIGNMENT AND USE OF COMMON USE PREMISES AND RON POSITIONS

Section 5.01 – No Exclusive Use. The provisions of this Article 5 set the rules for Airline and all other airlines for the use and assignment of skycap positions, curbside positions, Common Use Ticket Counters, Gates, Terminal Adjacent Aircraft Parking Positions, RON Positions, and other Common Use Premises. All Gates within the Terminal and all Common Use Ticket Counters, free-standing self-service kiosks, and sky cap podiums within the CUPPS-Equipped Terminals at Airport are Common Use Premises. However, Airline may be assigned a Gate or Common Use Ticket Counter for Preferential Use, as defined herein, in accordance with the terms of this Article. No Gate or Common Use Ticket Counter may be assigned as Exclusive Use Premises. The use of a Gate or Common Use Ticket Counter shall at all times be subject to this Article and the Rules and Regulations, which may be unilaterally amended from time to time by Authority after consultation with the Airlines. Possession and control of all Common Use Premises and adjacent facilities rests with the Authority.

Section 5.02 – Accommodation. The parties intend by this Article to ensure open access and balanced utilization of Airport Facilities to the airlines. To achieve these goals, and to facilitate the orderly use and planning of Airport, the Authority (a) assigns Preferential Use Gates or Preferential Common Use Ticket Counter to eligible airlines based on the Daily Average Utilization to facilitate the orderly use and planning of Airport; (b) permits currently assigned Scheduled Operations to continue to be conducted at the times and on days of the week currently scheduled; (c) establishes procedures for the consensual reallocation of Gates, Common Use Ticket Counters and other facilities among the airlines; (d) reserves the right to require sharing and temporary use of Airline Leased Premises; (e) establishes priorities to accommodate requests for Gates, Common Use Ticket Counters and facilities by the airlines seeking to initiate, change or expand operations at Airport; (f) establishes minimum utilization requirements for the use and continued use of Preferential Use Gates or Preferential Common Use Ticket Counters, (g) establishes criteria and guidelines for Gate or Common Use Ticket Counter assignments, and (h) sets the Period of Use for the use of Authority-Controlled Facilities by the airlines.

Furthermore, in order to support these goals, Authority will provide and install standardized podia shells, inserts, and CUPPS equipment at all Gates, flight information display systems (FIDS), gate information display systems (GIDS), Common Use Ticket Counters, and curbside check-in positions in Terminal 2 West. These Authority-Controlled Facilities will be utilized by the airlines without modification. Airlines may not implement non-CUPPS compliant equipment. Further, in the event Airline previously installed non-CUPPS compliant, non-compatible, or other proprietary equipment and the Authority elects to install CUPPS compliant equipment in the locations where Airline has installed such equipment, Authority may require and Airline agrees Airline shall remove said equipment within ninety (90) days following the Authority's written request therefor. The removal of said equipment will be at Airline's sole expense.

Section 5.03 – Authority-Controlled Facilities, Gates, Common Use Ticket Counter Assignments, and RON Parking Positions.

- A. Authority-Controlled Facilities. Authority reserves the right at all times to retain under its exclusive control a minimum of four (4) Gates in Terminal 1, two (2) Gates in Terminal 2 East, and three (3) Gates in Terminal 2 West. Authority further reserves the right at all times to retain under its exclusive control a

minimum of four (4) ticket counters in Terminal 1, a minimum of two (2) ticket counters in Terminal 2 East, and a minimum of three (3) ticket counters in Terminal 2 West as Authority-Controlled Facilities. During the first year of this Agreement and each year thereafter, following the annual assignment of Preferential Use Gates, Preferential Common Use Ticket Counters or other allocations or reallocations pursuant to the procedures herein, the Authority shall also retain any Exclusive Use Premises, Gates or Common Use Ticket Counters not assigned as Exclusive Use Premises, Preferential Use Gates or Preferential Common Use Ticket Counters, as Authority-Controlled Facilities.

It is the intention of Authority to use, at its sole discretion, Authority-Controlled Facilities to accommodate (i) airlines serving Airport; (ii) airlines whose premises have been relocated by Authority as a result of construction, renovation or maintenance by Authority; (iii) airlines not requiring permanent facilities, (iv) airlines requiring temporary accommodations pending allocation of permanent facilities; and (v) other space requirements of the airlines. Any airline may request and Authority may grant to the airline the right to use, in common with other airlines as designated by Authority, Authority-Controlled Facilities.

- B. Notice of Determination(s). Authority shall notify Airline in writing of its determination(s) of assignments of Preferential Use Gates and Preferential Common Use Ticket Counters, Authority-Controlled Facilities, First Priority Use rights, and Second Priority Use rights annually or more frequently if necessary.
- C. Discretion of President/CEO. Provided the procedures of this Article 5 are followed, the use, location and status of Preferential Use Gates and Preferential Common Use Ticket Counters, Authority-Controlled Facilities, First Priority Use, Second Priority Use and temporary use shall be designated in the sole discretion of Authority by its President/CEO.
- D. Preferential Use Gates - Assignment. As of the effective date of this Agreement, the Authority shall assign Preferential Use Gates to Airline in accordance with the Minimum Daily Average Utilization which initially shall be based on the 625 and 750 Scheduled Departing Seats per day calculations as described in the definition of Preferential Use. The initial assignments are listed in "Exhibit L", attached hereto and by this reference made a part hereof. In no event may more than six (6) Preferential Use Gates be assigned to Airline. Those Gates not assigned shall be Authority-Controlled Facilities. After airlines have relocated with the opening of all gates within the expansion of Terminal 2 and periodically thereafter, the Authority may reconsider the assignment of Preferential Use Gates as set forth herein and based on the Minimum Daily Average Utilization, the total number of which may at Authority's sole discretion be increased or decreased to ensure the proper number of Gates are reserved as Authority-Controlled Facilities controlled by the Authority. An airline operating international flights, requiring the use of FIS Facilities, shall not qualify for assignment of a Preferential Use Gate but shall be assigned Second Priority Use rights at Airport to protect its Scheduled Operations.

E. Assignment and Use of Preferential Use Gates - First Priority and Second Priority User.

1. Use of Gates for Scheduled Operations. Use of Preferential Use Gates may be assigned by Authority to an Airline for its Scheduled Operations on a First Priority Use or Second Priority Use. Use of Authority-Controlled Facilities may be assigned by Authority to an airline for its Scheduled Operations on a Second Priority Use. Non-scheduled and charter operations will be assigned Gates on a temporary use basis only as described below.
2. Use of Preferential Use Gates by the First Priority User. An Airline shall be assigned First Priority Use rights by the Authority for its Scheduled Operations at its assigned Preferential Use Gates. An Airline, if the holder of a Preferential Use Gate, shall have preference to add First Priority Use Scheduled Operations at the Preferential Use Gate subject to provisions of this Article. Once assigned a First Priority Use at its Preferential Use Gate by the Authority, an Airline shall continue to have the right to such use so long as the Airline continues to operate the Scheduled Operation. However, an Airline with a Preferential Use Gate has no right to force out another airline with an assigned Second Priority Use on the Gate.
 - i. Second Priority Users shall be permitted to remain at the assigned Preferential Use Gate for a complete operation, provided the operation does not exceed the allowed Period of Use.
 - ii. Should the Second Priority User's operation exceed the Period of Use, then the Second Priority User may be required to vacate the Preferential Use Gate, at its sole expense, upon notification by the Authority. The Second Priority User may be reassigned to any available Gate or Authority-Controlled Facility to complete its operation.
3. Use of Authority-Controlled Facilities. At Authority-Controlled Facilities, all Gate use assignments to an airline for a Scheduled Operation shall be Second Priority Use.
4. Temporary Uses. Notwithstanding the above, the Authority may assign the temporary use of any Gate, or Authority-Controlled Facility on a temporary basis to any airline for any operation provided it does not interfere with any First and Second Priority Use and with the understanding that airline's use of the Gate is "at will".
5. Common Use Premises. When an airline is assigned a Gate, the airline shall have the right to use the Common Use Premises, Joint Use Premises and the Terminal Adjacent Aircraft Parking Positions adjacent thereto with the condition that such use not interfere with the rights of the airline. Authority shall have the exclusive right and control to assign and move Gate locations to ensure the balanced use of Airport Facilities. Authority may require an Airline using a Gate associated with Common

Use Premises to relocate to an alternative Gate, the cost of which shall be at Airline's sole cost and expense.

F. Reassignment and Use of Preferential Use Gates.

1. An Airline must meet the Daily Average Utilization for each assigned Preferential Use Gate. In the event the airline fails to maintain the Daily Average Utilization to meet this requirement, the airline has sixty (60) days after written notification from Authority to add operations to meet the Daily Average Utilization. Should the airline fail to increase its scheduled operations to meet the Daily Average Utilization within the sixty (60)-day period, the President/CEO may thereafter reassign the Preferential Use Gate as an Authority-Controlled Facility. At all times a Preferential Use Gate may be assigned to and be used by a Second Priority User or temporary user during any time period that the First Priority User has no assigned Scheduled Operations.
2. Use of Preferential Use Gates by Others. The Authority may assign Second Priority Use or temporary use to other airlines for their Scheduled Operations to a Preferential Use Gate. When a Scheduled Operation of an airline is assigned a Second Priority Use right at the Preferential Use Gate of another airline, the Second Priority User is thereby assured that its Scheduled Operation will be accommodated at the Preferential Use Gate or at another Airport Facility at the same time on the same day of the week.
3. Adding a First Priority Use to a Preferential Use Gate. An Airline assigned a Preferential Use Gate shall have the right to add additional Scheduled Operations to such Gate as a First Priority Use, after giving thirty (30) days' prior written notice to Authority, provided the requested time slot does not conflict with an assigned use of such Gate by a Second Priority User.
 - i. Notice. Should Airline choose to add an operation on its Preferential Use Gate that conflicts with the schedule of a Second Priority User, Airline shall provide Authority with at least ninety (90) days' written notice of its intention to add the additional operation.
 - ii. Right to Remain. In the event the Second Priority User cannot be relocated due to the unavailability of another Airport Facility, then the Second Priority User shall retain the right to use the Preferential Use Gate until a replacement Airport Facility is identified and available for Second Priority User.
 - iii. Duty to Move. Should a replacement Airport Facility become available for the Second Priority User, the Authority shall cause the Second Priority User to move to the identified new Airport Facility.

- iv. Continuing Notice. Should a Second Priority User not be moved to a replacement Airport Facility within ninety (90) days after the airline with the Preferential Use Gate requests the move, said request shall automatically expire unless the airline files a new request notice with the Authority.
- 4. Assignment of Second Priority Use to Other Airlines at Preferential Use Gates. As provided above, Authority has the right to assign a Second Priority Use to a Preferential Use Gate provided the schedule of the Second Priority User does not conflict in any material respect with the schedule of the First Priority User.
 - i. Conflicts – Duty to Vacate. When Airline, as a First Priority User, occupies a Preferential Use Gate for more than the Period of Use for a Gate it may be required by Authority to vacate the Gate at the Airline's sole expense to allow a Second Priority Use of said Gate.
 - ii. Operations Completed at Gate. When Airline is a First Priority User and has completed its Scheduled Operation at a Preferential Use Gate, it may be ordered by Authority to remove its aircraft from the Gate to facilitate the use of the Gate by another airline, provided the use by the other airline does not interfere with the First Priority User's other Scheduled Operations at the Gate.
- 5. No Right to Profit. It is understood that the purpose of designating Preferential Use Gates is to create efficiency and stability in the utilization of Airport. Assignment of Preferential Use Gates and First Priority Use is not intended to permit an airline to cause the cancellation of any Scheduled Operation.
- 6. Loss of Preferential Gate Assignment.
 - i. Conversion of First Priority Use. Upon the loss of a Preferential Use Gate assignment, as provided in Section 5.03 D., the assigned First Priority Use rights of the airline at the Gate shall automatically revert to Second Priority Use rights and will be subject to the rules applicable to such users.
- G. Preferential Common Use Ticket Counter - Assignment. As of the Effective Date of this Agreement, Authority shall designate the number, if any, of Common Use Ticket Counters at Airport for the use of an airline on a Preferential Use basis. Common Use Ticket Counters may be designated for Preferential Common Use, Common Use, or unassigned. Ticket counters initially available are described in "Exhibit F" and those designated for Preferential Common Use, are listed in "Exhibit L". Assignment of ticket counters as they may become available in the future will be based on reasonable and non-discriminatory procedures set by Authority. The assignment of one or more ticket counters to any airline does not include the right to use any specific skycap podium, curbside position, Gate, ticketing office or operational support space at Airport. Authority shall have the exclusive right and control to assign and move ticket counter locations to ensure

the balanced use of Airport Facilities. Authority may require an Airline using a Common Use Ticket Counter to relocate to an alternative position, the cost of which shall be at Airline's sole cost and expense.

- H. Assignment of Other Common Use Premises or Other Authority-Controlled Facilities. Airline shall submit a written request to Authority to use other Common Use Premises or Authority-Controlled Facilities, including, but not limited to free-standing kiosks, skycap podiums, and other curbside check-in locations. An Airline's written request for other Common Use Premises shall be submitted to Authority at least sixty (60) days prior to the proposed date of use of the other Common Use Premises with the following information: name of airline, Common Use Premises being requested, desired time of day and day of week for the use of the other Common Use Premises, number of airline staff assigned to the facility, and estimated amount of time needed at the other Common Use Premises. Other Common Use Premises will be assigned and allocated by Authority based on reasonable and non-discriminatory procedures set by Authority. Authority shall have the exclusive right and control to assign and move airline from other Common Use Premises or Authority-Controlled Facilities to ensure the balanced use of Airport Facilities. If Authority requires an Airline to relocate to an alternative location, cost of which shall be at Airline's sole cost and expense.
- I. Assignment and Use of Second Priority Use Gate and Common Use Ticket Counter Rights. If an airline is designated as a Second Priority User of a Gate or to a Common Use Ticket Counter, whether the Gate or Common Use Ticket Counter is at a Preferential Use Gate, Common Use Ticket Counter, or an Authority-Controlled Facility, then the following shall apply:
1. Replacement Rights. Should an airline be required to vacate a Gate or Common Use Ticket Counter pursuant to the Authority's written notice or for any reason, subject to the provisions herein, other than default or termination as provided for in this Agreement, then Authority shall provide the airline with a replacement location for the same time and day of the week.
 2. Notice to Vacate. An airline must agree to vacate the Gate or Common Use Ticket Counter upon thirty (30) days' written notice from Authority.
 3. Time on Gates. An airline with a Second Priority Use shall be permitted to remain at the assigned Gate for a complete operation provided the operation does not exceed the Period of Use - Gate. Should an airline's operation exceed the above-referenced time periods, then the airline may be required to vacate the Gate, at the airline's expense, upon notification by Authority. The airline may be reassigned to a different location to complete its operation provided the originally assigned Gate is not available.
 4. Common Use Ticket Counters. An airline assigned to Common Use Ticket Counters (excluding Preferential Common Use Ticket Counters) shall be permitted to remain at the assigned Common Use Ticket Counter

provided it does not exceed the Period of Use - Common Use Ticket Counter on positions:

Aircraft Category	Number of Ticket Counters Allowed per Aircraft Turn (2 positions per counter)	Maximum Ticket Counter Occupancy Times (hours)*
72 seats or less	1	2.0
73 seats to 110 seats	2	2.5
111 seats to 150 seats	3	3
151 seats to 180 seats	4	3.5
Greater than 180 seats	5	4

* Additional time may be allowed for international flights.

The Authority may in its sole discretion, extend the above times depending on flight activity schedules and demand. Any airline exceeding the above stated occupancy time will promptly vacate the area when directed by the Authority.

Airlines occupying the facilities beyond the allotted times will be subject to additional facility fees.

5. Request for Gate or Common Use Ticket Counter for Added Operations. Should an airline choose to add operations at Airport, the airline must provide Authority with a minimum of sixty (60) days' prior written notice and submit a notice as defined herein.
6. Unavailability of Gate or Common Use Ticket Counter. Should no Gate, Common Use Ticket Counter, or other Airport Facility be available at the desired time period and day requested by the airline, Authority shall not be obligated to provide a Gate, Common Use Ticket Counter, or other Airport Facility.

Section 5.04 – Priorities and Procedures for Obtaining an Assignment to Gates and Common Use Ticket Counters. If an airline is in need of a Gate or Common Use Ticket Counter for a proposed Scheduled Operation, it shall submit its written request to the Authority with the following information: name of airline, type of aircraft, desired time of day and day of week for the Scheduled Operation, the city and airports to be served by the Scheduled Operation, estimated amount of time needed at the Gate or Common Use Ticket Counter for the operation, the names of the code share and Affiliate carriers currently operating at Airport.

- A. Notice. An airline's written request for a Gate or Common Use Ticket Counter shall be submitted to Authority at least sixty (60) days prior to the proposed commencement date of the new Scheduled Operation.

- B. Consensual Accommodations Encouraged. If an airline is in need of a Gate or Common Use Ticket Counter for a proposed Scheduled Operation at Airport, the Authority will encourage the airline after submitting its written request to the Authority requesting a Gate or Common Use Ticket Counter for a proposed Schedule Operation, to pursue an arrangement with one or more Airlines to promote efficiencies, cooperation, and positive working relationships.
- C. Request for Assignment at Preferential Use Gate or Preferential Common Use Ticket Counter. If no Authority-Controlled Facility is suitable and available for the Scheduled Operation of a Requesting Airline, the Requesting Airline may submit its request to the Authority to use a Preferential Use Gate or Preferential Common Use Ticket Counter at the Airport.
- D. Alternative Accommodation of Request by Authority. In the event the Authority cannot accommodate the Requesting Airline's request, the Authority shall attempt to find an alternative time and/or day (as applicable) at Authority-Controlled Facilities to accommodate the request.
- E. Request by Airline with Preferential Use Gates or Preferential Common Use Ticket Counters. A request by an airline for a Gate or Common Use Ticket Counter, if it currently holds one or more assigned Preferential Use Gates or Preferential Common Use Ticket Counters, shall not be processed by the Authority unless such airline provides satisfactory evidence that the proposed Scheduled Operation cannot be accommodated on one of the airline's assigned Preferential Use Gates or Preferential Common Use Ticket Counters.
- F. Accommodation through Sharing and Temporary Use of Airline Leased Premises. In the event (i) Authority receives a written request from an airline for a proposed Scheduled Operation using Airport Facilities which Authority cannot accommodate, and (ii) the airline has unsuccessfully attempted in good faith to reach consensual accommodation and demonstrates to Authority that it has contacted the Airlines at Airport and has exhausted all reasonable efforts to find reasonable accommodations for its proposed Scheduled Operation; and (iii) Authority determines that such airline remains in need of an Airport Facility to accommodate its Scheduled Operation and such need cannot be met by use of Authority-Controlled Facilities, Authority may grant the airline, in accordance with the priorities set forth herein, the right of temporary or shared use of a Gate, Common Use Ticket Counter or other Airline Leased Premises, as may be required.
- G. Authority Considerations. In designating Gates, Common Use Ticket Counters, Airport Facilities, and Airline Leased Premises for use by an airline, Authority shall take into account the following (in the following order of importance):
1. Fleet mix on the Gates and Common Use Ticket Counters;
 2. The number of total daily schedule departing seats from each Gate or Common Use Ticket Counter;
 3. Scheduling considerations;

4. Terminal Adjacent Aircraft Parking Positions;
 5. Proximity to adjacent airline ticket office space within the terminal; and
 6. Other operational and labor relations considerations.
- H. Duty to Consult. Authority shall consult with an affected airline before designating any specific Airline Leased Premises of said airline to be utilized by another airline.

Section 5.05 – Interpretation and Priorities for Accommodation. If Authority receives a written request from an airline seeking the use of a Gate or Common Use Ticket Counter to commence serving Airport as a new entrant airline or to expand service as an existing airline at Airport, Authority shall use the following priorities in attempting to accommodate such request:

- A. “First in Time”. The Authority will process requests in the order they are received.
- B. Existing Gates and Common Use Ticket Counters. Authority shall take into account the existing use of Gates and Common Use Ticket Counters and assignments currently assigned to an airline.
- C. Airline Leased Premises. Authority shall take into account the Airline Leased Premises currently used by an airline.
- D. Terminal Location. Authority shall attempt to assign Gates and Common Use Ticket Counters to an airline in the same Terminal or CUPPS-Equipped Terminal location, if feasible, provided it is in the best interests of the Authority and other users.
- E. International Gates and Common Use Ticket Counters. For the assignment of international Gates or Common Use Ticket Counters as identified by Authority, the Authority shall accommodate a request of an airline considering the following criteria:
 1. Will the airline be operating its Scheduled Operation international flight utilizing a Group V aircraft?
 2. Will the airline be operating a non-stop international Scheduled Operation?
 3. Will the airline be operating an international Scheduled Operation?
 4. What is the size of the aircraft to be operated by airline and the size of the aircraft already assigned to adjacent gates or Common Use Ticket Counter?
 5. Will the airline be operating a Domestic Flight Scheduled Operation?
- F. Commuter Terminal. It is the policy of the Authority that an airline when operating an aircraft with a passenger capacity of 72 seats or less (except

aircraft without a built-in air-stair), on a flight of 100 nautical miles or less, must operate such aircraft from the Commuter Terminal as shown on "Exhibit A". Gate assignments and operations at the Commuter Terminal are subject to additional rules below and as delineated in "Exhibit M," a copy of which is attached hereto and by this reference made a part hereof:

1. The Commuter Terminal utilization requirement is not subject to the Daily Average Utilization stated above for Terminal 1 and 2.
2. The Commuter Terminal Daily Average Utilization shall be 170 departing seats on Scheduled Operations per parking position adjacent to a Gate.
3. Although Gates are assigned in the Commuter Terminal, it is understood and agreed by Airline that the carriers operating there will accommodate each other in the actual use of the Gates depending on conditions.
4. The Commuter Terminal Policy is subject to change at Authority's option.

G. Loss of Gate or Common Use Ticket Counter Use Rights. An airline, if assigned a First Priority Use or Second Priority Use right at a Preferential Use Gate, Preferential Common Use Ticket Counter, Authority-Controlled Gate or Common Use Ticket Counter at Airport, shall immediately inform the Authority upon determining to terminate a Scheduled Operation at Airport.

1. Expiration of Requests. Authority shall use its best efforts to respond to an airline's written request for the assignment of a Gate or Common Use Ticket Counter for a Scheduled Operation. An airline's written request for the assignment of a Gate for a Scheduled Operation shall automatically expire after a period of one hundred and twenty (120) days. At the conclusion of the one hundred twenty (120)-day period, should the airline continue to want the Gate or Common Use Ticket Counter assignment, airline shall resubmit a new request. If the new request is the same request as the original, the new request shall retain the submission date of the original request.
2. Incomplete Request. The Authority has no obligation to process an incomplete request. A complete request shall include the name of airline, type of aircraft, desired time of day and day of week for the Scheduled Operation, the city and airports to be served, estimated time needed at the Gate or Common Use Ticket Counter, and the name of any Affiliate carriers at Airport.
3. Right to Void Request. The Authority reserves the right to void the request of an airline if it files such request in bad faith or without the intention to conduct the requested Scheduled Operation. Before taking such action, the Authority will provide an opportunity to the airline to prove the request was made in good faith and is proper.
4. Terminations. The termination of a Scheduled Operation at an assigned Gate or Common Use Ticket Counter by an airline shall open a Second Priority Use Gate or Common Use Ticket Counter assignment to

provisions of this Policy. If the airline holds a Second Priority Use Gate or Common Use Ticket Counter assignment, it shall not have the automatic right to substitute another Scheduled Operation for the terminated one without the consent of the Authority. If the airline holds a First Priority Use Gate or Common Use Ticket Counter assignment at a Preferential Use Gate or Preferential Common Use Ticket Counter, it shall have the right to replace the terminated Scheduled Operation with another within thirty (30) days. If no replacement is made by the airline as the First Priority Use Gate or Common Use Ticket Counter user, then the Authority may assign a Second Priority Use Gate or Common Use Ticket Counter use at such gate to another airline.

5. Schedule Changes. Airline shall notify the Authority in writing of any change to a Scheduled Operation at Airport at least thirty (30) days in advance.

Section 5.06 – Revisions to Gate or Common Use Ticket Counter Assignment or Airline Leased Premises. Revisions pursuant to this Article 5 to the Airline Leased Premises shall be reflected in revised “Exhibits C, D, E, F and G”. Revisions to Preferential Use Gate or Preferential Common Use Ticket Counter assignments shall be reflected in a revised “Exhibit L”, as may be appropriate and approved by Authority.

- A. Determination for FY 2014 Preferential Use Gate and Preferential Common Use Ticket Counter Assignments. Airline acknowledges that as of the Effective Date of this Agreement, Authority has made the annual determination of the number of Preferential Use Gates and Preferential Common Use Ticket Counters for Fiscal Year 2014 as listed on the attached “Exhibit L” and that Authority has provided each airline operating at Airport with notice of such determination.
- B. Annual Determination of Preferential Use Gates and Preferential Common Use Ticket Counters. Effective (i) July 1, 2014, and (ii) after airlines have relocated as a result of the completion of the expansion of Terminal 2, and (iii) July 1st of each Fiscal Year thereafter during the term of this Agreement, the President/CEO shall have reasonable discretion to determine the total number of Gates and Common Use Ticket Counters to be reserved for use as Preferential Use Gates or Preferential Common Use Ticket Counters during that year (after taking into consideration any recommendations by the Airlines).
- C. Remaining Gates and Common Use Ticket Counters. All remaining Gates and Common Use Ticket Counters not assigned as Preferential Use Gates or Preferential Common Use Ticket Counters by July 1st of each Fiscal Year shall be deemed Authority-Controlled Facilities and will be offered by Authority to airlines for use as Second Priority Use or temporary use to be allocated in accordance with this Article.
- D. Reservation of Available Preferential Use Gate or Preferential Common Use Ticket Counters. Any Preferential Use Gate or Preferential Common Use Ticket Counters first becoming available for use after July 1st of each Fiscal Year shall be reserved for use as an Authority-Controlled Facility for the remainder of that Fiscal Year unless, after taking into consideration any recommendations of the Airlines, the President/CEO, in the President/CEO’s sole discretion, assigns the

Gate or Common Use Ticket Counter to an Airline as a Preferential Use Gate or Common Use Ticket Counter based on the terms of this Article.

- E. Refusal of Preferential Use Gate or Preferential Common Use Ticket Counter. If an airline does not accept assignment of a Preferential Use Gate or Preferential Common Use Ticket Counter, such Preferential Use Gate or Preferential Common Use Ticket Counter shall be designated as an Authority-Controlled Facility. In such a situation, Authority may elect to reassign a Preferential Use Gate or Preferential Common Use Ticket Counter not accepted by the airline to another airline if Authority determines the number of Authority-Controlled Facilities is adequate to accommodate all airline Scheduled Operations needing to use Gates or Common Use Ticket Counters at the Airport. The Authority may reallocate such Gates or Common Use Ticket Counters using the methodology described in this Article until all Gates or Common Use Ticket Counters available for assignment as Preferential Use Gates or Preferential Common Use Ticket Counters are allocated to Airlines or rejected for assignment as a Preferential Use Gate or Preferential Common Use Ticket Counter. Any Gate or Common Use Ticket Counter rejected for assignment as a Preferential Use Gate or Preferential Common Use Ticket Counter by all eligible Airlines under this subsection will become an Authority-Controlled Facility.

Section 5.07 – RON Parking Positions. The Authority shall designate the number, if any, of RON Positions at Airport for the use of airlines. The initial number of designated RON Positions is described in “Exhibit H”. For each RON position assigned to Airline, Airline agrees to pay the charges pursuant to Article 8.

The assignment of one or more RON Positions to any airline does not include the right to use any specific RON Position or Gate at Airport. Specific RON Positions shall be assigned using a separate process under the control of Authority through a committee comprised of one or more airline representatives (the “RON Committee”) and Authority staff. A copy of the RON Committee Over-Riding Principles for the assignment of individual specific RON Positions is attached hereto as “Exhibit N,” attached hereto and by this reference made a part hereof. Assignment of RON Positions, as they may become available in the future, will be based on reasonable and non-discriminatory procedures set by the Authority. Notwithstanding the foregoing, all FIS designated Terminal Adjacent Aircraft Parking Positions shall have priority for international flight activity and RON parking.

The Authority shall have the exclusive right and control to assign and relocate RON Positions to ensure the maximum use of Gates and other Airport Facilities. Authority may require an airline using a RON Position to relocate its aircraft from its assigned RON Position to an alternative position. All movements to and from a RON Position shall be at Airline’s sole cost and expense.

ARTICLE 6

TRANSITION PROVISIONS

Section 6.01 – Transition Provisions. Airline and Authority acknowledge and agree that upon execution and delivery of this Agreement by Airline, the Airline Rents, Fees and Charges for Airline’s use of the Airport are effective July 1, 2013.

ARTICLE 7

SUBORDINATION OF AGREEMENT

Section 7.01 – Subordination to the Indenture. This Agreement and any obligations owed by the Authority to Airline that may arise under this Agreement or as it may be amended are subordinate in all respects and at all times to the Fund Deposits and other funding requirements under the Indenture and any supplemental Indenture then in effect.

ARTICLE 8

AIRLINE RENTS, FEES AND CHARGES – COMMENCING JULY 1, 2013

Section 8.01 – Consideration. The Airline Rent, Fees and Charges stated and required herein are consideration for Airline's use at Airport of the Airfield, Airline Leased Premises, Terminal Adjacent Aircraft Parking Positions, and RON Positions.

Section 8.02 – Cost Centers. In order to allocate the costs of operating, maintaining and developing the Airport, the following Cost Centers shall be utilized by the Authority, as more fully described in "Exhibit B":

- A. Airfield Area
- B. Terminal Area
- C. Other Airline Support
- D. Common Use Systems Support
- E. Landside Commercial
- F. Ancillary
- G. Indirect Cost Centers
 - 1. Access Roads
 - 2. Operating Support – Pool Allocations
 - 3. General and Administrative

In order to calculate Airline Rent, Fees and Charges, Authority shall account for and allocate annual O & M Expenses, Annual Debt Service, Amortization Charges, and other reserve requirements between the Cost Centers as set forth in "Exhibit B".

While the Authority may elect to create additional cost centers and sub-cost centers during the term of this Agreement, the Authority shall consult with Airlines prior to the inclusion of any direct or indirect cost assigned to these new cost centers or sub-cost centers in the calculation of Airline Rents, Fees, and Charges to the Airline as outlined in "Exhibit I" of this Agreement.

Section 8.03 – Airline Rent, Fees and Charges. The Airline Rents, Fees and Charges include the following:

- A. Terminal Rentals – Exclusive Use Premises. For the Exclusive Use Premises as set forth in “Exhibit C”, Airline will pay to Authority, on an equal monthly installment basis, rentals in the amount of the Terminal Rental Rate, calculated as described in “Exhibit I” of this Agreement, multiplied by the square footage of Airline’s Exclusive Use Premises shown as Airline Leased Premises on “Exhibit C”.
- B. Terminal Rentals - Joint Use Premises. For the Joint Use Premises set forth in “Exhibit D”, Airline will pay to Authority, on an equal monthly installment basis, a *pro-rata* share of the rentals in the amount of the Terminal Rental Rate, calculated as described in “Exhibit I” of this Agreement, multiplied by the square footage of the Joint Use Premises shown on “Exhibit D”. The *pro-rata* share of rentals allocated to Airline shall be determined for July 1 and January 1 of each Fiscal Year, based on the projected enplaned passengers for the upcoming or current Fiscal Year, respectively, using the Joint Use Formula, defined as:

Twenty percent (20%) of the monthly rent payable for the Joint Use Premises shall be pro-rated in equal amounts among all passenger Airlines, excluding Affiliates and Small Airlines, and eighty percent (80%) of the monthly rent payable for the Joint Use Premises shall be allocated among all passenger Airlines, based on each Airline’s percentage share, including Affiliates and Small Airlines, of the total projected Enplaned Passengers at Airport.

The Joint Use Formula, where R_A is Airline's monthly rent payable for the Joint Use Premises, is:

$$R_A = (20\% \times R_J / N) + (80\% \times R_J \times [P_A / P_T])$$

N is the total number of passenger Airlines, excluding Affiliates and Small Airlines, serving Airport during the calculation period.

P_A is the number of total projected Enplaned Passengers by Airline during the calculation period.

P_T is the number of total projected Enplaned Passengers by all airlines during the calculation period.

R_J , the “total monthly rent payable” for the Joint Use Premises for all Airlines for each month, shall be the calculated as follows:

$$R_J = R_M \times S_J / 12$$

R_M is the annual rental rate per square foot calculated as per the provisions described in “Exhibit I” of this Agreement.

S_J is the number of square feet in the Joint Use Premises.

- C. Terminal Rentals – Shared Use Premises. For the Shared Use Premises set forth in “Exhibit E”, Airline will pay to Authority, on an equal monthly installment basis, a *pro-rata* share of the rentals in the amount of the Terminal Rental Rate, calculated as described in “Exhibit I” of this Agreement, multiplied by the square footage of the Shared Use Premises shown on “Exhibit E”. The *pro-rata* share of rentals allocated to Airline shall be determined for July 1 and January 1 of each Fiscal Year, based on projected Enplaned Passengers for the upcoming or current Fiscal Year, respectively, using the Shared Use Formula, defined as:

Each Airline’s Enplaned Passengers as a percentage of the total Enplaned Passengers of all Airlines using the Shared Use Premises unless an alternative arrangement is mutually agreed to by Authority and Airline.

The Shared Use Formula, where R_B is Airline's monthly rent payable for the Shared Use Premises. is:

$$R_B = (R_S \times [EP_A / EP_T])$$

EP_A is the number of total projected Enplaned Passengers by Airline during the calculation period.

EP_T is the number of total by all Airlines using the Shared Use Premises during the calculation period.

R_S , the total monthly rent payable for the Shared Use Premises for all airlines using the Shared Use Premises for each month, shall be the calculated as follows:

$$R_S = R_M \times S_S / 12$$

R_M is the annual Terminal Rental Rate calculated as per the provisions described in “Exhibit I” of this Agreement.

S_S is the number of square feet in the Shared Use Premises.

- D. Terminal Rentals - Common Use Premises. Airline will pay to Authority, on an equal monthly installment basis, a *pro-rata* share of the rentals in the amount of the Terminal Rental Rate, calculated as described in “Exhibit I” of this Agreement, multiplied by the greater of 14,655 square feet, or the actual Common Use Premises square footage assigned to the Airlines (as identified on “Exhibit F”). The *pro-rata* share of rentals allocated to Airline shall be determined for July 1 and January 1 of each Fiscal Year, based on projected Enplaned

Passengers for the upcoming or current Fiscal Year, respectively, using the Common Use Formula, defined as:

Twenty percent (20%) of the monthly rent payable for the Common Use Premises shall be pro-rated in equal amounts among all passenger airlines located in the CUPPS-Equipped Terminals, excluding Affiliates and Small Airlines, and eighty percent (80%) of the monthly rent payable for the Common Use Premises shall be allocated among Airlines located in CUPPS-Equipped Terminals, based on each Airline's percentage share, including Affiliates and Small Airlines, of the total projected enplaned passengers for those airlines located in the CUPPS-Equipped Terminals.

The Common Use Formula, where R_C is Airline's monthly rent payable for the Common Use Premises, is:

$$R_C = (20\% \times R_{CU} / N_{CU}) + (80\% \times R_{CU} \times [P_A / P_{TCU}])$$

N_{CU} is the total number of airlines located in CUPPS-Equipped Terminals, excluding Affiliates and Small Airlines, serving Airport during the calculation period.

P_A is the number of total Enplaned Passengers by Airline during the calculation period.

P_{TCU} is the number of total Enplaned Passengers by all Airlines located in CUPPS-Equipped Terminals during the calculation period.

R_{CU} , the total monthly rent payable for the Common Use Premises for all Airlines located in CUPPS-Equipped Terminals for each month, shall be calculated as follows:

$$R_{CU} = R_M \times S_{CU} / 12$$

R_M is the annual Terminal Rental Rate per square foot calculated as per the provisions described in "Exhibit I" of this Agreement.

S_{CU} is the number of square feet in the Common Use Premises.

- E. Common Use Systems Support Charges. Common Use Systems Support Charges will be calculated by totaling all O & M Expenses attributable or allocable to the Common Use Systems Support cost center and will be paid for by the airlines located in the CUPPS-Equipped Terminals. Common Use Systems Support Charges will be allocated based on projected enplaned passengers for the upcoming Fiscal Year, using each Airline's total number of Enplaned Passengers as a percentage of the total Enplaned Passengers of all Airlines located in CUPPS-Equipped Terminals pursuant to the provisions described in "Exhibit I".
- F. Landing Fees. For the Airfield Area set forth in "Exhibit B", Airline agrees to pay on a monthly basis Landing Fees in an amount equal to the Landing Fee Rate,

as calculated in "Exhibit I", multiplied by the Airline's Maximum Gross Landing Weight for the monthly period.

- G. Terminal Adjacent Aircraft Parking Position Charges. For aircraft parked overnight at Terminal Adjacent Aircraft Parking Positions as set forth in "Exhibit E", Airline will pay to Authority, on a monthly basis 1/12th of the Terminal Adjacent Aircraft Parking Position Charge, as calculated in "Exhibit I" of this Agreement, multiplied by the number of such Terminal Adjacent Aircraft Parking Positions assigned to Airline for the monthly period.
- H. Security Surcharges. For each Fiscal Year, charges for the costs related to security services or areas shall be calculated per the provisions described in "Exhibit I" of this Agreement. Security Surcharge costs include security and access control services provided by Authority to both the Airfield Area and Terminal, including but not limited to the law enforcement, private guard services, maintenance of the access control system, and other security expenses as defined by Authority from time to time. Security Surcharge costs also include an annual amount equal to the Terminal Rental Rate multiplied by the square footage assigned to the TSA for passenger security screening purposes, as shown on "Exhibit K", which is attached hereto and by this reference made a part hereof. Airline will pay to Authority, on an equal monthly installment basis, the *pro-rata* share of both Airfield Area and Terminal security costs as provided in "Exhibit I".
- I. RON Charges. For the RON Positions set forth in "Exhibit H", Airline will pay to Authority, on an equal monthly installment basis, an amount equal to the RON Charge as calculated in "Exhibit I" of this Agreement, multiplied by the number of RON Positions assigned to Airline for any portion of the monthly period.
- J. Federal Inspection Service ("FIS") Use Charges. For each Fiscal Year, Authority shall charge for use of its FIS Facilities an amount equal to \$2.00 per each arriving international seat. The President/CEO or a representative appointed by the President/CEO may make adjustments to this charge on a semi-annual basis.

Section 8.04 – Late Payment of Airline Rent, Fees or Charges. In the event Airline is delinquent in remitting to Authority the Airline Rents, Fees and Charges due in accordance with the provisions of this Agreement, said delinquency or non-payment is a breach and default of this Agreement for which Authority may terminate the Agreement and/or take such other legal actions as it deems necessary.

Without waiving any rights available under the Agreement or by law, in the event of a late or delinquent payment, Airline recognizes that Authority will incur certain expenses, the amount of which is difficult to ascertain. Therefore, in addition to the Airline Rents, Fees and/or Charges owing, Airline agrees to pay the liquidated damages set forth below to compensate Authority for all expenses and/or damages and loss resulting from said late or delinquent payment(s) by Airline.

The liquidated damages for late or delinquent payments shall be 10% *per annum*, or that percent *per annum* equal to the prevailing rate on the 25th day of the month preceding the execution of this Agreement as established by the Federal Reserve Bank of San Francisco on

advances to member banks under §13 and §13A of the Federal Reserve Act, plus 4 ½% *per annum*, whichever is greater, on the balance of the unpaid monthly amount calculated from the date of the delinquency until the close of the business day upon which the delinquent payment is received by the Authority. The President/CEO shall have the right to waive for good cause the assessment and/or collection of any liquidated damages upon a timely written application by Airline.

Section 8.05 – Airline Rents, Fees, and Charges for Affiliate and Small Airlines.

- A. An Affiliate, as defined herein (or the affiliated Airline on their behalf), shall pay Airline Rents, Fees and Charges during any period in which the Affiliate (i) has their own Affiliate Airline Operating Agreement in effect with the Authority, (ii) is providing scheduled air service at the Airport, and (iii) is operating from any Terminal identified under lease to an airline.
- B. A Small Airline shall pay Airline Rents, Fees and Charges during any period in which the Small Airline (i) has its own Airline Operating Agreement in effect with Authority, (ii) is providing scheduled air service at the Airport, and (iii) is operating from any Terminal under lease.

Section 8.06 – Payment Provisions.

- B. Terminal Rentals, Security Surcharges, FIS Use Charges, Terminal Adjacent Parking Position Charges and RON charges for such overnight aircraft parking positions assigned to Airline during the preceding month shall be due and payable on or before the tenth (10th) day of each month during the term of this Agreement, in advance, without invoice, deduction, or setoff.
- C. Landing fees shall be due and payable on or before the fifteenth (15th) day of each month for the prior month during the term of this Agreement, without invoice, deduction, or setoff, accompanied by an accurate, verifiable activity report on such form as the Authority may provide. Authority reserves the right to require Airline to utilize an electronic system for the transmittal of said reports.
- D. Any amounts due shall be paid by check or electronic transfer by Airline to Authority, which check shall be delivered or mailed, postage prepaid, to the Treasurer of the Authority at Post Office Box 81323, San Diego, California 92138-1323. The designated place of payment may be changed at any time by Authority upon ten (10) days' written notice to Airline. The acceptance by Authority of any payment made by Airline shall not preclude the Authority from verifying the accuracy of Airline's report submitted to the Authority or from recovering any additional payment actually due from Airline or from crediting any overpayment due to Airline.

ARTICLE 9

RENT CREDITS

Section 9.01 – Rent Credits. From time to time, Authority will allow Airline to earn rent credits to be applied to the rent due under this Agreement by performing certain work or projects at the Airport. The rent credits shall be made available provided that Airline receives prior

written authorization from the President/CEO to earn said credits. Such prior written authorization must contain:

- A. A description of the project;
- B. An estimated completion date; and
- C. A dollar amount that the said credits may not exceed.

Receipt of rent credits shall be conditioned on Airline providing to the Authority written proof of said actual cost to Airline for the project and proof of payment. Issuance of rent credits shall not preclude the Authority's recovery from the Airlines for the rent credits through Airline Rents, Fees and Charges.

ARTICLE 10

UTILITIES AND COMMUNICATIONS

Section 10.01 - Utilities. Authority shall provide water, sewer, gas, electric, and drainage to the outer perimeter of the Airline Leased Premises. Airline, at its sole cost, shall tie into the utility lines at the locations specified by Authority. Other utilities required by Airline in excess of that which is customarily available in the Airport Facilities will be, if approved by Authority, installed at the expense of Airline.

Section 10.02 – Telecommunications. Telecommunications to Airline's Leased Premises may be provided by Airline. Authority may also implement a shared telecommunications system for telephone, facsimile, local access, long distance service, internet, intranet, or other such services. Airline may use such systems as and when implemented by Authority; provided, however, that the cost of all such services used by Airline shall be at the sole cost of Airline. Airline shall have the right to install its own high-speed wireless local area network ("WLAN") in accordance with any rights under the Federal Communications Commission and with the written approval by Authority provided it does not interfere with Authority's equipment.

Section 10.03 - Television and Radio. Television and radio may be provided by Airline. Authority may also implement shared television and radio systems. If Airline desires television and radio services, Airline may use such systems as and when implemented by Authority; provided, however, that the cost of all such services used by Airline shall be at the sole cost of Airline. Airline shall have the right to install its own television and radio systems in accordance with any rights under the Federal Communications Commission and with the written approval by Authority provided it does not interfere with Authority's equipment. Airline is responsible for obtaining permission to transmit any copyrighted music, including but not limited to radio broadcasts, recorded music, and television broadcasts, in the Airline Leased Premises at the Airport in compliance with all laws.

ARTICLE 11

MASTER KEY SYSTEM

Section 11.01 – Master Key System. Except as provided below, locks on doors with access to or located within the Airline Leased Premises shall be included in the Master Key

System used by Authority. Authority shall supply Airline with a maximum number of keys for each door in the Airline Leased Premises as reasonably determined by the President/CEO. Airline agrees to pay a sum of Twenty Dollars (\$20) each for additional keys required or for keys lost. All lock installations, modifications, and/or repairs shall be conducted by Authority.

Section 11.02 - Exclusions. Airline shall have the right to request that a lock be excluded from the Master Key System, provided Airline submits a written request identifying the lock and giving a reason said lock shall be excluded from the Master Key System. The Authority shall reasonably determine which lock and or locks may be excluded from the Master Key System. Airline acknowledges and agrees that Authority will retain a copy of the key and or combination of said lock with Authority's Airside Operations Department, and with any other party mutually agreed upon between Authority and Airline.

Section 11.03 – Replacements. Authority shall have the right at any time, and without prior notice, to replace those locks that are not on the Master Key System and were not approved, as provided for above, with a lock that is on the Master Key System.

ARTICLE 12

ACKNOWLEDGEMENT OF AUTHORITY IMPROVEMENTS

Section 12.01 – Improvements. Airline agrees that it has examined the Airline Leased Premises and the condition thereof, that the improvements thereon in their present condition are satisfactory and usable for Airline's purposes, and that no representations as to value or condition have been made by or on behalf of Authority.

ARTICLE 13

CONSTRUCTION OF IMPROVEMENTS

Section 13.01 – Consent for Construction. Airline shall not construct any improvements or facilities upon the Airport or the Airline Leased Premises without the prior written consent of Authority. All proposed improvements or facilities shall be submitted to the Authority for review prior to commencement of construction, and shall be completed in accordance with the plans and specifications as reasonably approved by the President/CEO in writing. Within ninety (90) days after substantial completion of construction, Airline agrees to provide Authority with a hard copy and compact disc ("CD") of the "as-built" drawings.

Section 13.02 – Performance and Payment Bonds for Construction. No major construction shall be commenced upon the Airline Leased Premises by Airline until Airline has secured and submitted to Authority performance and payment bonds in the amount of the total estimated construction cost of improvements to be constructed by Airline. In lieu of said bonds, the President/CEO of Authority may at the President/CEO's reasonable discretion accept the performance and labor and material bonds supplied by Airline's contractor or subcontractors. Said bonds must be issued by a company qualified to do business in the State of California, be in a form acceptable to Authority, and comply with the requirements of California law.

ARTICLE 14

TITLE TO IMPROVEMENTS

Section 14.01 – Improvements on Expiration of Term. Any structures, installations, improvements of any kind, machines, equipment, and baggage handling systems placed on the Airline Leased Premises by Airline, including without limitation, walls, partitions, ceilings, built-in counters and cabinets, carpeting, and permanently attached electrical installations and lighting fixtures (“Airline’s Improvements”), shall be removed by Airline, if requested by Authority at its sole option (unless the parties had previously agreed in writing that removal would not be required), within ten (10) days after the expiration of the term of this Agreement or sooner termination thereof. Airline further agrees to repair any and all damage occasioned by the removal thereof. In the event of termination by either Airline or the Authority, Airline and Authority shall use their best efforts to meet within ten (10) days of receiving or issuing such termination notice to determine which, if any, of Airline’s Improvements Authority shall request to be removed, and Authority shall provide Airline written notice of its determination within ten (10) days of such meeting.

Section 14.02 – Authority’s Option. If Authority exercises its option under 14.01, above, and Airline fails or refuses to remove such structures, installations, improvements, machines, equipment, and systems and repair the premises within said ten (10) days after the termination of this Agreement, the Authority shall have the following options: (1) consider the property abandoned whereupon the Authority shall become owner of the improvements without cost to Authority and without any payment to Airline, or (2) remove or cause the removal of the property or improvements at the sole expense of Airline who shall reimburse Authority within thirty (30) days of receiving an invoice for the cost for removal and repair, including administrative costs of fifteen percent (15%).

Section 14.03 – Rent. During any period of time employed by Airline under this Article 14 to remove structures, installations, improvements, machines, equipment, and systems, Airline shall pay applicable Airline Rent, Fees and Charges to Authority in accordance with this Agreement, said rent to be prorated daily.

ARTICLE 15

REPAIR AND MAINTENANCE OF FACILITIES, IMPROVEMENTS, AND EQUIPMENT

Section 15.01 – Buildings and Airfield Area. Authority, in its sole discretion, shall maintain and keep in good order and repair the Terminal building structure, its appurtenances, and the Airfield Area as they were originally constructed, modified, acquired and/or installed by Authority in accordance with “Exhibit O,” attached hereto and by this reference made a part hereof. In addition, Authority, shall maintain, in a manner determined in its sole discretion, utility services (television, radio and data services are not considered “utilities” for purposes of this Section) , and, where applicable, building systems, as they were originally constructed, modified and/or installed by the Authority in accordance with “Exhibit O”.

Section 15.02 – Repair and Maintenance Specifications. Airline shall repair and maintain all facilities, improvements and equipment it is obligated to under Agreement in compliance with manufacturer’s specifications, in accordance with “Exhibit O”. In the case where no such manufacturer’s specifications exist, then Airline shall repair and maintain all facilities, improvements and equipment it is obligated to under this Agreement in compliance

with the specifications provided by Authority, which shall be consistent with industry practices. In the event Airline contracts with a third party for the repair and/or maintenance provided for herein, Airline agrees said third party shall be required to comply with the aforementioned specifications. Airline shall perform such repair and/or maintenance responsibilities in a good and workmanlike manner, consistent with industry practices. If Airline fails to perform its obligations under this Section of the Agreement within thirty (30) days after written notice from Authority (or, in the case where such repair and/or maintenance responsibility cannot be reasonably completed within thirty (30) days, or where Airline has not begun to pursue a remedy during that time period), Authority may affect such repairs and/or maintenance and recover its costs plus a fifteen percent (15%) administrative charge, in addition to all other remedies provided for in this Agreement.

Section 15.03 – Repair and Maintenance of Airline Improvements. Improvements, structures, and appurtenances created and installed by Airline shall be maintained by Airline in a clean, safe, sound, and presentable condition at all times. Such maintenance shall include, but not be limited to, repair, replacement, and refinishing of interior walls, ceilings, and floors. Airline shall not commence any Airfield Area maintenance activities without the prior written approval of the President/CEO.

Section 15.04 – Airline Repair and Maintenance of Airline Leased Premises and Authority Property. Airline hereby agrees that it will maintain and keep in good order and repair its Airline Leased Premises and appurtenances thereto, including any personal property belonging to Authority, in accordance with “Exhibit O”. However, Airline shall not perform maintenance and/or repairs in the Joint Use Premises, Shared Use Premises or Common Use Premises, except as it is obligated to under this Agreement. All damage or injury done to the Airline Leased Premises or Authority property by Airline, or the Airline's employees, contractors, or agents, shall be paid for by Airline. Airline, at the termination of this Agreement, shall surrender to Authority the Airline Leased Premises with the appurtenances and other personal property belonging to Authority in as good condition and repair as when received, normal and ordinary wear and tear excepted.

Section 15.05 – Repair and Maintenance of Shared Use Premises, Joint Use Premises and Common Use Premises. All damage or injury done to Shared Use Premises, Joint Use Premises or Common Use Premises, by Airline, or Airline's contractor's employees, and/or agents, shall be paid for by Airline. Airline, at the termination of this Agreement, shall surrender to Authority such premises and space with the appurtenances and other personal property belonging to Authority in as good condition and repair as when received, normal and ordinary wear and tear excepted.

Section 15.06 – Repair and Maintenance of Passenger Loading Bridges. Notwithstanding the above, the Authority, in its sole discretion, may require Airline, collectively with all other scheduled passenger airlines, to maintain the Passenger Loading Bridge(s) at their sole cost and expense, including, but not limited to, the loading bridge structure(s) and all appurtenances thereto. Airline shall repair and maintain the Passenger Loading Bridges(s) in compliance with the manufacturer's specifications. In the case where no such manufacturer's specifications exist, then Airline shall repair and maintain the Passenger Loading Bridges in compliance with Authority-provided specifications, which shall be consistent with industry practice. In the event Airline contracts with a third party for the repair and/or maintenance provided for herein, Airline agrees said third party shall be required to comply with the aforementioned specifications. Airline shall provide such repair and/or maintenance responsibilities in a good and workmanlike manner, consistent with industry practices. If Airline

fails to perform its obligations under this Section of the Agreement within thirty (30) days after written notice from Authority (or, in the case where such repair and/or maintenance responsibility cannot be reasonably completed within thirty (30) days, or where Airline has not begun to pursue a remedy during that time period), Authority may affect such repairs and/or maintenance and recover its costs plus a fifteen percent (15%) administrative charge, in addition to all other remedies provided for in this Agreement.

Authority, however, may elect to maintain one or more of the Passenger Loading Bridges. Upon such election, Authority shall establish a fee for the use of such Passenger Loading Bridges and shall include both the revenues collected through the fees and the maintenance costs in the rates and charges calculations for the Terminal Area Cost Center.

Section 15.07 – Repair and Maintenance of Baggage Handling Systems. Notwithstanding the above, Authority, in its sole discretion, may require Airline, collectively with all other scheduled passenger airlines, to repair and maintain the Baggage Handling Systems(s) at their sole cost and expense, including, but not limited to, all appurtenances thereto. Airline shall repair and maintain the Baggage Handling Systems(s) in compliance with the manufacturer's specifications. In the case where no such manufacturer's specifications exist, then Airline shall repair and maintain the Baggage Handling Systems in compliance with the specifications provided by Authority, which shall be consistent with industry practices. Airline shall perform such repair and/or maintenance responsibilities in a good and workmanlike manner, consistent with industry practices. If Airline fails to perform its obligations under this Section of the Agreement within thirty (30) days after written notice from Authority (or, in the case where such repair and/or maintenance responsibility cannot be reasonably completed within thirty (30) days, or where Airline has not begun to pursue a remedy during that time period), Authority may affect such repairs and/or maintenance and recover its costs plus a fifteen percent (15%) administrative charge, in addition to all other remedies provided for in this Agreement.

Authority, however, may elect to maintain one or more of the Baggage Handling Systems or portions thereof. Upon such election, Authority shall establish a fee for the use of such Baggage Handling Systems and shall include both the revenues collected through the fees and the maintenance costs in the rates and charges calculations for the Terminal Area Cost Center.

Section 15.08 – Janitorial Services. It is mutually understood that Authority, in its sole discretion, may provide janitorial services to the Terminal area, or may require Airline, collectively with all other scheduled passenger airlines utilizing the Terminal area, to contract with a contractor to provide janitorial services to the Terminal area. If Airline with the other scheduled passenger airlines utilizing the Terminal area provides the janitorial services to the Terminal area, including non-leased Authority areas, Authority shall issue to said airlines on a monthly basis a per-square-foot credit to reimburse Airline and the other scheduled passenger airlines for the janitorial costs incurred to clean said space that is not leased by any airline. The estimated per-square-foot rate shall be calculated at the beginning of each Fiscal Year. After the close of each Fiscal Year, Authority shall calculate the actual per-square-foot rate based on the actual janitorial costs for the Fiscal Year in which the rates were charged, and any under or over credit shall be reimbursed to, or repaid by, Airline together with all other scheduled passenger airlines.

Janitorial services performed by Airline shall be in compliance with the scope of work and specifications approved by Authority, consistent with industry practices, and in a good and

workmanlike manner. In the event Airline contracts with a third party to provide janitorial services, Airline agrees said third party shall be required to comply with the aforementioned scope of work and specifications. If Airline fails to perform its obligations under this Section of the Agreement within thirty (30) days after written notice from Authority (or, in the case where such janitorial responsibility cannot be reasonably completed within thirty (30) days, or where Airline has not begun to pursue a remedy during that time period), Authority may affect such janitorial services and recover its costs plus a fifteen percent (15%) administrative charge, in addition to all other remedies provided for in this Agreement. If Airline fails to perform its obligations under this Section of the Agreement immediately in the event of a health and/or safety matter, Authority may affect such janitorial services and recover its costs plus a fifteen percent (15%) administrative charge.

Section 15.09 - Common Use Equipment and Stock

- A. Common Use Equipment and Consumable Stock. In the event Authority elects to install common use equipment and associated systems in areas such as, but not limited to, ticket counters, ticket lobbies, skycap podiums, other curbside check-in locations, gate podiums, other gate and/or passenger holdroom locations, and/or FIS re-check areas ("Common Use Equipment"), Authority may in its sole discretion assume responsibility for the maintenance and repair of the Common Use Equipment or require Airline, collectively with all other scheduled passenger airlines, to be responsible for the maintenance and repair of any such Common Use Equipment including the expense thereof. In the event Authority elects to assume such responsibility, the sole extent of liability of Authority with respect to the Common Use Equipment shall be limited to repair and/or replacement of malfunctioning Common Use Equipment. Authority shall respond as expeditiously and as reasonably as possible to technical difficulties with the Common Use Equipment, after Airline has notified Authority, of such difficulties, in a manner and process which shall be prescribed by Authority. Airline shall ensure the same level of responsiveness and assistance to Authority and/or Authority's third party service provider to identify and resolve Airline and/or Airline-vendor issues relating to Airline's applications that run in conjunction with the Common Use Equipment. Airline will work cooperatively with Authority in the implementation of other new technologies to improve the efficiency of the Airport.

Whether the responsibility to maintain and repair the Common Use Equipment is that of Authority or Airline, Authority shall provide the consumable stock (i.e., boarding pass receipts and bag tag stock), necessary for the operation of common use self-service kiosks, both free-standing and those installed in ticket or curbside passenger check-in counters. Airline may only elect to install proprietary stock in Preferential Common Use Ticket Counters. Should Airline elect not to use proprietary stock in its ticket counter kiosks, Authority will provide the common use stock. Authority reserves the right to provide stock for the ticket counter kiosks. Authority shall also provide the printer paper and ribbons for document control printers provided by Authority.

In the event that Authority assigns Airline's Preferential Use Gates and/or Preferential Common Use Ticket Counters to another air carrier, Airline shall remove its proprietary stock.

Airline provided consumable stock shall be consistent with IATA stock specifications and subject to approval by Authority. In the event that Authority deems the consumable stock provided by Airline to be injurious to Authority's Common Use Equipment, Airline will immediately cease usage of the offending consumable stock upon such receipt of notice by Authority. Authority reserves the right to sell advertising on and collect the applicable advertising revenues that may be generated from the reverse side of any Authority-supplied consumable stock.

- B. Radio Frequency Identification ("RFID") Bag Tag Stock. In the event Authority implements an RFID-based bag tag system, Authority will supply all radio frequency identification bag tag stock for use as part of the baggage handling system. The sole extent of liability of Authority with respect to the technology and/or baggage handling system equipment shall be limited to repair and/or replacement of malfunctioning equipment. Authority will respond as expeditiously and as reasonably possible to technical difficulties with the equipment after Airline has notified Authority of such difficulties, in a manner and process which shall be prescribed by Authority. Airline shall ensure the same responsiveness and assistance to Authority staff and/or Authority's third party service provider to identify and resolve Airline and/or Airline-vendor issues relating to Airline's applications that run in conjunction with the radio frequency identification, bag handling systems.
- C. No Modifications to Authority's Equipment. Airline shall not be allowed to install Airline-owned or proprietary computer equipment, kiosks, phones, other electronic equipment, or similar equipment in areas other than its Exclusive Use Premises. Further, Airline shall not make any modification whatsoever to Authority's Common Use Equipment, including but not limited to, modifying the keyboards, adding adhesive or other markings, or otherwise modifying the equipment physically and/or electronically. Any such modifications and/or damage that is willfully or negligently caused by Airline shall be remedied by Airline, to the sole satisfaction of Authority, at the sole cost of Airline. In the event that the damage is repaired by Authority, Airline will reimburse Authority for both the fully-allocated cost of time and materials pertaining to the repairs plus a fifteen percent (15%) administrative fee.
- D. Future Maintenance and Stock Responsibilities. Authority reserves the right to continue the provision of Common Use Equipment and stock, to hire a third party service provider to provide for the maintenance and supply of Common Use Equipment and stock, and/or to require the Airlines to provide for the Common Use Equipment and stock upon reasonable notice in the Authority's sole discretion.

ARTICLE 16

LIENS

Section 16.01 – Indemnification. Airline agrees that it will at all times indemnify, defend and hold harmless Authority from and against all claims, encumbrances, stop notices, levies and liens (hereinafter for Article 16, "Indemnified Lien Claims") for labor, services, or materials in connection with improvements, repairs, or alterations made by Airline or its subtenants,

contractors, and agents on the Airline Leased Premises, and for the costs of defending against such claims, including reasonable attorney's fees and court costs.

Section 16.02 – Lien Bonds. In the event that any Indemnified Lien Claim caused by Airline or its subtenants, contractors, and agents, is filed against the Airline Leased Premises or the leasehold interests of Airline therein, Airline shall, upon written request of Authority, make immediate payment in full of all claims upon which said claim has been filed. In the event Airline contests the Indemnified Lien Claim, Airline shall deposit with Authority a bond conditioned for the payment in full of all claims upon which said claim has been filed. Such surety bond shall be acknowledged by Airline as principal and by a corporation, licensed by the Insurance Commissioner of the State of California to transact the business of a fidelity and surety insurance company, as surety. Authority shall have the right to declare this Agreement in default in the event the bond required by this Article has not been deposited with Authority within ten (10) days after written request has been delivered to Airline.

Section 16.03 – Exception. This provision shall not apply to a foreclosure of a trust deed or mortgage encumbering the leasehold if it has been consented to by Authority as provided in this Agreement.

ARTICLE 17

BANKRUPTCY

Section 17.01 – Insolvency and Bankruptcy. Notwithstanding any other provisions of this Agreement, in the event Airline becomes insolvent, makes an assignment for the benefit of creditors, becomes the subject of a bankruptcy proceeding, reorganization, arrangement, insolvency, receivership, liquidation, or dissolution proceeding, or in the event of any judicial sale of Airlines' interest under this Agreement, (the date of the occurrence of any of the foregoing events is referred to as the "Date of Bankruptcy") then automatically and immediately, the term of this Agreement shall convert to month-to-month, commencing on the Date of Bankruptcy and shall terminate upon thirty (30) days written notice from Authority to Airline, or from Airline to Authority.

Section 17.02 – No Discharge of Obligations. The conversion of the term of this Agreement pursuant to the provisions herein shall not discharge any of Airline's obligations hereunder or affect any of Authority's other remedies set forth herein.

Section 17.03 – Lease. The parties agree that for purposes of interpretation of this Agreement under the federal bankruptcy law, this Agreement is a lease.

ARTICLE 18

HOLD HARMLESS

Section 18.01 – Indemnification. Airline shall, to the fullest extent permitted by law, defend, indemnify and hold harmless Authority and its Board, officers, officials, directors, employees, volunteers and agents from and against (i) any and all liability, damages, losses, expenses, claims, judgments, or demands, including attorneys' fees and court costs ("claims"), arising directly or indirectly from any act or omission of Airline, its employees, agents, and representatives or out of the obligations undertaken in connection with or the performance of this Agreement, or (ii) for claims based upon Airline's alleged breach of any statutory duty or obligation or Airline's duty under contracts with third parties, or (iii) arising from any defect in any

part of the Airline Leased Premises except, for those claims arising out of the sole active negligence or willful misconduct of Authority. The obligations in this Article shall apply for the entire time that any third party can make a claim against or sue Authority for liabilities arising out of Airline's use, occupancy, or operation of the Airline Leased Premises or Airport.

ARTICLE 19

INSURANCE

Section 19.01 – Duty to Carry Insurance. Airline shall procure, at its expense, and maintain at all times during the term of this Agreement, the types and amounts of insurance specified in “Exhibit P”, a copy of which is attached hereto and incorporated by reference herein. The specified insurance described in 1. and 2. on “Exhibit P” shall include and insure Authority, its Board, officers, employees and agents, their successors and assigns, as additional insureds, against the areas of risk associated with this Agreement to protect against loss from liability imposed by law for damages on account of bodily injury, including death resulting therefrom, and property damage suffered or alleged to be suffered by any person or persons whatsoever resulting directly or indirectly from any act, omission or activity of Airline, or any person acting for it or under its control or direction, or any person authorized by it to use the Airline Leased Premises.

Section 19.02 – Severability of Interest and Contractual Endorsement. Each specified insurance policy (other than Worker's Compensation, Employers' Liability, and Property All Risk Insurance) shall contain a Severability of Interest (Cross Liability) clause which states, “It is agreed that the insurance afforded by this policy shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability,” and a Contractual Endorsement which shall state, “ Such insurance as is afforded by this policy shall also apply to liability assumed by the Insured (Airline) under Insured's (Airline's) Agreement with Authority.”

Section 19.03 – Primary and Noncontributing. All such insurance shall be primary and noncontributing with any other insurance held by Authority where liability arises out of or results from the acts of omissions of the Airline or those of its agents, employees, officers, assigns, or any person or entity acting for or on behalf of Airline.

Section 19.04 – No Liability for Premiums; No Partnership; and Default. Authority shall have no liability for any premiums charged for such coverage(s). The inclusion of Authority, its Board, officers, employees, and agents, their successors and assigns, as additional insureds is not intended to, and shall not make them, or any of them, a partner or joint venturer with the Airline in Airline's operations at Airport or in the performance of this Agreement. In the event Airline fails to furnish Authority with evidence of insurance and maintain the insurance as required, Authority upon ten (10) days prior written notice to comply, may (but shall not be required to) terminate this Agreement.

Section 19.05 – Continuing Coverage. At least thirty (30) days prior to the expiration date of the above policies, documentation showing that the coverage has been renewed or extended shall be filed with Authority. If such coverage is canceled or reduced, Airline shall, within fifteen (15) days of such notice of cancellation or reduction of coverage, file with Authority evidence that the required insurance has been reinstated or provided by another insurance company or companies.

Section 19.06 – Proof of Insurance. Airline shall provide proof of all specified insurance and related requirements to Authority either by production of the actual insurance policy, by use of Authority's own endorsement form(s), by broker's letter reasonably acceptable to the President/CEO in both form and content in the case of foreign insurance syndicates, or by other written evidence of insurance reasonably acceptable to the President/ CEO. The documents evidencing all specified coverage shall be filed with Authority prior to Airline performing under this Agreement or using the Airport. The documents shall contain the applicable policy number, the inclusive dates of policy coverage, and the insurance carrier's number, address, and telephone number, shall bear an original signature of an authorized representative of said carrier, and shall provide that such insurance shall not be subject to cancellation, reduction in coverage, or non-renewal except after written notice by certified mail, return receipt requested, to the Authority at least thirty (30) days prior to the effective date thereof. Authority reserves the right to have submitted to it, upon request, all pertinent information about the agent, broker and carrier providing such insurance.

Acceptable evidence of proof of insurance shall be mailed to the Authority as follows:

San Diego County Regional Airport Authority
Attention: Risk Management Dept.
P.O. Box 82776
San Diego, CA 92138-2776

Section 19.07 – Non-Admitted Carriers. Submission of insurance from a non-California admitted carrier is subject to the provisions of California Insurance Code §§1760-1780, and any laws, ordinances or other regulations and/or directives from the State of California's Department of Insurance or other regulatory board or agency. Airline agrees, except where legally exempted, to provide Authority with proof of said insurance by and through a surplus line broker licensed by the State of California.

Section 19.08 – Full Liability Clause. The procuring of such required policies of insurance shall not be construed to limit Airline's liability hereunder, or to fulfill the indemnification provisions and requirements of this Agreement. Notwithstanding said policies of insurance, and only to the extent consistent with the obligations of Airline set forth elsewhere in this Agreement, Airline shall be obligated for the full and total amount of any damage, injury or loss caused by its negligence, neglect or intentional misconduct connected with this Agreement or with its use of Airport.

Section 19.09 – Deductibles and Self-Insurance. Any deductibles or self-insured retentions must be declared and acceptable to Authority. At the option of Authority, and upon written notice to Airline, Airline shall (1) cause the insurer to either reduce or eliminate such deductibles or self-insured retentions as respects Authority, its Board, officers, officials, and employees, or (2) procure a bond or letter of credit guaranteeing payment of losses and related investigations, claim administration, and defense expenses in an amount equal to the unaccepted deductible or self-insurance retention.

Section 19.10 – Sufficient Coverages. Authority shall retain the right at any time to review the coverage, form, and amount of the insurance required herein. If, in the opinion of Authority, the insurance provisions in this Agreement do not provide adequate protection for Authority and/or for members of the public, Authority may require Airline to obtain increased insurance sufficient in coverage, form, and amount to provide adequate protection. Authority's

requirements shall be reasonable, but shall be designed to assure protection from and against the kind and extent of risk which exist at the time a change in insurance is required.

Section 19.11 – Liability of Airline. Provisions of this Article as to the maintenance of insurance shall not be construed as limiting in any way the extent to which Airline may be held responsible for the payment of damages to persons or property resulting from its activities or the activities of any person or persons for which it is otherwise responsible.

ARTICLE 20

EASEMENTS

Section 20.01 – Agreement Subject to Easements. This Agreement and all rights given hereunder shall be subject to all easements and rights-of-way now existing or heretofore granted or reserved by Authority (and its legal predecessors in interest) in, to, or over the Airline Leased Premises covered by this Agreement for any purpose whatsoever and shall be subject to such future rights-of-way for reasonable access, sewers, pipelines, conduits, and such underground telephone, telegraph, light, heat, communication or power lines, as may from time to time be determined by Authority to be in the best interests of the development of Authority property.

Section 20.02 – Minimum Interference. Authority agrees that future easements and rights-of-way shall be so located and installed as to produce a minimum amount of interference to the business of Airline. Other than as provided for in Section 4.02 – Demolition, Reconstruction, or Relocation, Airline shall not be entitled to any monetary payment or other remuneration for any such future easements

ARTICLE 21

DEFAULT

Section 21.01 – Default in Payments and Posting Deposits. If Airline defaults in the payment of any Airline Rents, Fees and Charges provided for herein, or in maintaining the security deposit in the amount, form, and for the term required and such default has not been cured within thirty (30) days after written notice thereof from Authority, the President/CEO shall have the right to terminate this Agreement immediately and in the event of such termination, Airline shall have no further rights hereunder.

Section 21.02 – Default of Other Terms or Conditions. If Airline defaults in the performance of any other covenant, term or condition of this Agreement and such default is not cured within thirty (30) days after written notice thereof from Authority, (or, in the case where such default cannot reasonably be cured within thirty (30) days, or where Airline does not begin to diligently pursue a cure during that time period), Authority shall have the right to terminate this Agreement immediately and in the event of such termination, Airline shall have no further rights hereunder. Notwithstanding the above, in the event the default involves a serious security, health or safety matter, the required thirty (30) days' notice may be shortened as reasonably necessary to meet the exigencies of the circumstances.

Section 21.03 – Default and Damages. As to any default, Authority shall have all other rights and remedies as provided by law, including without limitation the right to recover damages from Airline in the amount necessary to compensate Authority for damages caused by Airline,

for the direct costs incurred and caused by Airline's failure to perform its obligations under this Agreement, and for any other damages which in the ordinary course would be likely to result from a default of this Agreement.

Section 21.04 – Abandonment of Premises Leaving Personal Property. If Airline abandons the Airline Leased Premises, Authority shall have the immediate right of re-entry. Under such circumstances, Authority may consider any personal property belonging to Airline and left on the Airline Leased Premises to have been abandoned. Authority, after thirty (30) days written notice to Airline, may dispose of all such personal property in any manner Authority shall deem proper and is hereby relieved of all liability for doing so.

Should the Authority incur any un-reimbursed costs in disposing of Airline's abandoned personal property, Airline agrees to pay Authority for said costs.

ARTICLE 22

WAIVER

Section 22.01 – Waiver. Any waiver by either party of any breach by the other party of any one or more of the covenants, conditions, or agreements of this Agreement shall not be nor be construed to be a waiver of any subsequent or other breach of the same or any other covenant, condition or agreement of this Agreement, nor shall any failure on the part of either party to require or exact full and complete compliance by the other party with any of the covenants, conditions, or agreements of this Agreement be construed as in any manner to be a change in or to the terms hereof or to prevent the enforcement in full of the provisions hereof.

Section 22.02 – Acceptance of Payments. The subsequent acceptance of payments hereunder by Authority from Airline shall not be deemed to be a waiver of any preceding breach by Airline of any term, covenant, or condition of this Agreement, other than the failure of Airline to pay the particular fees or rent so accepted, regardless of Authority's knowledge of such preceding breach at the time of acceptance of such landing fees and/or rent.

ARTICLE 23

CONFORMITY WITH LAWS, RULES AND REGULATIONS

Section 23.01 – Laws, Rules and Regulations. This Agreement and the use of the Airport, Airline Leased Premises and Airport Facilities covered by this Agreement by Airline and the conduct of Airline's business shall be subject to and Airline agrees to comply with, any and all applicable laws, ordinances, statutes, rules, regulations, orders, federal grant assurances, limitations, restrictions, or prohibitions of any governmental authority, federal or state, including those adopted by Authority, lawfully exercising authority over Airport or the activities and business operations of Airline.

Section 23.02 – Airport Use Regulations. The right to use the Airport and the Airfield Area covered by this Agreement is restricted in accordance with the published "Rules and Regulations, San Diego International Airport" of the Authority which are currently located at http://www.san.org/documents/airport_rules_regulations.pdf including all directives as may be issued by the President/CEO, and such other regulations, resolutions, or ordinances as may be enacted from time to time. Airline agrees to fully comply with the provisions of Section 9.40 of the Authority's Codes which contain time of day and other use restrictions on aircraft operations

at Airport. Authority will make good faith efforts to provide Airline advance notice of any change to the Rules and Regulations Codes that may impact the Airline's obligations under this Agreement.

Section 23.03 – State Noise Variance. Airline acknowledges that Authority operates Airport under a variance issued by the Department of Transportation, Division of Aeronautics of the State of California. A copy of the present effective variance and any subsequent Decision and Order regarding any applicable variance will be made available to Airline upon request.

Section 23.04 – No Liability - Right to Terminate. Authority shall not be liable to Airline for any diminution or deprivation of its rights hereunder on account of any such laws, ordinances, statutes, rules, regulations, orders, federal grant assurances, limitations, restrictions, prohibitions, directives, or resolutions. In the event, however, that any laws, ordinances, statutes, rules, regulations, orders, federal grant assurances, limitations, restrictions, prohibitions, directives, or resolutions, shall so interfere with the conduct of Airline's activities and business operations under this Agreement as to constitute a termination in whole or in part of this Agreement by operation of law in accordance with the laws of the State of California, Airline shall have the right to terminate this Agreement and thereby be relieved of all future obligations and duties hereunder. In no event, however, shall such termination impose any liability upon Authority, or obligate Authority to make any payment to Airline.

Section 23.05 – Signs and Advertising. Airline shall not place or allow any signs, posters, or advertising whatsoever on, within, or about the Airport or the Terminal without the prior written approval of the President/CEO or his or her authorized representative.

ARTICLE 24

PEACEABLE SURRENDER

Section 24.01 – Peaceable Surrender. Upon the expiration of this Agreement or the earlier termination or cancellation thereof, as herein provided, Airline will peaceably surrender said Airline Leased Premises to Authority. Further, as it relates to Airline Leased Premises, Airline shall surrender such premises in as good condition as said premises were on the date of this Agreement, ordinary wear and tear excepted.

Section 24.02 – Indemnity for Failure. If Airline fails to peaceably surrender the Airline Leased Premises at the expiration of this Agreement or the earlier termination or cancellation thereof, Airline shall defend and indemnify Authority from all liability and expense resulting from the delay or failure to surrender, including, without limitation, any succeeding airline's claims based on Airline's failure to surrender.

ARTICLE 25

TIME IS OF THE ESSENCE AND SUCCESSOR RIGHTS AND OBLIGATIONS

Section 25.01 – Time of the Essence. Time is of the essence of this Agreement and of each and all of the terms, conditions, covenants and provisions thereof.

Section 25.02 - Agreement Binding on Successors. Unless otherwise provided for in this Agreement, the terms, covenants, conditions, and agreements herein shall apply to and

bind the heirs, successors, executors, administrators, and assigns of all parties hereto, all of whom shall be jointly and severally liable hereunder.

ARTICLE 26

WARRANTIES, GUARANTEES AND COVENANTS

Section 26.01 – No Warranty of Condition or Suitability. Except as otherwise provided herein, Authority makes no warranties, either express or implied, as to the condition of the Airline Leased Premises or that the Airline Leased Premises are suitable for Airline's purposes or needs. Authority shall not be responsible for any latent defect and Airline shall not under any circumstances withhold any Airline Rent, Fees and Charges or other amounts payable to Authority hereunder on account of any defect in the Airline Leased Premises. By its entry upon the Airline Leased Premises, Airline accepts the Airline Leased Premises as being free and clear from all defects and in good, safe, clean and orderly condition and repair

ARTICLE 27

ENTIRE UNDERSTANDING

Section 27.01 – Entire Understanding. This Agreement contains the entire and only understanding and agreement of the parties. Airline and Authority, by accepting this Agreement, acknowledge that there is no other written or oral understanding or agreement between the parties with respect to the Airline Leased Premises and that this Agreement supersedes all prior negotiations, discussions, obligations and rights of the parties hereto. No waiver, modification, amendment or alteration of this Agreement shall be valid unless it is expressed in writing and signed by authorized persons of the parties hereto. Each of the parties to this Agreement acknowledges that no other party, nor any agent or attorney of any other party, has made any promise, representation, waiver or warranty whatsoever, expressed or implied, which is not expressly contained in writing in this Agreement. Each party further acknowledges that it has not executed this Agreement in reliance upon any collateral promise, representation, waiver or warranty, or in reliance upon any belief as to any fact not expressly recited in this Agreement

ARTICLE 28

HOLD OVER BY AIRLINE

Section 28.01 – Holdover with Authority Approval. In the event Airline holds over its tenancy of all or any portion of the Airline Leased Premises beyond the expiration date of this Agreement with the Authority's approval, this Agreement shall be deemed to be a month-to-month tenancy, terminable on thirty (30) days' notice given at any time by either party. During any month-to-month tenancy, Airline shall pay all Airline Rent, Fees and Charges required by this Agreement which shall be paid in accordance with the most current rent and landing fees schedules. All provisions of this Agreement shall apply to the month-to-month tenancy.

ARTICLE 29

FEDERAL AVIATION ADMINISTRATION REGULATIONS

Section 29.01 - Title 49 Obligations. Airline for itself, its heirs, personal representatives, 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 Airline Leased Premises described in this Agreement for a purpose for which a Department of Transportation ("DOT") program or activity is extended or for another purpose involving the provisions of similar services or benefits, Airline shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

Section 29.02 - No Exclusion from Participation. Airline for itself, its personal representatives, 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: (i) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (ii) 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 the benefits of, or otherwise be subject to discrimination; and (iii) that Airline shall use the Airline Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

Section 29.03 - Breach of Nondiscrimination Covenant. In the event of breach of any of the above nondiscrimination covenants by Airline, Authority shall have the right to terminate this Agreement and to reenter and repossess said land and the facilities thereon, and hold the same as if said Agreement had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed, including expiration of appeal rights.

Section 29.04 - Nondiscrimination in Accommodations. Airline shall furnish its accommodations and/or services on a fair, equal, and not unjustly discriminatory basis to all users thereof, and it shall charge fair, reasonable, and not unjustly discriminatory prices for each unit or service; provided that Airline may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

Section 29.05 - Material Breach. Noncompliance with Section 29.04, above, shall constitute a material breach hereof and in the event of such noncompliance Authority shall have the right to terminate this Agreement and the rights or estate hereby created without liability therefore or at the election of Authority or the United States either or both shall have the right to judicially enforce these provisions.

Section 29.06 - Other Agreements. Airline agrees that it shall insert Sections 29.01 through 29.05, above, in any agreement by which said Airline grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the Airline Leased Premises herein covered by this Agreement.

Section 29.07 - Affirmative Action Program. Airline assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure 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. Airline 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. Airline assures that it will require that its covered sub-organizations provide assurances to Airline that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 CFR 152, Subpart E, to the same effect.

Section 29.08 - Right to Develop Airport. Authority reserves the right to further develop or improve the Airport as it sees fit, regardless of the desires or view of Airline and without interference or hindrance.

Section 29.09 - Right to Repair Airfield Area. Authority reserves the right, but shall not be obligated to Airline, to maintain and keep in repair the landing area of Airport and all publicly owned facilities of said Airport, together with the right to direct and control all activities of Airline in this regard.

Section 29.10 - Preemption. This Agreement shall be subordinate to the provisions and requirements of any existing or future agreement between Authority and the United States relative to the development, operation, or maintenance of Airport. This Agreement is subject to the grant assurances required in the FAA grant agreements executed in accordance with the Airport Improvement Program.

Section 29.11 – Right of Flight. There is hereby reserved to Authority, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Airline Leased Premises. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from, or operation on the Airport premises.

Section 29.12 – 14 C.F.R Part 77, Obstructions in Navigable Airspace. Airline agrees to comply with the notification and review requirements covered in 14 Code of Federal Regulations (“C.F.R.”) Part 77 of the Federal Aviation Regulations, in the event future construction of a building is planned for the Airline Leased Premises covered by this Agreement, or in the event of any planned modification or alteration of any present or future building or structure situated on the Airline Leased Premises.

Section 29.13 – No Obstructions. Airline, by accepting this Agreement, expressly agrees for itself, its successors, and assigns that it will not erect nor permit the erection of any structure or object nor permit the growth of any tree on the land rented hereunder above the mean sea level elevation of zero (0) feet for the Airfield Areas, and fifty (50) feet for all other areas covered by this Agreement. In the event the aforesaid covenants are breached, Authority reserves the right to enter upon the land covered by this Agreement and to remove the offending structure or object or cut the offending tree, all of which shall be at the expense of Airline.

Section 29.14 – No Interference. Airline by accepting this Agreement agrees for itself, its successors, and assigns that it will not make use of the Airline Leased Premises covered by this Agreement in any manner which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, Authority reserves the right to enter upon the Airline Leased Premises hereby

covered by this Agreement and cause the abatement of such interference at the expense of Airline.

Section 29.15 – No Exclusive Rights. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of §308a of the Federal Aviation Act of 1958 (49 U.S.C. §40103; P.L. 103-272; 108 STAT. 1102, and as may be amended).

Section 29.16 – War or National Emergency. This Agreement and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of said Airport or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency.

ARTICLE 30

COMPLIANCE WITH RULE 15c2-12 OF THE SECURITIES EXCHANGE ACT

Section 30.01 – S.E.C. In order to permit Authority to issue Bonds in compliance with applicable securities laws, Airline agrees that upon the request of Authority, Airline shall provide to Authority such information with respect to Airline as Authority deems reasonably necessary in order for Authority to issue Bonds in compliance with the requirements of Rule 15c2-12 of the Securities Exchange Act.

ARTICLE 31

ATTORNEY'S FEES

Section 31.01 – Attorney's Fees. If Authority shall, without any fault, be made a party to any litigation commenced by or against Airline arising out of Airline's use or enjoyment of Airport or the Airline Leased Premises and as a result of which Airline is finally adjudicated to be liable, then Airline shall pay all costs and reasonable attorney's fees incurred by or imposed upon Authority in connection with such litigation.

In any action by Authority or Airline against the other for recovery of any sum due under this Agreement, or to enforce any of the terms, covenants or conditions contained herein, the prevailing party shall be entitled to reasonable attorney's fees in addition to costs and necessary disbursements incurred in such action. Each party shall give prompt notice to the other of any claim or suit instituted against it that may affect the other party.

ARTICLE 32

NOTICES

Section 32.01 – Notice to Airline. Any notice provided for by this Agreement or by law to be given or served upon Airline may be given by either the President/CEO or the Board, and may be served by certified or registered letter or overnight delivery, addressed to Airline at

_____ and deposited in the United States mail, or may be served personally, upon said Airline or any person hereafter authorized by Airline in writing to receive such notice.

Section 32.02 – Notice to Authority. Any notice provided for by this Agreement or by law to be served upon Authority may be given or served by certified or registered letter or overnight delivery, addressed to the President/CEO at the administrative offices of the San Diego County Regional Airport Authority, Post Office Box 82776, San Diego, California 92138-2776, and deposited in the United States mail, or may be served personally upon said President/CEO.

Section 32.03 – Effective Date of Service of Notice. Any notice given or served as provided herein shall be effectual and binding for all purposes upon the parties so served to be effective upon the earlier of either receipt or the expiration of five (5) days from the date of mailing.

ARTICLE 33

PARTIAL INVALIDITY

Section 33.01 – Construction to Save Agreement. If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and in no way shall be affected, impaired, or invalidated thereby. It is the intention of the parties hereto that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

ARTICLE 34

INTERFERENCE WITH AIRPORT OPERATIONS OR AIRLINES

Section 34.01 – No Interference. Airline by accepting this Agreement agrees for itself, its successors, and assigns that it will not do or permit to be done by its officers, agents, employees, contractors or invitees, any act or omission which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard, or unreasonably interfere with the conduct of business by another airline, tenant or contractor of Authority, or unreasonably interfere with the performance of their duties by the staff of Authority or by the staff of the FAA, the TSA or any other agency of the U. S. Government, or of the contractors thereof. In the event this covenant is breached, Authority reserves the right to terminate this Agreement or to enter upon the Airline Leased Premises and cause the abatement of such interference at the expense of Airline.

ARTICLE 35

TAXES

Section 35.01 – Taxes and Possessory Interests. This Agreement may result in or create a taxable possessory interest and be subject to the payment of property taxes. Airline agrees to and shall pay before delinquency all taxes and assessments of any kind, including possessory interest taxes, assessed or levied upon Airline or the Airline Leased Premises by reason of this Agreement, or on the rent, landing fees or other charges payable hereunder, or of any buildings, machines, or other improvements of any nature whatsoever erected, installed or maintained by Airline or by reason of the business or other activities of Airline upon or in connection with the Airport or Airline Leased Premises.

Section 35.02 – Right to Contest. Nothing in the foregoing shall prevent Airline from contesting the validity and/or applicability of such taxes or charges. During the period of any such lawful contest, Airline may, as permitted by law, refrain from making or directing the withholding of, any such contested payment without being in breach of the above provisions, provided there are no claims, charges, liens, judgments or any other instruments attached to the Airline Leased Premises and/or to Authority. Upon a final determination in which Airline is held responsible for such charges, Airline shall, if it has not already done so, promptly pay the amount and all penalties required under applicable law and regulations.

ARTICLE 36

SECURITY DEPOSIT

Section 36.01 – Posting of Security Deposit. Airline shall provide a security deposit in the sum of _____ and 00/100 Dollars (\$_____) to Authority on or before the commencement date of the term of this Agreement. The security deposit shall be held by Authority and used to remedy Airline's defaults in the payment of Airline Rent, Fees and Charges which are required by the terms of the Agreement or which otherwise arise as a result of Airline's operations at the Airport.

Section 36.02 – Standby Letter of Credit Requirements. The security deposit shall be in the form of an irrevocable standby letter of credit drawn on a bank having a branch in San Diego County and having a long-term, letter of credit rating and bank deposit rating from two (2) of the three (3) rating agencies of at least A2/A/A by Moody's Investor Services, Standard & Poor's and Fitch Ratings, respectively. Each letter of credit shall be in the form provided at "Exhibit Q", attached hereto and by this reference made a part hereof. Variances from the form shall be allowed only with the prior consent of the Authority.

Section 36.03 – Right to Adjust Security Deposit Amount. The amount of the security deposit may be adjusted from time to time at the discretion of the President/CEO. Following any such adjustment, the amount of the security deposit shall be at least equal to the combined total of three (3) months' estimated obligations by Airline to the Authority, said obligations to include, but not be limited to, Airline Rent, Fees and Charges, owing pursuant to the Agreement. In the event the amount of the security deposit is increased, Airline shall submit the additional security deposit within thirty (30) days of being notified in writing of the increase.

Section 36.04 – Duty to Maintain Security Deposit - Default. Airline shall maintain the required security deposit continuously throughout the term of this Agreement. Failure to do so shall be deemed a default and shall be grounds, at Authority's discretion, upon ten (10) days' written notice unless the default is cured, for immediate termination of this Agreement in accordance with the terms of this Agreement.

Section 36.05 – Duty to Rebate. The security deposit or the remaining portion thereof following any draws on the letter of credit by Authority shall be rebated, released, assigned, surrendered, or endorsed to Airline, as applicable, no later than ninety (90) days after the termination of this Agreement.

ARTICLE 37

ENVIRONMENTAL COMPLIANCES

Section 37.01 – Definitions. The following definitions shall apply as used in Article 37:

“Environmental Laws” shall mean all applicable present and future federal, state, and local statutes, regulations, ordinances, permits, codes, orders, limitations, restrictions, or prohibitions of any governmental authority, including Authority codes and orders, relative to the occupancy and use of the Airline Leased Premises, the Airport and Airfield Area regarding the environment, including, without limitation, Pollutants, wetlands, waters of the United States, areas inhabited by Endangered, Threatened, or Sensitive Species, historic sites, the protection of the environment, public health, welfare or safety, including, without limitation, those related to Pollutants (as such term is defined herein).

“Endangered, Threatened and Sensitive Species” shall mean any flora or fauna identified by the provisions of the California Endangered Species Act (California Fish and Game Code §2050, *et seq.*), the Federal Endangered Species Act (16 U.S.C. §§1531-1543), and the Federal Migratory Bird Treaty Act (16 U.S.C. §§703-712), including the California least tern (*Sterna antillarum browni*), a seabird known to nest on the Airport.

“Hazardous Material” shall mean any substance whether solid, liquid, or gaseous in nature: (i) the presence of which requires investigation or remediation under any applicable federal, state or local statute, regulation, ordinance, order or common law; or (ii) which is or becomes defined as a hazardous waste, hazardous substance, pollutant or contaminant under any applicable federal, state, or local statute, regulation, rule or ordinance or amendments thereto including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §§9601-9675), the Resource Conservation and Recovery Act (42 U.S.C. §§6901-6992), the Clean Air Act (42 U.S.C. §§7401-7642), and the Clean Water Act (33 U.S.C. §§1251-1387), and state and federal regulations relating to stormwater discharges, including without limitation, 40 CFR Part 122; or (iii) the presence of which on the Airport causes or threatens to cause a nuisance upon the Airport or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Airport; or (iv) without limitation, which contains gasoline, diesel fuel, other petroleum hydrocarbons, natural gas liquids, polychlorinated biphenyls (PCBs), asbestos, or lead-based paint.

“Process Water” shall mean water which contains Hazardous Material or Solid Waste from any point or non-point source subject to the Clean Water Act, amendments thereto, and regulations promulgated pursuant thereto, including without limitation, requirements of the National Pollution Discharge Elimination System Program (“NPDES”), and the State of California Porter-Cologne Water Quality Control Act.

“Pollutants” shall mean Hazardous Materials, Solid Wastes, and Process Waters (as such terms are defined herein).

“Release” shall mean any depositing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment, regardless of intent.

“Solid Waste” shall have the same meaning as in the Resource Conservation and Recovery Act and shall include sewage.

Section 37.02 - “Duty to Comply with Environmental Laws”. Airline shall, relative to its occupancy and use of the Airline Leased Premises, the Airport, and the Airfield Area, comply with all Environmental Laws.

Section 37.03 – Liability and Responsibility for Corrective Action. Airline shall be liable and responsible for any Release of Pollutants arising out of the occupancy or use of the Airline Leased Premises, and/or Airport, and/or Airfield Area, which is caused by Airline, employees, agents, representatives, or affiliates (hereinafter “Airline Release”). Liability and responsibility for such Airline Releases shall include, but not be limited to:

- A. all immediate actions reasonably necessary under applicable Environment Laws to promptly control any such Airline Release and to mitigate any immediate threat to public health, safety, and the environment resulting from such Airline Release;
- B. any further repairs or corrective actions, conducted in a timely manner, reasonably necessary under applicable Environmental Laws to remediate the Airline Release and to protect public health, safety, and the environment, and to bring the affected areas on and/or outside the Airline Leased Premises, and/or Airport, and/or Airfield Area into compliance with applicable Environmental Laws and other applicable regulatory requirements;
- C. damages to persons, property and the Airline Leased Premises, and/or Airport, and/or Airfield Area;
- D. all claims resulting from those damages;
- E. fines imposed by any governmental agency, and
- F. any other liability as provided by law.

Airline shall defend, indemnify and hold harmless Authority, its Board, officials, officers, agents, and employees from any and all such responsibilities, damages, claims, fines, liabilities, including without limitation any costs, expenses and attorneys' fees, resulting from an Airline Release except to the extent caused by the sole active negligence or willful misconduct of Authority or by a third party with no relationship to Airline. Authority shall have a direct right of action against Airline even if no third party has asserted a claim

Section 37.04 – Right to Inspect and Test. The Authority, or its designated representatives, may at any time during the term of this Agreement enter upon the Airline Leased Premises and make any inspections, assessments, investigations, audits, tests or measurements Authority deems reasonably necessary, including boring into surfaces and/or the ground, in order to determine if a Release of Pollutants has occurred. Authority shall give Airline a minimum of seventy-two (72) hours' notice in writing prior to conducting any inspections or tests, unless, in Authority's reasonable sole judgment, circumstances require otherwise, and such tests shall be conducted in a manner so as to minimize any inconvenience and disruption to Airline's operations. If such tests indicate an Airline Release has occurred, then Authority, at Authority's reasonable but sole discretion, may require Airline, at Airline's sole expense, to have tests for such Pollutants conducted by a qualified party or parties on the Airline Leased

Premises, and/or Airport, and/or Airfield Area. If Pollutants that originated from an Airline Release have contaminated any area outside the Airline Leased Premises, including but not limited to surface, subsurface, surface water, and groundwater, then Authority, at Authority's reasonable but sole discretion, may require Airline, at Airline's sole expense, to have tests for such Pollutants conducted by a qualified party or parties on said area outside the Airline Leased Premises, and/or Airport, and/or Airfield Area.

Section 37.05 – Duty to Furnish Information. At the reasonable request of the Authority, Airline shall make available for inspection and copying any or all substantive documents and materials that Airline possesses associated with Airline's operations at or occupancy or use of the Airline Leased Premises, and/or Airport, and/or Airfield Area by Airline, including without limitation any and all associated records, test results, studies and/or other documentation regarding environmental conditions relating to the use, storage, or treatment of any Hazardous Materials and/or Solid Wastes and/or Process Waters.

Immediately upon receipt by Airline (and in no event later than five (5) business days after receipt), Airline shall provide the Authority with copies of any notice or other document issued to Airline (or any employee, agent, contractor, sub-lessee, or any other third party under Airline's direction and/or control) by any governmental agency alleging non-compliance or investigating potential non-compliance with any Environmental Laws (i) arising out of the occupancy or use of the Airline Leased Premises, and/or Airport, and/or Airfield Area by Airline, or (ii) at the Airport and alleged to have arisen in whole or in part from Airline operations, activities, actions or omissions of Airline or third parties under Airline's direction and/or control.

At the request of the Authority (but in no event more than thirty (30) days after such request), the Airline shall provide the results of any tests conducted by Airline or Airline's qualified party at the Airline Leased Premises, the Airport or Airfield Area, including but not be limited to, comprehensive soil, emission, material, Process Water, surface water or groundwater sampling and testing or other procedures to determine any actual or possible Release of Pollutants.

Airline shall report such known or identified Releases to Authority within seventy-two (72) hours and shall (i) if such Releases are determined to be an Airline Release, and (ii) if necessary to determine compliance with Environmental Laws, diligently proceed to identify the horizontal and vertical extent of the Release, how it will be controlled and/or mitigated and/or remediated as required by applicable Environmental Law(s), when and by whom it will be controlled and/or mitigated and/or remediated, and the cost of such corrective actions. By way of clarification, the above requirements shall not apply to the extent that a Release of Pollutants was caused by the sole negligence or willful misconduct of the Authority or by a third party with no relationship to Airline.

If Airline provides privileged or confidential materials to Authority, Authority agrees to not disclose such materials unless required by law.

Section 37.06 – Term of Environmental Provisions. The provisions of this Article, including the representations, warranties, covenants and indemnities of Airline, shall expressly survive termination of this Agreement and Airline's obligations and liabilities under this Article shall continue so long as Authority bears any liability or responsibility under the Environmental Laws arising from Airline's occupancy or use of the Airline Leased Premises, and/or Airport, and/or Airfield Area during the term of this Agreement.

Section 37.07 – Sustainability. Airline and Authority jointly agree that that protection of the environment is an important mutual goal and objective. The parties agree that this Agreement should address the issues of global warming, greenhouse gas (“GHG”) emissions, pollution, traffic congestion, and recycling.

Attached to this Agreement, marked as “Exhibit R” and incorporated herein by reference, is a copy of the “Memorandum of Understanding Between the Attorney General of the State of California and the San Diego County Regional Airport Authority Regarding the San Diego International Airport Master Plan” of 2008 (hereinafter “MOU”) which contains provisions for operating the Airport in a manner which reduces GHG emissions. To the extent the Authority plans to implement programs pursuant to the MOU, Authority agrees it will work closely with Airline in the development of any such programs, including taking into account technical, operational, and financial factors. Airline agrees to cooperate to the extent reasonably possible with the Authority in the development of such programs applicable to Airline’s operations and its suppliers and subcontractors. Both parties will seek out available federal and state funding to defray costs of such programs. Nothing in this Agreement shall prevent Airline from contesting the validity or legality of any rule, regulation, or law implementing any subject matter covered by the MOU.

Subject to FAA policies, pilot discretion and aircraft manufacturing specifications related to safety and operational requirements, Airline agrees to:

- A. Connect to fixed ground power and pre-conditioned air units as soon as practical upon arrival at a Gate if available;
- B. Share information about airline practices to minimize aircraft taxi time;
- C. Collaborate with Authority in developing Authority’s recycling and carbon emissions reductions programs; and
- D. Identify ground service equipment at the Airport consistent with the applicable placarding requirements under the California Air Resources Board “Portable Equipment Registration Program”, and the California Air Resources Board “Off-Road Diesel Regulation”.

ARTICLE 38

REPORTING REQUIREMENTS

Section 38.01 - Monthly Air Traffic Data. Airline, in a format and manner prescribed by Authority, shall provide its air traffic data to Authority by the tenth (10th) day of each month during the term of this Agreement.

Section 38.02 – Ground Handling Contracts. Airline, in a format and manner prescribed by Authority, shall report on a semi-annual basis during the term of this Agreement, all contracts it holds with ground handling service providers with the first report due July 1 and the second report due January 15 of the respective calendar year.

Section 38.03 - Submission of Monthly Flight Schedules. Airline, in a format and manner prescribed by Authority, shall on a monthly basis during the term of this Agreement, forward its complete monthly schedule of arrivals and departures at Airport to Authority at least

forty-five (45) days in advance of the first day of the month for which that schedule shall be in effect. Airline shall specifically annotate any proposed changes in a format prescribed by Authority.

Section 38.04 – Landing Fees Reports. Airline, in a format and manner prescribed by Authority, shall provide verifiable landing fees reports on or before the fifteenth (15th) day of each month during the term of this Agreement for its activity during the preceding month.

Section 38.05 – Additional Reports. Authority will consult with the Airlines prior to requiring any future reports. However, Authority reserves the right to require Airline, and Airline agrees to provide, in a format and manner prescribed by Authority, such additional reports as the Authority may require in the future.

ARTICLE 39

DAMAGE TO OR DESTRUCTION OF PREMISES

Section 39.01 – Damage or Destruction of Authority Constructed Improvements. In the event of damage to, or destruction by fire, the elements, acts of God, or any other cause of Authority-constructed improvements at Airport which materially impacts Airport operations, Authority shall have the option, in its reasonable discretion, and shall within ninety (90) days, following the date of such damage, provide Airline written notice of Authority's election, either to commence reconstruction of the damaged improvements and prosecute the same diligently to completion, in which event this Agreement shall continue in full force and effect, and Airline Rent, Fees and Charges for all or the portion of the Airline Leased Premises rendered untenable shall be abated until such repairs are complete and the Airline Leased Premises or the portion thereof deemed untenable are tenantable once again, or not to perform such reconstruction, in which event this Agreement shall cease and terminate not later than ninety (90) days after delivery of Authority's notice of its election to so terminate.

Section 39.02 – Damage or Destruction of Airline Constructed Improvements. In the event of damage to or destruction by fire, the elements, acts of God, or any other cause, of Airline-constructed improvements located within the Airline Leased Premises or in the event Airline-constructed improvements located within the Airline Leased Premises are declared unsafe or unfit for use or occupancy by a public entity with the authority to make and enforce such declaration, Airline shall, within sixty (60) days, commence and diligently pursue to completion the repair, replacement, or reconstruction of improvements necessary to permit full use and occupancy of the Airline Leased Premises for the purposes required by this Agreement. Repair, replacement or reconstruction of improvements within the Airline Leased Premises shall be accomplished in a manner and according to plans approved by Authority; provided, however, Airline shall not be obligated to repair, reconstruct, or replace the improvements following their destruction in whole or substantial part except to the extent the loss is covered by insurance required to be carried by Airline pursuant to this Agreement (or would be covered whether or not such required insurance is actually in effect). If Airline elects not to restore, repair, or reconstruct as herein provided, then this Agreement shall terminate. Airline shall promptly remit to Authority the proceeds of the property and casualty insurance Airline was required to carry with respect to the Airline-constructed improvements pursuant to this Agreement (or an equivalent amount as if such required insurance had been in effect), and Authority shall have any rights to which it would be entitled under this Agreement.

ARTICLE 40

DEPRECIATION AND INVESTMENT CREDIT

Section 40.01 – Depreciation and Investment Credit Neither Airline nor any successor of Airline under this Agreement may claim depreciation or an investment credit under the Internal Revenue Code of 1954, as amended, with respect to Authority-owned improvements in the Airline Leased Premises, the Terminal or other leased facilities. Airline represents that it has made an election under Proposed Treasury Regulations §1.103(n)-1T through §1.103(n)-6T not to claim such depreciation or investment credit with respect to such Authority-owned improvements in the Airline Leased Premises or other leased facilities and agrees that it will retain copies of said election in its records. The Authority acknowledges receipt of a copy of said election and agrees that it will retain copies of said election in its records.

ARTICLE 41

MISCELLANEOUS

Section 41.01 – Approval or Consent. Whenever consent or approval is required herein by either party to the other, such consent or approval shall not be unreasonably withheld, conditioned, or delayed.

Section 41.02 – Payment of PFCs. Airline shall timely pay Authority any and all Passenger Facility Charges imposed pursuant to applicable FAA regulations and collected from Airline's passengers enplaning at the Airport. Late payments received by Authority after the date due shall bear interest at the rate of ten percent (10%) *per annum* from the date due until paid.

Section 41.03 – Airport Security. Airline shall comply with all applicable regulations of the FAA and TSA relating to Airport security to prevent or deter, as applicable, unauthorized persons from obtaining access to the air operations area and secured areas of Airport.

Section 41.04 – Governing Law and Venue. This Agreement has been entered into and shall be governed by, construed and interpreted in accordance with the laws of the State of California. Venue of any action brought under this Agreement shall be vested in the state courts of California in the County of San Diego or if federal jurisdiction is appropriate, in the United States District Court in the Southern District of California.

Section 41.05 – Gender, Singular and Plural. The neuter gender includes the feminine and masculine, the masculine includes the feminine and neuter, and the feminine includes the masculine and neuter, and each includes corporation, partnership, or other legal entity when the context so requires. The singular number includes the plural whenever the context so requires.

Section 41.06 – Article and Section Headings. The paragraph headings appearing herein shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning, or intention of this Agreement.

Section 41.07 – Fair Meaning. The language of this Agreement shall be construed according to its fair meaning and not strictly for or against either the Authority or Airline.

Section 41.08 – Cumulative Rights. Each right of the parties hereto is cumulative and is in addition to every other legal right that the party may have in the event of any default by the other.

Section 41.09 – Agent for Service of Process and Alternative Service. It is expressly agreed and understood that if Airline is not a resident of the state of California, or is a partnership or joint venture without a partner or member resident in California, or is a foreign corporation, then in any such event Airline does designate the California Secretary of State, its agent for the purpose of service of process in any court action or other litigation between it and Authority arising out of or based upon this Agreement, shall be made as provided by the laws of the state of California for service upon a nonresident, and a copy of such service of process shall also be delivered to the Airline's address for notices provided in Section 32.01. It is further expressly agreed, covenanted and stipulated that if, for any reason, service of such process is not possible, as an alternative method of service of process, Airline may be served personally with such process out of this State by mailing, by registered or certified mail, the complaint and process to Airline at the address set out hereafter in this Agreement, and that such service shall constitute valid service upon Airline as of the date of mailing, and Airline shall have thirty (30) days from the date of mailing to respond thereto. It is further expressly agreed that Airline is amenable, and hereby agrees, to the process so served, submits to the jurisdiction and waives any and all objection and protest thereto, any laws to the contrary notwithstanding.

Section 41.10 - Memorandum of Lease. In the event that Authority so requests, Airline shall execute, attest, acknowledge, and deliver for recording with the Recorder of San Diego County a short form Memorandum of Lease of this Agreement.

Section 41.11 - Prohibition of Gifts. Airline is familiar with Authority's prohibition against the acceptance of any gift by an Authority officer or employee, which prohibition is found in Article 2 of the Authority's Code, and as it may be amended from time to time. Airline agrees not to offer any Authority officer or employee any gift prohibited by Article 2 and agrees to abide by all laws applicable to it with respect to the making or offering of gifts or things of value to Authority officers or employees.

Section 41.12 - Waiver of Visual Artists Rights. Airline shall not install any object in the Airport that constitutes a work of visual art under the Visual Artists Rights Act of 1990 ("VARA") unless and until Airline has (a) obtained the prior written approval of the President/CEO, and (b) provided Authority with a written waiver from the author or artist of such work of visual art, in form and substance reasonably satisfactory to Authority, which waiver shall identify specifically the work of visual art and the uses of that work to which the waiver applies in accordance with 17 U.S.C. §106A(e)(1). Airline shall also provide Authority with a similar written waiver that is effective to bar any claim by an artist with respect to a work of fine art under the California Art Preservation Act, Cal. Civil Code §987.

Section 41.13 - No Third-Party Beneficiaries. There are no third-party beneficiaries to this Agreement other than as specifically and expressly provided herein.

Section 41.14 - Labor Disputes. Airline agrees to use reasonable efforts to avoid disruption to Authority, its tenants or members of the public arising from labor disputes involving Airline, and in the event of a strike, picketing, demonstration or other labor difficulty involving Airline, to use its good offices, including the utilization of available legal remedies, to minimize or eliminate any disruption to Authority, its tenants or members of the public, arising from such strike, picketing, demonstration or other labor difficulty.

Section 41.15 - Americans with Disabilities Act (“ADA”). Airline shall be solely and fully responsible for ensuring that Airline’s operations, wherever they may occur at the Airport, and any improvements made by Airline at Airport, shall comply with the Americans with Disabilities Act of 1990 (42 U.S.C §12101-§12213), as this act may be amended from time to time (“ADA”). Airline shall develop a work plan to correct or avoid any violations or non-compliance with the ADA. Airline shall deliver to the Authority, upon Authority’s request, a copy of each such report and work plan. Authority’s approval of or acceptance of any aspect of Airline’s activities under this Agreement shall not be deemed or construed in any way as a representation that such item, activity or practice complies with the ADA. Airline agrees to indemnify, defend, and hold the Authority harmless from any and all costs incurred by Authority with respect to Airline’s failure to comply with the ADA for Airline’s operations or any improvements made by Airline at the Airport. Authority shall comply with the ADA as applicable to any facilities constructed by Authority and any improvements made by Authority at the Airport.

Section 41.16 - Incorporation of Exhibits. All exhibits and attachments referred to in this Agreement are intended to be and are hereby specifically made a part of this Agreement.

Section 41.17 - Relationship of Parties. Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship between the parties hereto. It is understood and agreed that neither the method of computation of Airline Rents, Fees and Charges, nor any other provisions contained herein, nor any acts of the parties hereto, creates a relationship other than the relationship of landlord and tenant.

Section 41.18 - Airline Operations Information and Planning. For planning purposes upon the request of Authority, Airline shall cooperate to the greatest extent possible to furnish to Authority any and all pertinent information regarding Airline’s current and future operations (including forecasts) at Airport. Airline shall discuss with Authority at the earliest date possible its consideration of changes to its operations or the type and series of aircraft used at the Airport (other than equipment substitution necessitated by occurrences beyond the control of Airline). Authority shall not disclose any such information deemed confidential by Airline unless required to by law without first obtaining Airline’s written consent. Notwithstanding the foregoing, Authority shall be entitled, from time to time, to release consolidated statistics for all airlines providing Scheduled Operations at the Airport.

Section 41.19 - Employee Parking. Authority will make reasonable efforts, but shall not have the duty, to make available area(s) at the Airport for vehicular parking for Airline’s personnel employed at the Airport; provided, however, such area(s) shall not be used for: (a) vehicle parking or storage for any period other than such personnel’s performance of employment for Airline at the Airport, or (b) parking or storage of trailers, recreational vehicles (“RVs”) or other oversized vehicles at any time. Usage of any parking area(s) made available by Authority at the Airport is subject to the Airport’s Rules and Regulations. Authority may establish and impose parking fees for any such employee parking and may amend the fees from time to time.

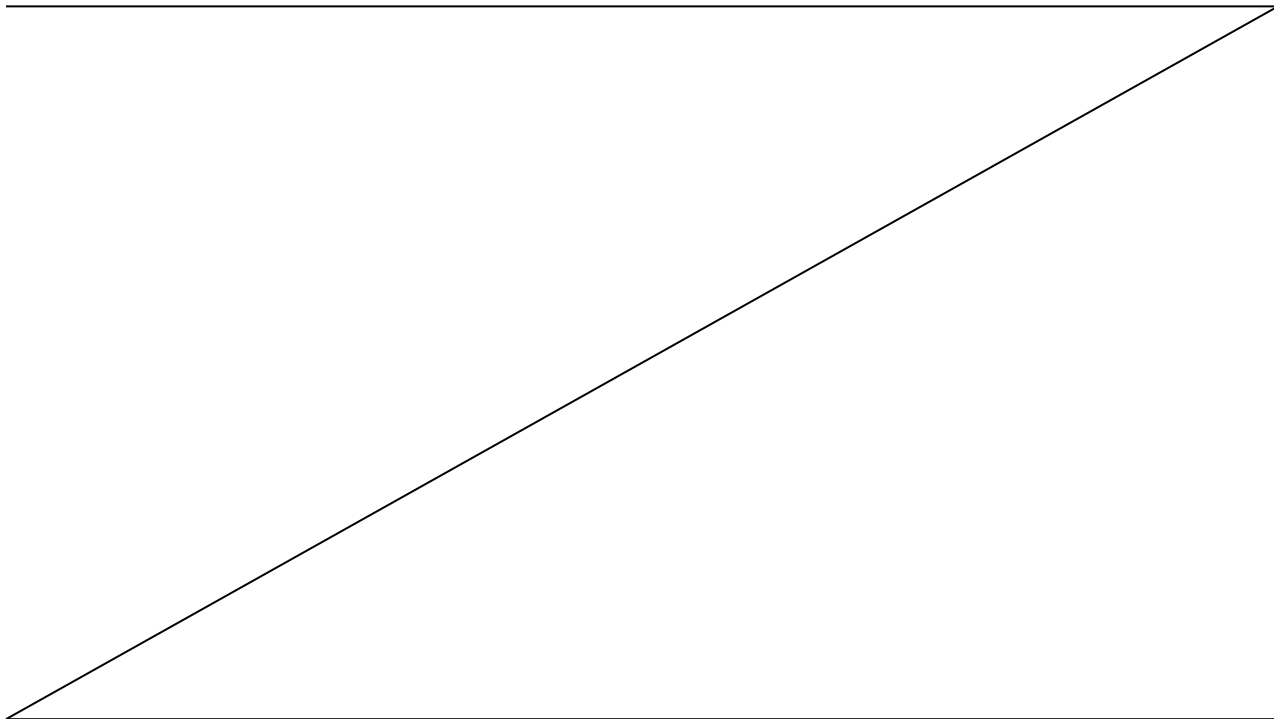
Section 41.20 - Federal Inspection Facilities (“FIS”). Authority may designate areas in the Terminal, or elsewhere on the Airport, to be used by agencies of the United States for the inspection of international passengers and their baggage and for the exercise of the responsibilities of said agencies with respect to the movement of persons, property, and cargo to and from the United States.

Section 41.21 - Removal of Disabled Aircraft. As soon as reasonably possible after release from proper authorities, Airline shall remove from Airport any disabled aircraft owned or operated by the Airline, unless upon the written approval of the President/CEO the Airline is permitted to place or store such disabled aircraft in an approved storage area as may be reasonably designated by the President/CEO upon such terms and conditions as may be reasonably established by Authority. In the event Airline shall fail to remove its disabled aircraft as expeditiously as is reasonably possible, Authority may, but shall not be obligated to, cause the removal of such disabled aircraft. Airline shall pay to Authority, upon receipt of an invoice, the costs incurred for such removal plus fifteen percent (15%). Nonpayment of such invoice shall be deemed a default of this Agreement.

Section 41.22 – Force Majeure. Neither Authority nor Airline shall be deemed in violation of this Agreement if it is prevented from performing any of its obligations under this Agreement by reason of strikes, boycotts, lock-outs, labor disputes, embargoes, shortage of energy or materials, riots, insurrection, acts of a public enemy, war, rebellion, sabotage, acts of God, acts of a public enemy, acts of a superior governmental authority, or any other circumstance for which it is not responsible or that are not within its control. The provisions of this Section shall not operate to excuse Airline from the paying the Airline Rent, Fees and Charges required under this Agreement.

Section 41.23 – Deliveries. All commercial deliveries must be made through the air freight buildings or, if directed by Authority, the San Diego International Airport Consolidated Receiving and Distribution Center (“CRDC”). Terminal curbside commercial deliveries are not allowed unless prior written approval is given by Authority.

Section 41.24 – Licenses and Permits. Airline shall also pay any fees imposed by law for licenses or permits for any business or activities of Airline upon the Airport or Airline Leased Premises or under this Agreement.



ARTICLE 42

SIGNATURE OF PARTIES

It is an express condition of this Agreement that it shall not be complete, binding or effective until such time as it has been executed by the President/CEO on behalf of the Authority and by two duly authorized representatives of Airline.

APPROVED AS TO FORM

**SAN DIEGO COUNTY REGIONAL
AIRPORT AUTHORITY**

By: _____
Breton K. Lobner
General Counsel

By: _____
Name: _____
Title: _____

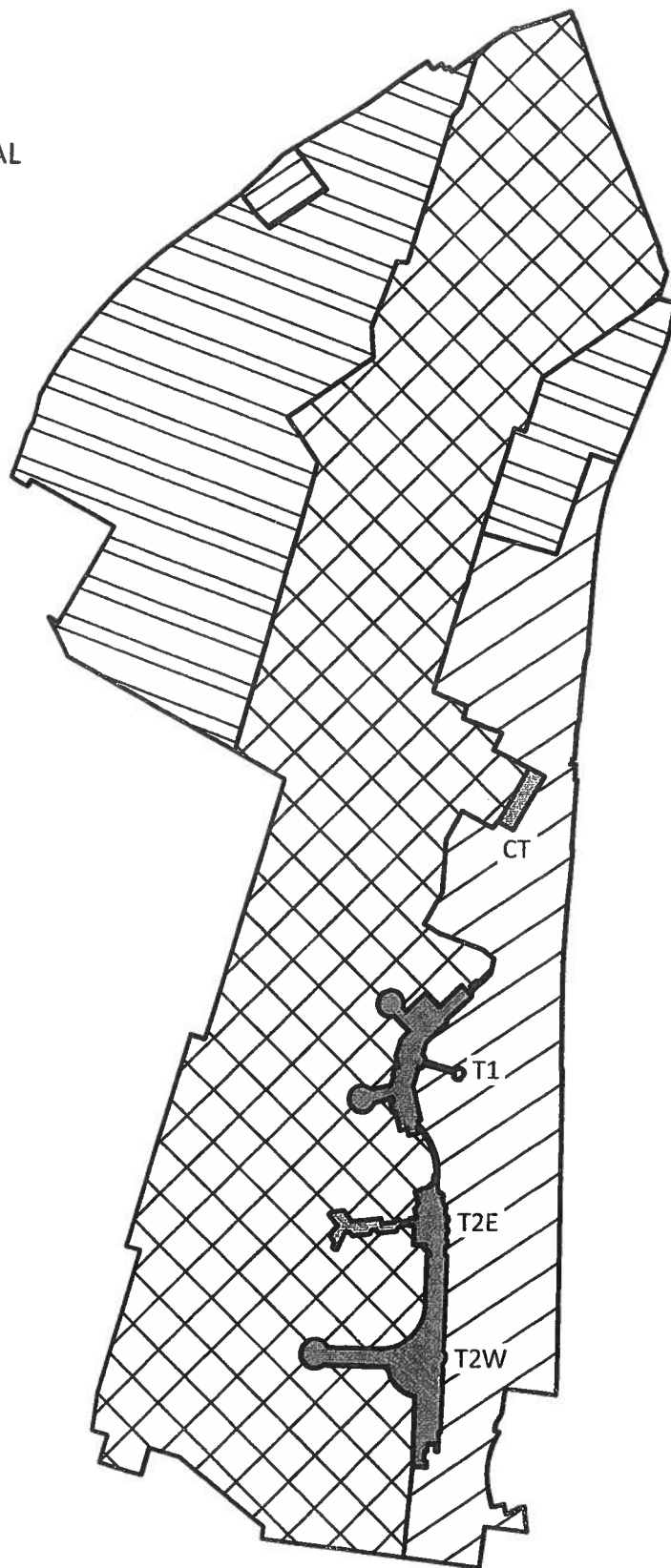
AIRLINE

By: _____
Print Name: _____
Print Title: _____

By: _____
Print Name: _____
Print Title: _____

LEGEND

- ANCILLARY
- AIRFIELD AREA
- LANDSIDE COMMERCIAL
- TERMINAL AREA



SAN DIEGO INTERNATIONAL AIRPORT

NO SCALE

EXHIBIT A

COST CENTERS

Direct Cost Centers shall include the following:

Airfield Area is comprised of facilities that support air navigation and flight activities at the Airport, including runways, taxiways, approach and clear zones, airfield roadways, and apron areas not leased exclusively, together with all associated lighting, monitoring, and navigation equipment, and perimeter gates and fencing. For purposes of calculating rentals, fees, and charges, costs associated with aircraft rescue and fire-fighting services, and noise monitoring/mitigation program costs are assigned to the Airfield Area. Costs associated with security for this area are included in the Other Airport Support cost center.

Terminal Area is comprised of all passenger terminal facilities at the Airport, including Terminal 1, Terminal 2 (East), Terminal 2 (West) including the expansion, the Commuter Terminal, the Central Plant and related areas, including airline, concession, and other rentable areas; aircraft gates, baggage handling systems, gate information display systems (GIDS), flight information display systems (FIDS), and the terminal paging system; public circulation areas; Authority administrative offices within the passenger terminal facilities, excluding the 2nd and 3rd floors of the Commuter Terminal and the 3rd floor of Terminal 2; and public walkways and grounds immediately outside the terminal buildings. For purposes of calculating rentals, fees, and charges, costs associated with providing shuttle bus transportation between Terminal Buildings and between employee parking located at remote parking facilities to the Terminal Building and emergency medical services are assigned to the Terminal Area. Costs associated with security for this area are included in the Other Airport Support cost center. Costs associated with the Common Use Passenger Processing Systems located in the CUPPS-Equipped Terminals for the operation, repair and maintenance of these systems are included in the Common Use Systems Support cost center. Concessions reimbursables are not included in the Terminal Area cost center.

Other Airline Support is comprised of Authority provided staffing, contractual services, facilities, equipment, and other support systems that provide security and other resources supporting Airline's operations not specifically identified in the Airfield Area and Terminal Area.

Common Use Systems Support is comprised of Authority-provided staffing, contractual services, facilities, equipment, stock, consumable supplies, services, operation, maintenance and repair that support those services, associated with Common Use Passenger Processing Systems including those supporting the operation of ticket counters, free standing kiosks, skycap podiums, other curbside check-in locations, gate podiums and check-in pavilions.

Landside Commercial is comprised of those services, facilities, and areas associated with auto parking facilities and services (both public and employee); commercial vehicle operations; and rental car leasing, storage or operations, excluding any rental car counters which may be included in the Terminal Area.

Ancillary is comprised of those facilities and areas associated with air cargo and mail facilities, general aviation, flight kitchen, private hangar facilities, and other facilities and land located on property owned or leased by Authority.

Indirect Cost Centers shall include the following:

- A. Access Roads** represent the roadways which serve the Terminal Area and Landside Commercial areas.
- B. Operating Support-Pool Allocations** represent staffing, facilities, contractual services, equipment, and other resources of Authority operating departments not directly assigned to Direct Cost Centers.
 - 1. **Airport System Planning** represents all legislative mandates and other planning activities associated with providing solutions to near and long-term regional air transportation needs including any future site selection related activities, integration of other county airports into the airport system managed by Authority, and airport land use planning for all San Diego County assigned to Authority. The area also provides technical support and participates in the development of the aviation element of several regional transportation plans.
 - 2. **Airport Operations** represents all daily activities occurring on the airfield and is responsible for maintaining a safe, secure environment in which Authority's airlines and other tenants can operate. This area is responsible for ensuring compliance with federal and state regulation, local ordinances and Airport's Rules and Regulations including monitoring the airfield and terminals, directing remedial action to repair inoperative systems, and coordinating fire, police and life safety responders to urgent situations or potential emergencies.
 - 3. **Environmental Affairs** represents all activities associated with environmental reviews, water and air quality, site remediation, hazardous material handling, natural resource protection, and regulatory compliance with all pertinent federal, state, and local environmental laws and regulations
 - 4. **Facilities Development** represents all activities associated with the execution of Capital Improvement Program and major maintenance projects for Authority. This effort includes oversight of airline and tenant improvements to ensure compliance with Authority standards and integration into Authority supported systems. In addition, this area is responsible for implementation of noise attenuation improvements to homes adjacent to Airport under the Quieter Home Program.
 - 5. **Ground Transportation** represents all activities associated with management of all vehicle parking activities and enforcement of all Authority rules and regulations related to ground transportation services. This area manages all parking operations at Authority-owned parking lots and directs the inter-terminal and employee bus programs. This area also regulates ground transportation service providers including management of taxi/shuttle hold lot and vehicle dispatch, driver background requirements, and annual inspections of all airport permitted vehicles-for-hire in conjunction with the California Highway Patrol and the Public Utilities Commission.
 - 6. **Landside Operations** represents all activities associated with management of terminal operations including facility conditions and tenant activities (airline, federal inspection service, concessionaires, etc.). This department coordinates all asset preservation, maintenance and repair activities to minimize operational impacts and

provide communication to impacted tenants. This area is also responsible for managing and enforcing Authority regulations and federal security requirements for all curbside vehicle activity including hiring, training, and on-going support of airport traffic officers.

7. **Facilities Maintenance** represents all activities associated with maintaining all airport assets to ensure a safe, secure, and aesthetically pleasing operating environment. This area includes providing painting, plumbing, electrical, lighting, HVAC, and other repair and preventive maintenance services. This area also includes management of maintenance service contracts such as airfield paving and striping, street and aircraft ramp sweeping, vehicle repair, fueling, building equipment such as automatic doors and elevator/escalators, floor coverings, wildlife control, and landscaping.
8. **Real Estate Management** represents all activities associated with property management and lease contracting of Authority owned and operated facilities and leaseholds. This area also serves as Authority's representative in acquiring off-airport property rights and is responsible for negotiating real estate and other business agreements including airline lease, rental car license, and terminal concession agreements.
9. **Security Administration** represents all activities associated with implementation of all Federal Aviation Administration ("FAA") and Transportation Security Administration ("TSA") required security programs and security equipment improvements. This area also manages the service level agreements providing law enforcement services and coordinates with local support agencies for law enforcement, drug interdiction and emergency response.

C. **General and Administration** represents all facilities and functions associated with general management and administration of Authority.

Allocation of Indirect Expenses to Direct Cost Centers

O&M Expenses, Annual Debt Service, Amortization and Fund Deposits, and any other costs or expenses attributable to Indirect Cost Centers shall be allocated to the Direct Cost Centers as described below:

A. **Access Roads** expenses shall be allocated to the following Direct Costs Centers:

Terminal Area	50%
Landside Commercial	50%

B. **Operating Support-Pool Allocations**

1. **Airport System Planning** expenses shall be allocated to the following Direct Costs Centers:

Airfield Area	50%
Terminal Area	50%
Other Airline Support	-- %
Landside Commercial	-- %

- | | |
|------------------|-------------|
| Ancillary | -- % |
|------------------|-------------|
2. **Airport Operations** expenses shall be allocated to the following Direct Costs Centers:
- | | |
|----------------------|------------|
| Airfield Area | 55% |
| Terminal Area | 45% |
3. **Environmental** expenses shall be allocated to the following Direct Costs Centers:
- | | |
|------------------------------|-------------|
| Airfield Area | 33% |
| Terminal Area | 33% |
| Other Airline Support | -- % |
| Landside Commercial | 33% |
| Ancillary | -- % |
4. **Facilities Development** expenses, not assigned directly to and capitalized as Capital Improvement Projects costs, shall be allocated to the following Direct Costs Centers:
- | | |
|------------------------------|-------------|
| Airfield Area | 50% |
| Terminal Area | 50% |
| Other Airline Support | -- % |
| Landside Commercial | -- % |
| Ancillary | -- % |
5. **Ground Transportation** expenses shall be allocated to the following Direct Cost Centers:
- | | |
|----------------------------|------------|
| Terminal Area | 50% |
| Landside Commercial | 50% |
6. **Landside Operations** expenses shall be allocated to the following Direct Costs Centers:
- | | |
|----------------------------|------------|
| Terminal Area | 80% |
| Landside Commercial | 20% |
7. **Facilities Maintenance** expenses, not assigned directly to and capitalized as Capital Improvement Projects costs, shall be allocated to the following Direct Costs Centers:
- | | |
|------------------------------|-------------|
| Airfield Area | 25% |
| Terminal Area | 55% |
| Other Airline Support | -- % |
| Landside Commercial | 5% |
| Ancillary | 15% |
8. **Real Estate Management** expenses shall be allocated to the following Direct Costs Centers:
- | | |
|----------------------|------------|
| Airfield Area | 25% |
|----------------------|------------|

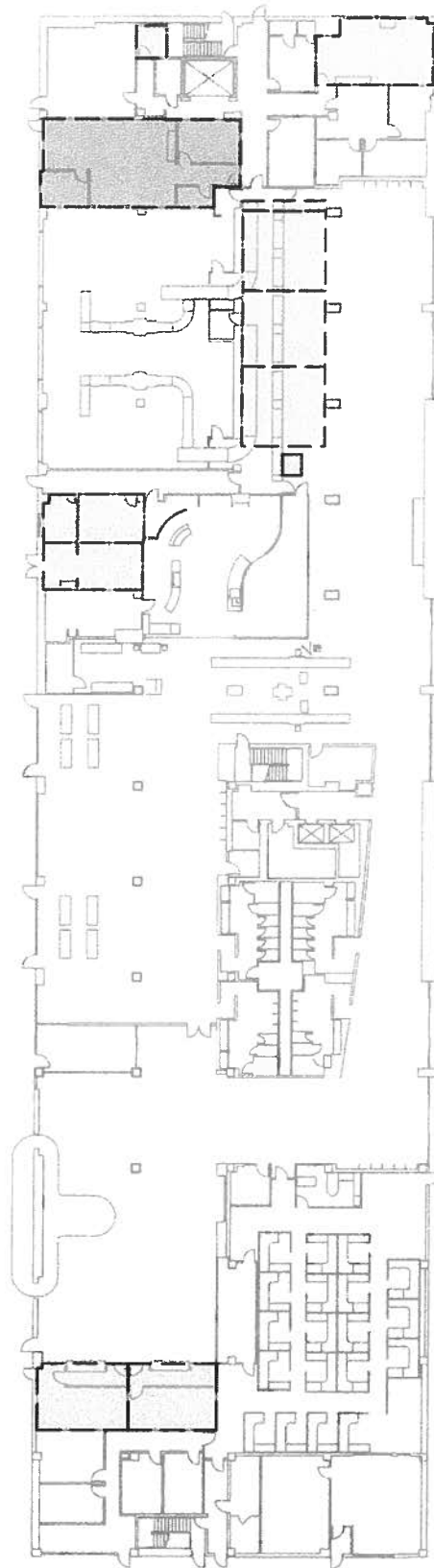
Terminal Area	25%
Other Airline Support	--%
Landside Commercial	25%
Ancillary	25%

9. **Security Administration** expenses to the following Direct Costs Centers:

Airfield Area	40%
Terminal Area	60%

C. **General and Administration** expenses shall be allocated to the following Direct Costs Centers:

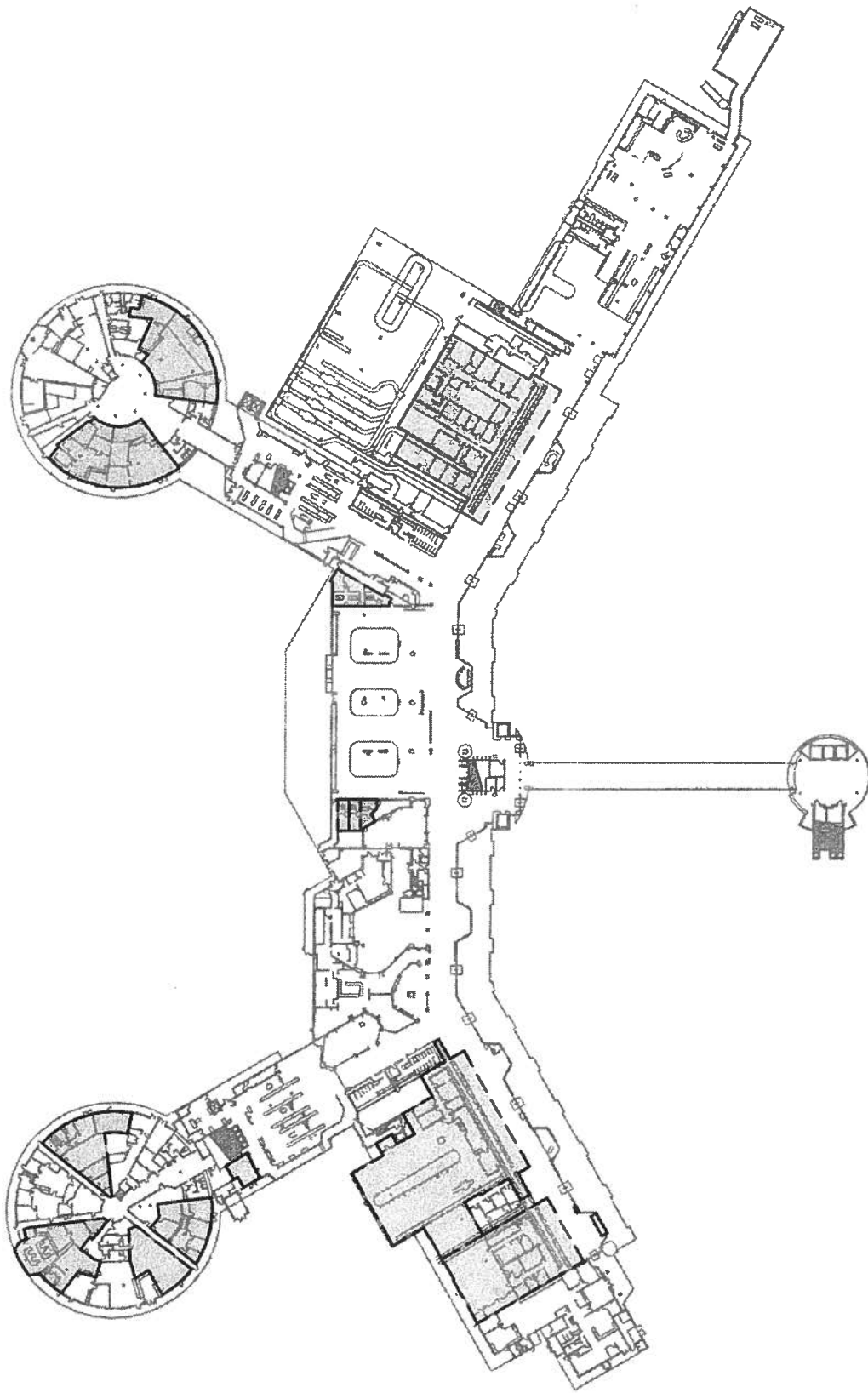
Airfield Area	25%
Terminal Area	50%
Other Airline Support	-- %
Landside Commercial	20%
Ancillary	5%



NO SCALE

COMMUTER TERMINAL - FIRST FLOOR
EXCLUSIVE USE SPACE

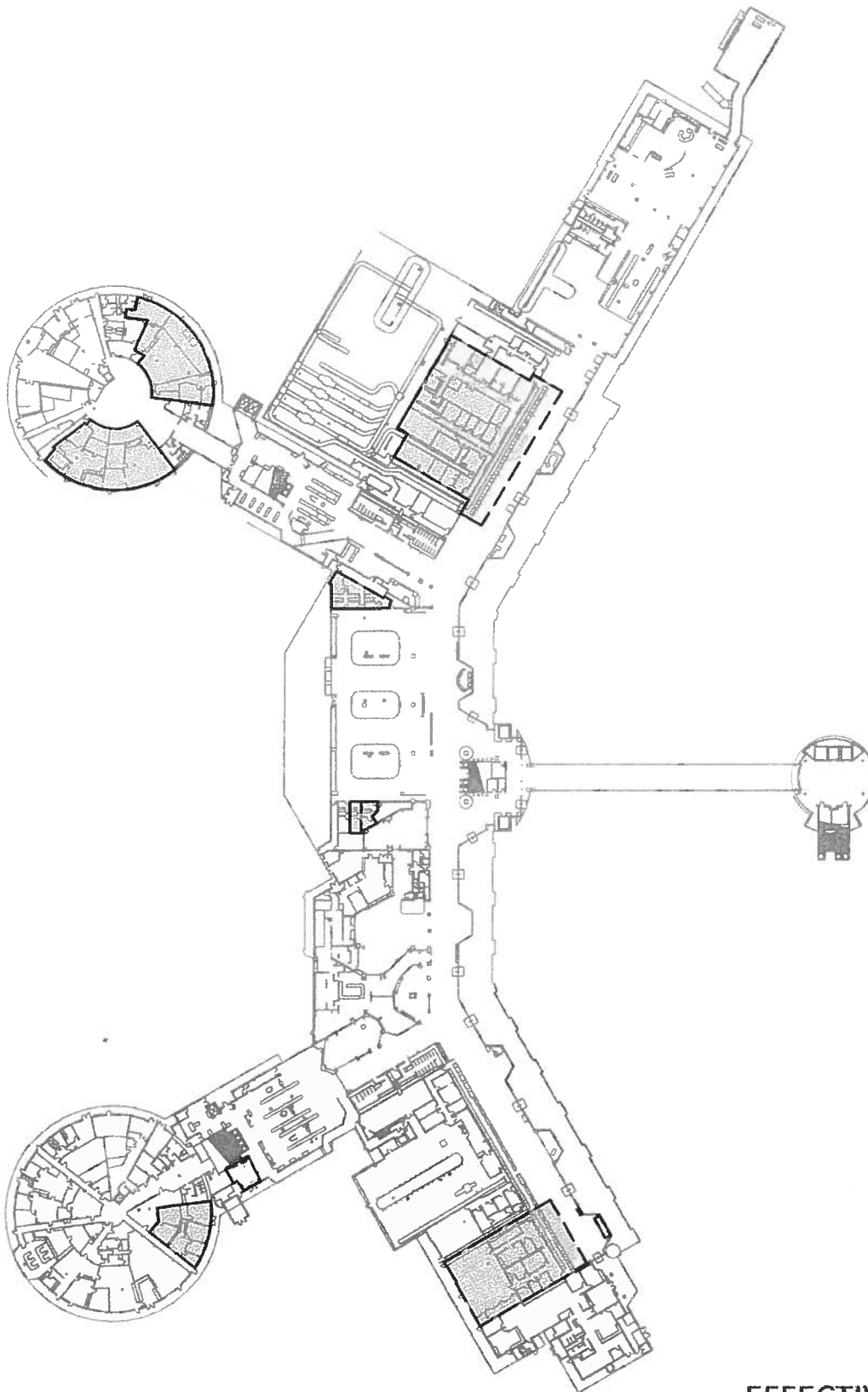
EXHIBIT C



NO SCALE

TERMINAL 1 - FIRST FLOOR
EXCLUSIVE USE SPACE
SHEET 1 OF 2

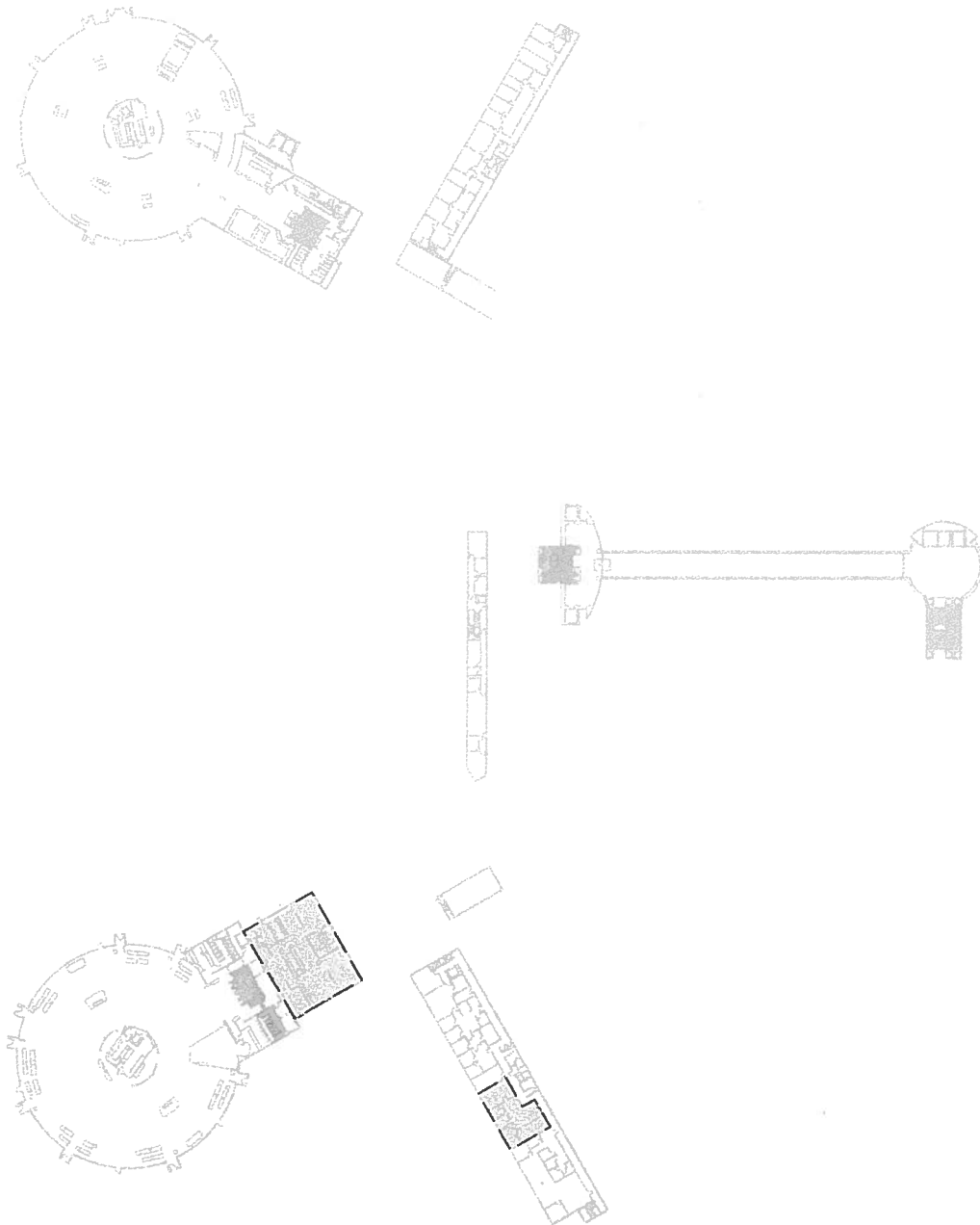
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TERMINAL 1 - FIRST FLOOR
EXCLUSIVE USE SPACE
SHEET 1 OF 2

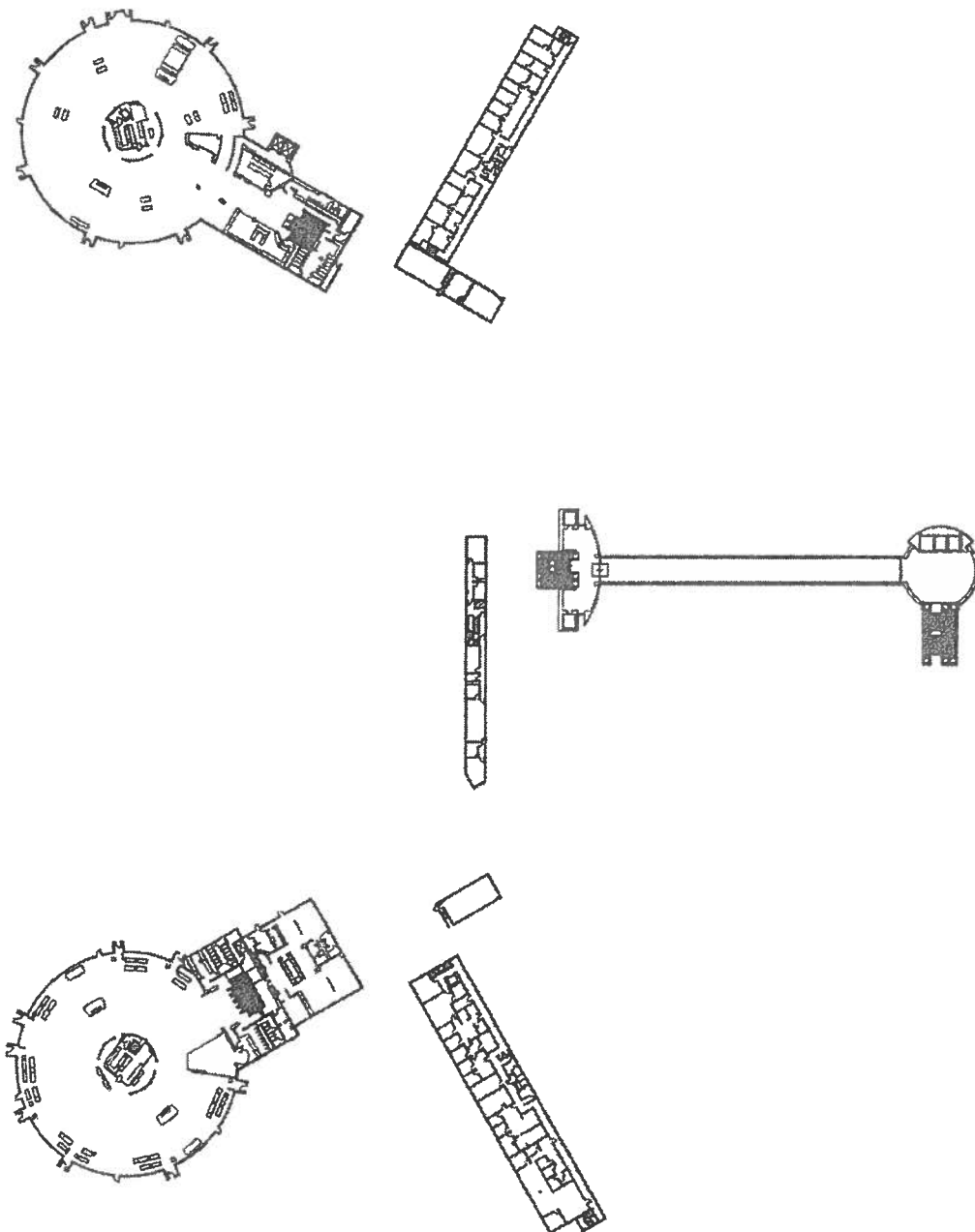
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TERMINAL 1 - SECOND FLOOR
EXCLUSIVE USE SPACE
SHEET 2 OF 2

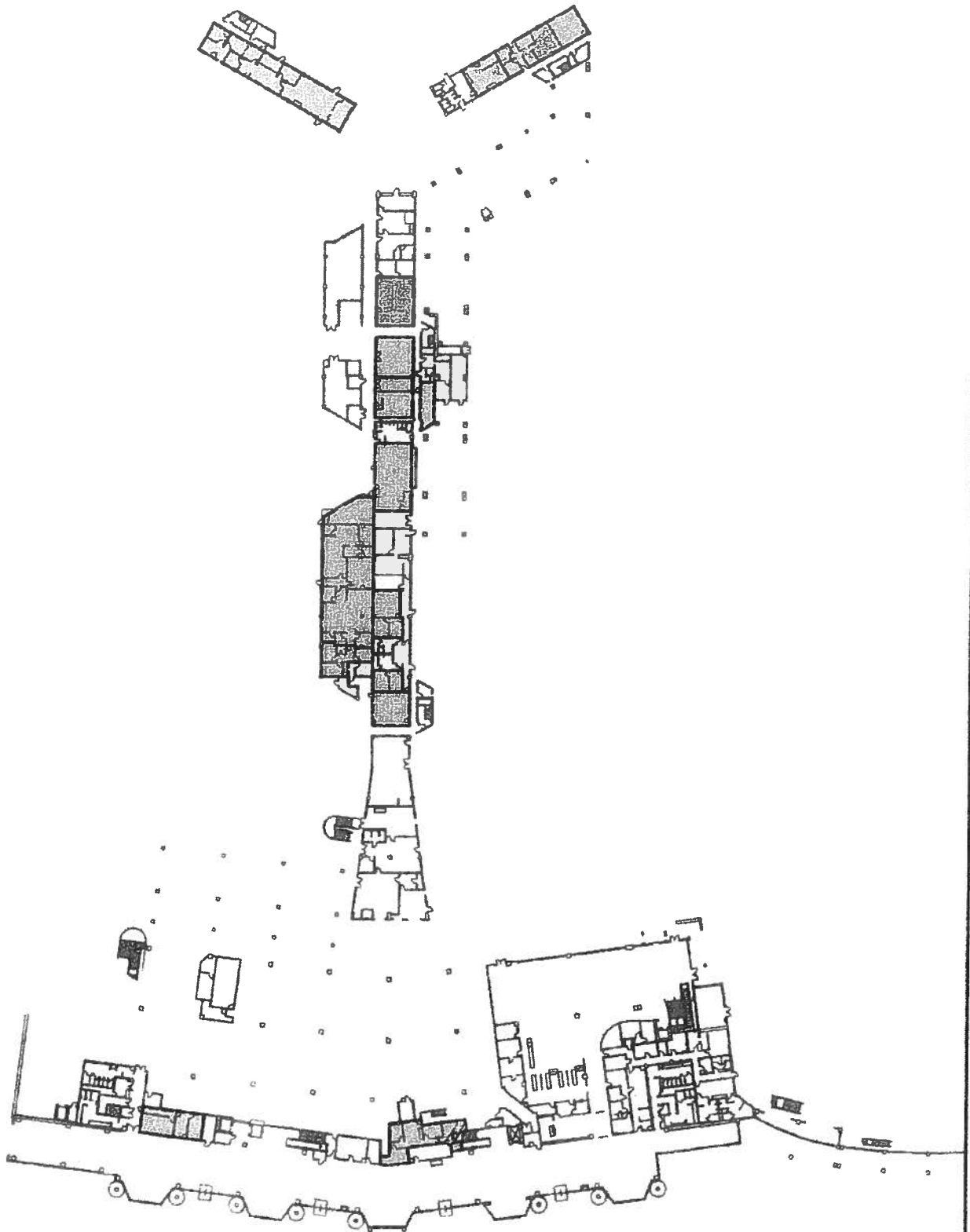
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EFFECTIVE 8/13/13
TERMINAL 1 - SECOND FLOOR
EXCLUSIVE USE SPACE
SHEET 2 OF 2

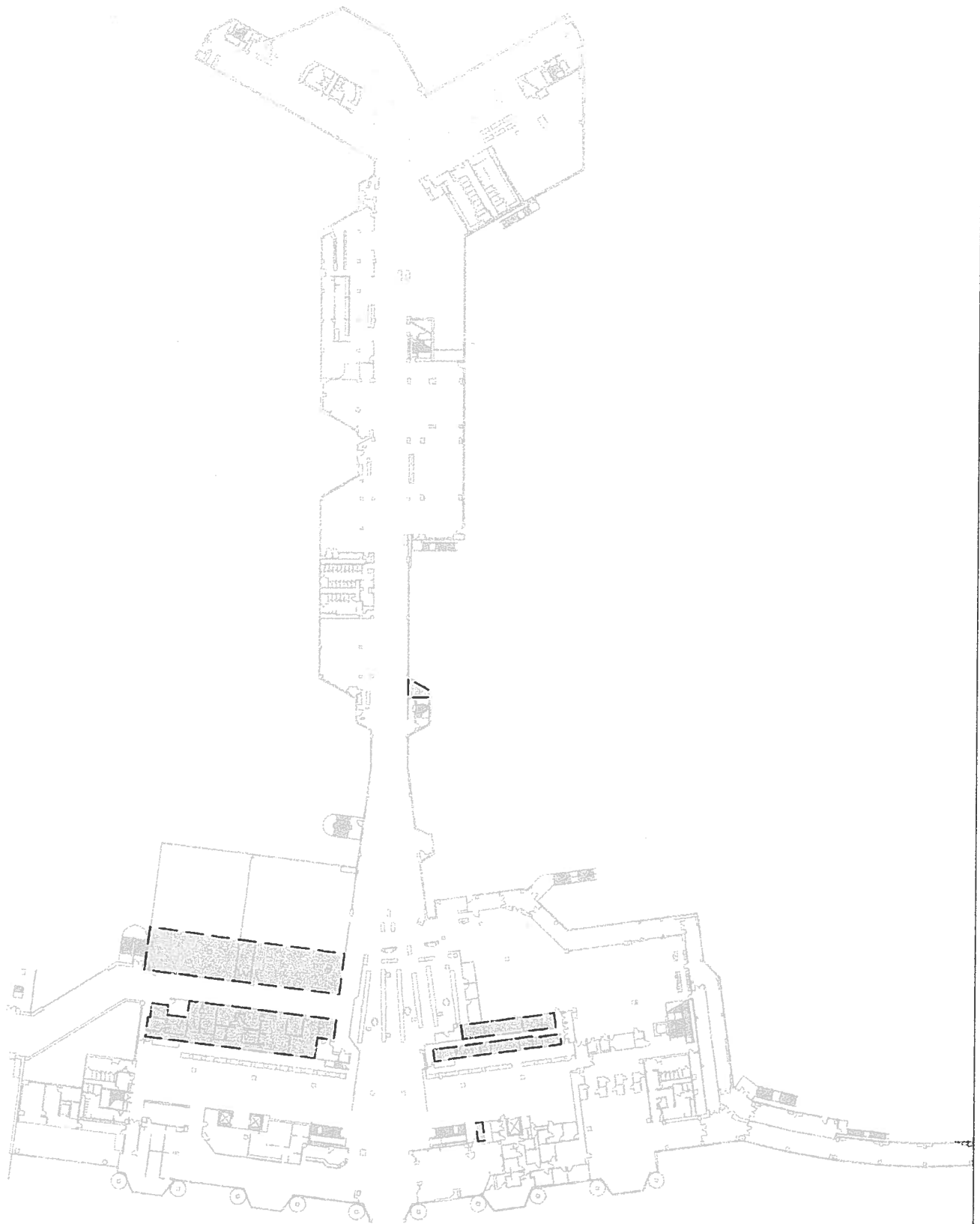
EXHIBIT C



NO SCALE

TERMINAL 2 EAST - FIRST FLOOR
EXCLUSIVE USE SPACE
SHEET 1 OF 2

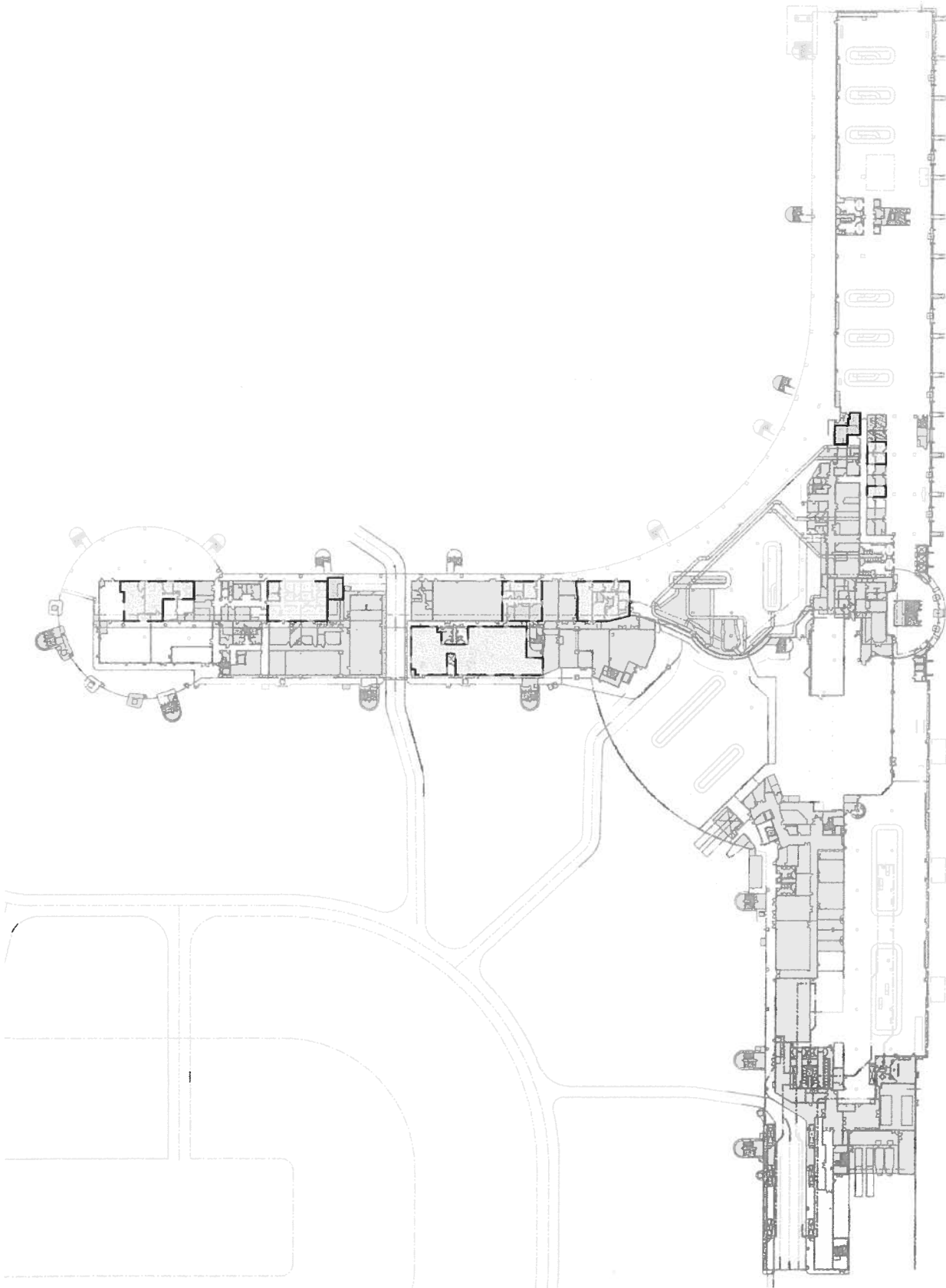
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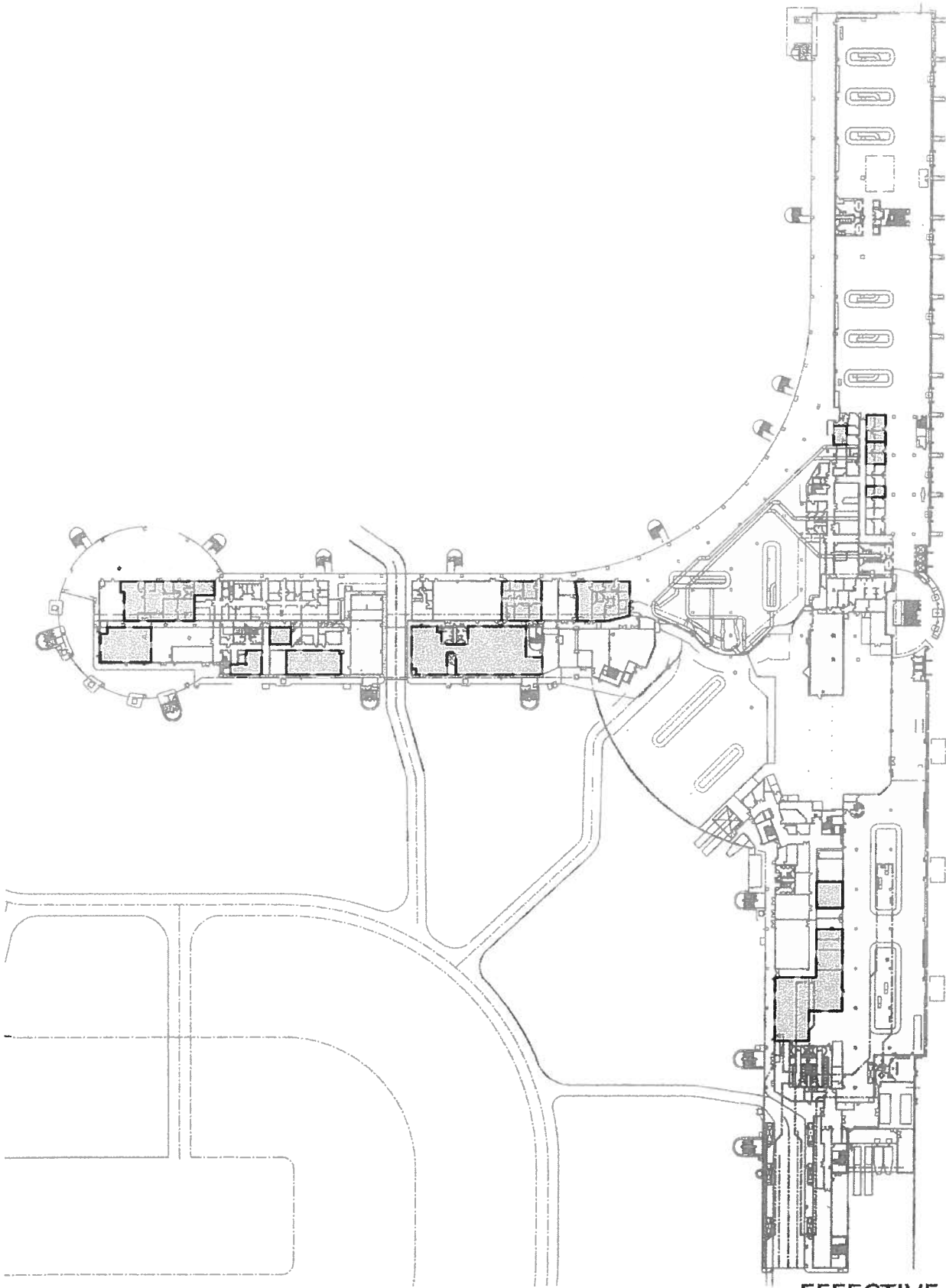
TERMINAL 2 EAST - SECOND FLOOR
EXCLUSIVE USE SPACE
SHEET 2 OF 2

EXHIBIT C



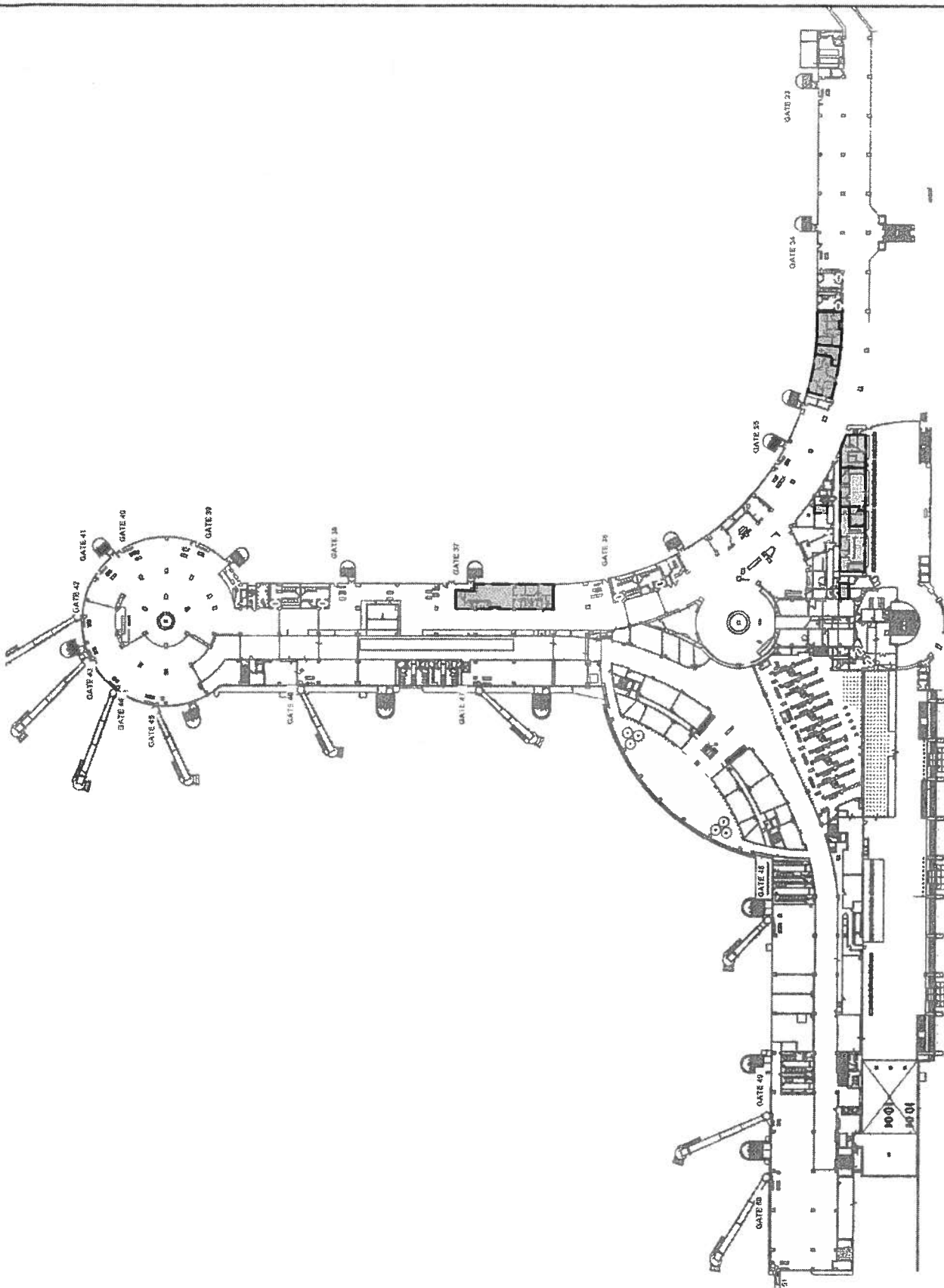
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TERMINAL 2 WEST - FIRST FLOOR
EXCLUSIVE USE SPACE
SHEET 1 OF 2
EXHIBIT C



NO SCALE

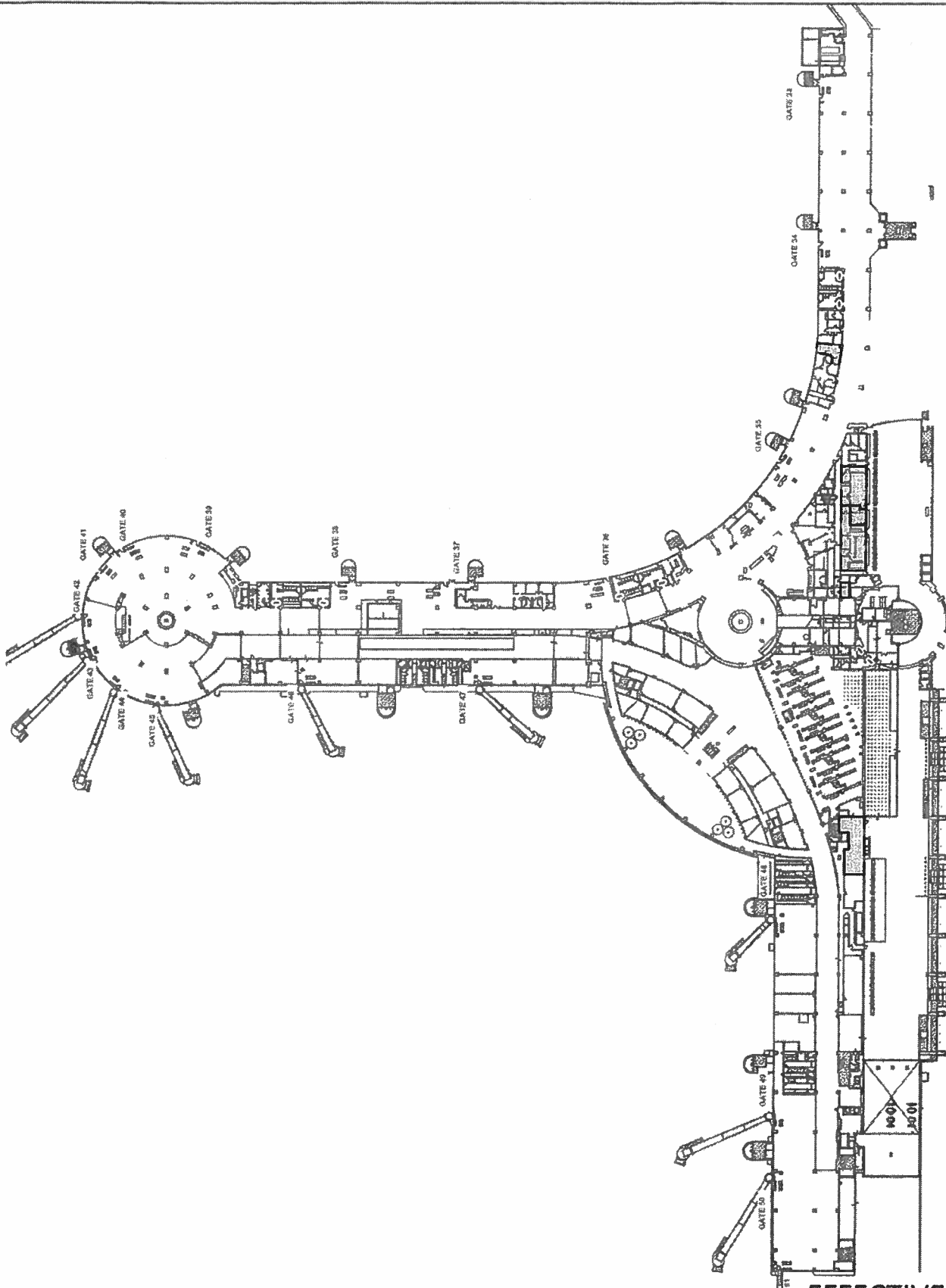
EFFECTIVE 8/13/13
TERMINAL 2 WEST - FIRST FLOOR
EXCLUSIVE USE SPACE
SHEET 1 OF 2
EXHIBIT C



NO SCALE

TERMINAL 2 WEST - SECOND FLOOR
EXCLUSIVE USE SPACE
SHEET 2 OF 2

EXHIBIT C



EFFECTIVE 8/13/13
TERMINAL 2 WEST - SECOND FLOOR
EXCLUSIVE USE SPACE
SHEET 2 OF 2




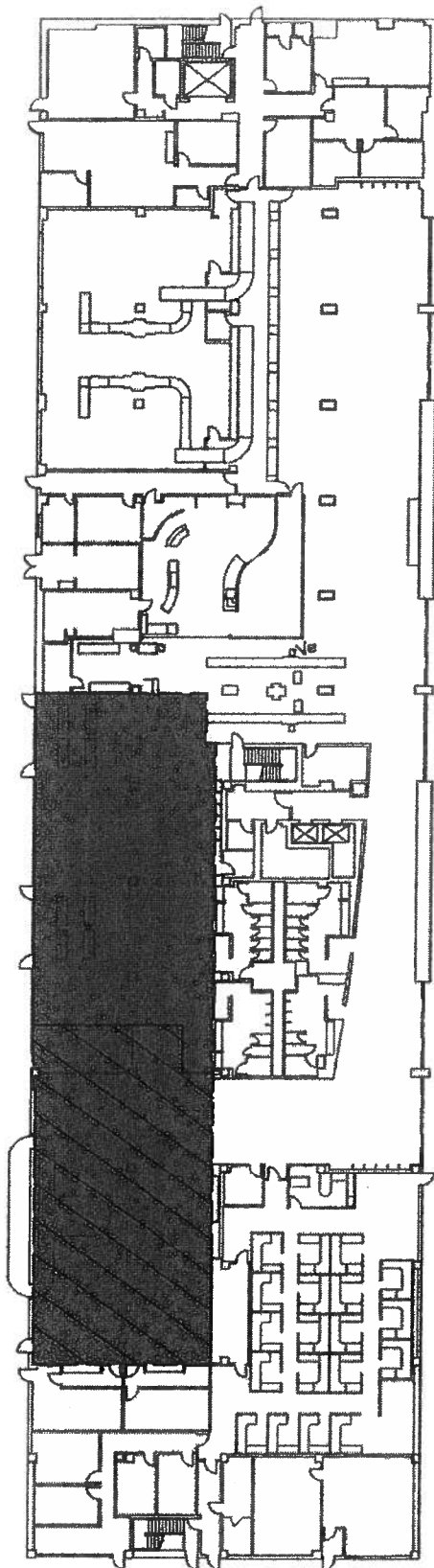
NO SCALE

EXHIBIT C

LEGEND

 3,984 BAG CLAIM

 4,120 HOLD ROOM



NO SCALE

COMMUTER TERMINAL - FIRST FLOOR
JOINT USE SPACE

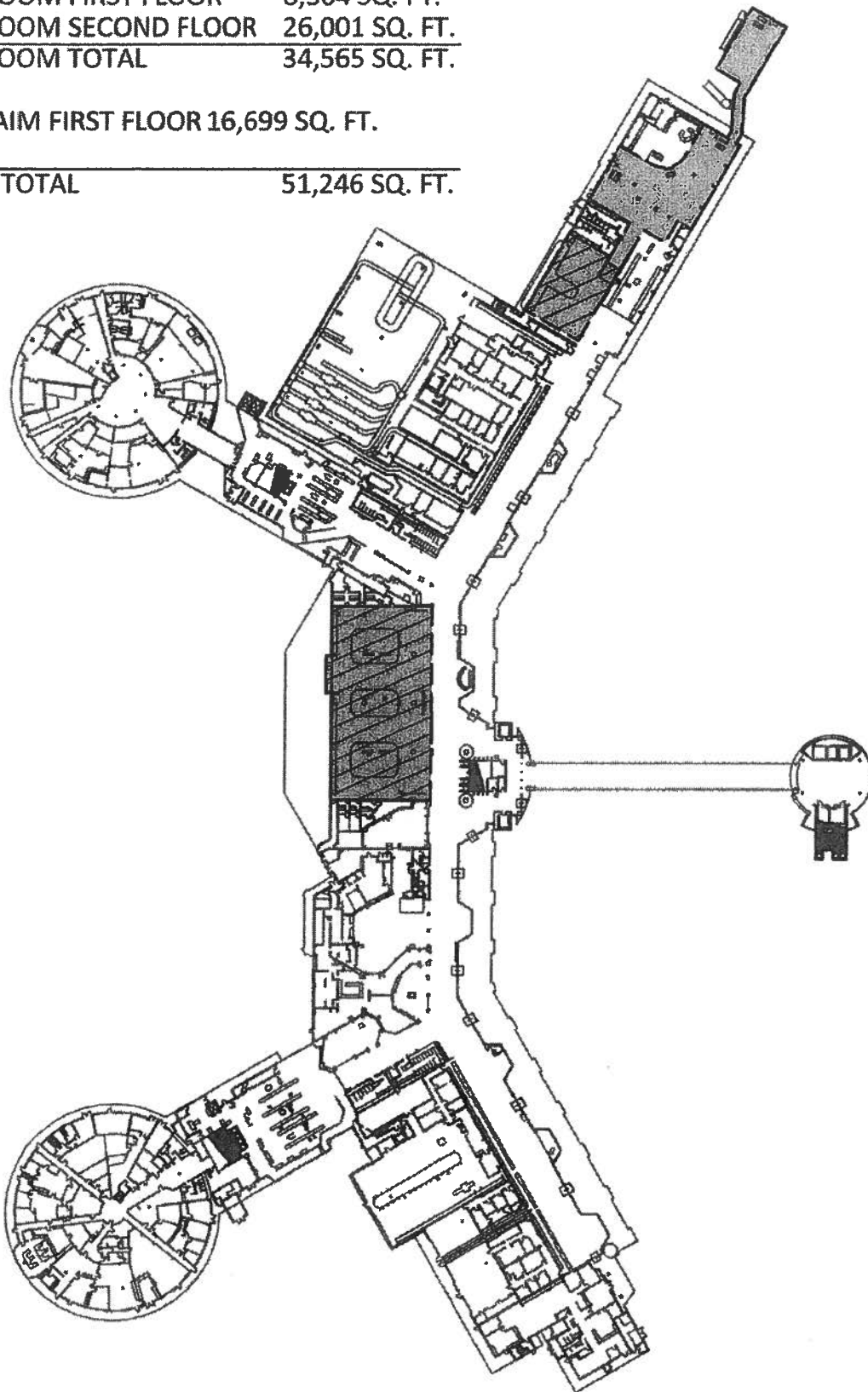
EXHIBIT D

LEGEND

	HOLD ROOM FIRST FLOOR	8,564 SQ. FT.
	HOLD ROOM SECOND FLOOR	26,001 SQ. FT.
	HOLD ROOM TOTAL	34,565 SQ. FT.

	BAG CLAIM FIRST FLOOR	16,699 SQ. FT.
--	-----------------------	----------------

GRAND TOTAL 51,246 SQ. FT.



TERMINAL 1 - FIRST FLOOR
JOINT USE SPACE
SHEET 1 OF 2

EXHIBIT D



NO SCALE

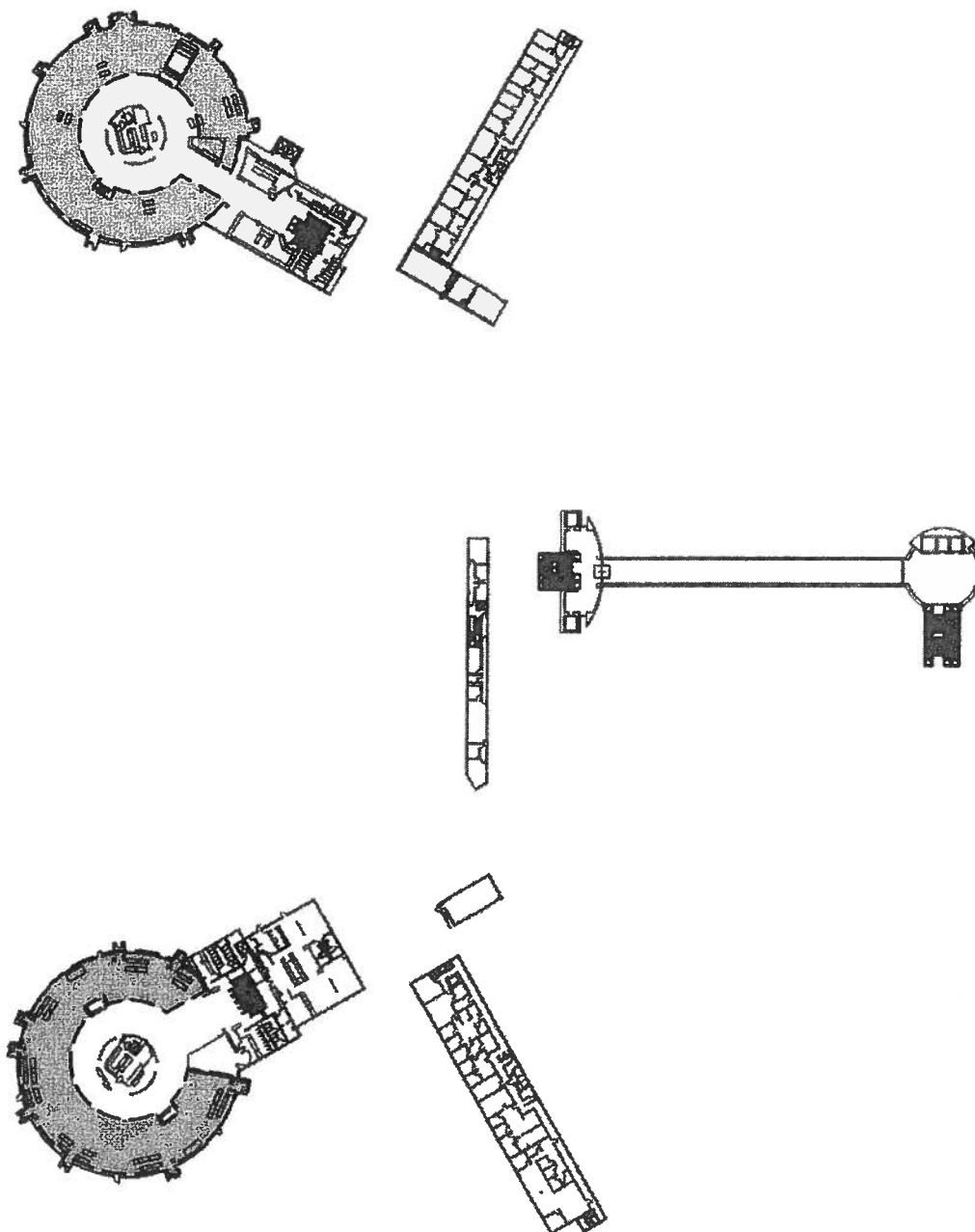
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LEGEND

	HOLD ROOM FIRST FLOOR	8,564 SQ. FT.
	HOLD ROOM SECOND FLOOR	26,001 SQ. FT.
	HOLD ROOM TOTAL	34,565 SQ. FT.

 BAG CLAIM FIRST FLOOR 16,699 SQ. FT.

GRAND TOTAL **51,246 SQ. FT.**



NO SCALE

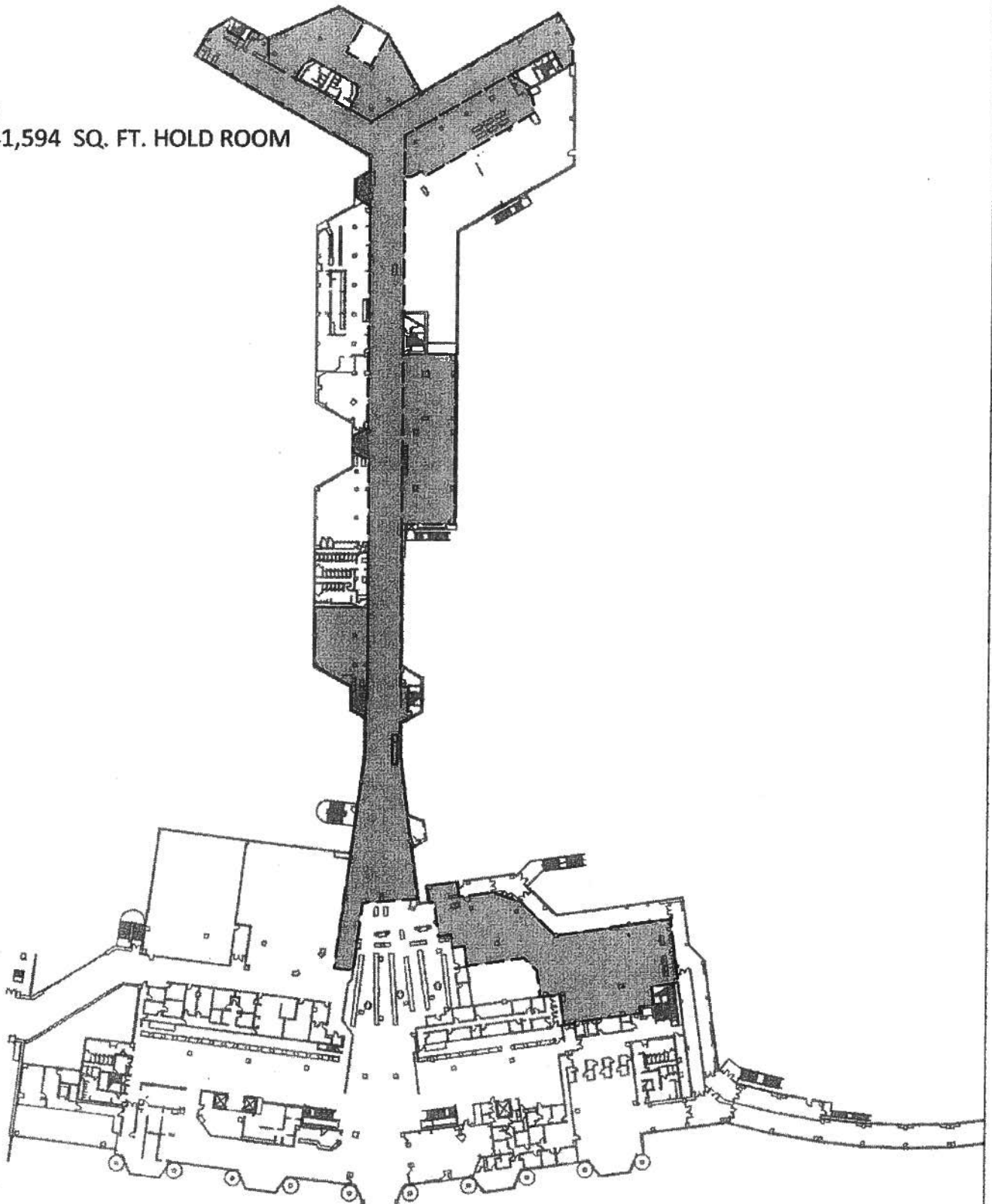
TERMINAL 1 - SECOND FLOOR
JOINT USE SPACE
SHEET 2 OF 2

EXHIBIT D

LEGEND



41,594 SQ. FT. HOLD ROOM



**TERMINAL 2 EAST - SECOND FLOOR
JOINT USE SPACE
SHEET 1 OF 1**

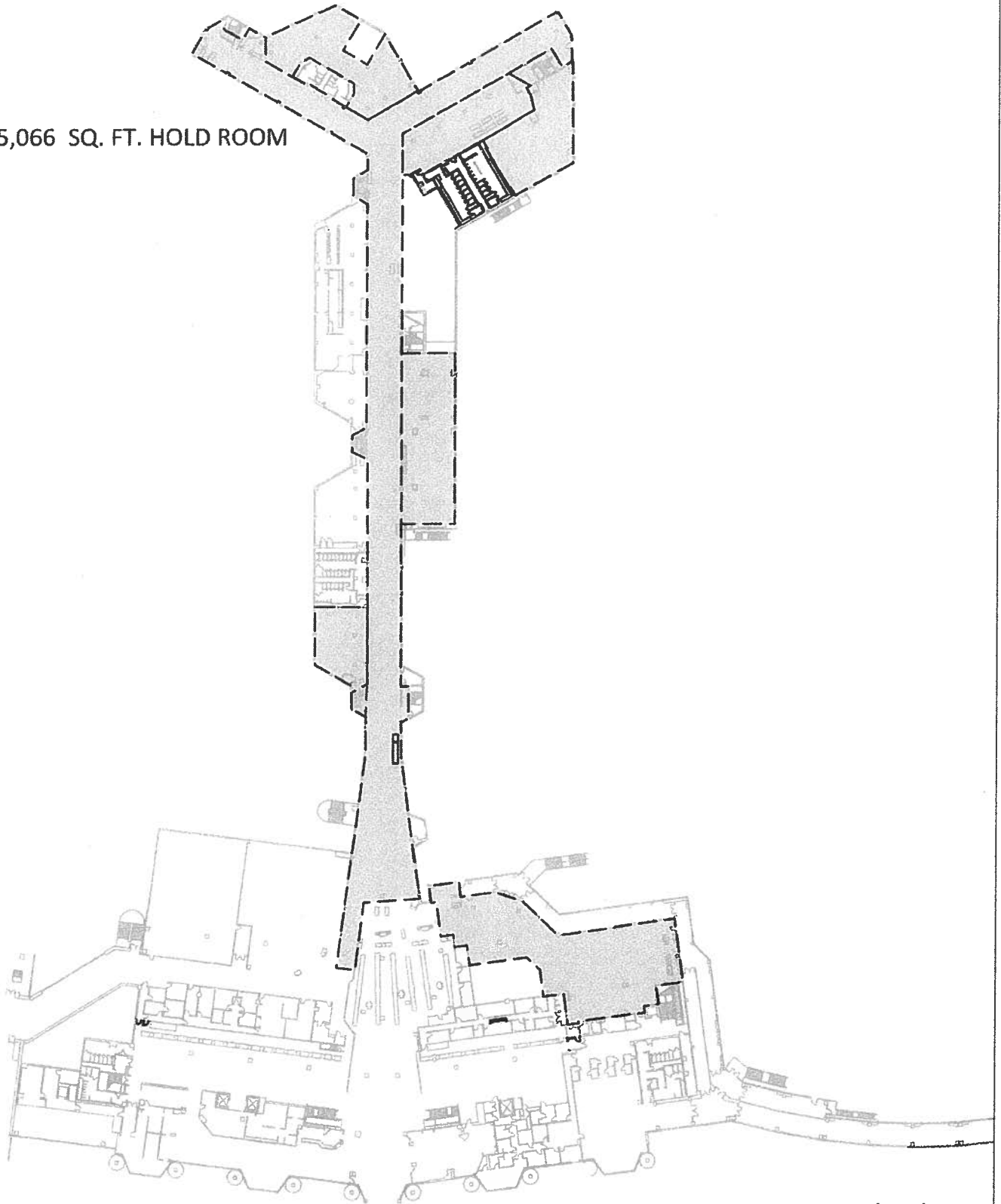


NO SCALE

EXHIBIT D

LEGEND

45,066 SQ. FT. HOLD ROOM



NO SCALE

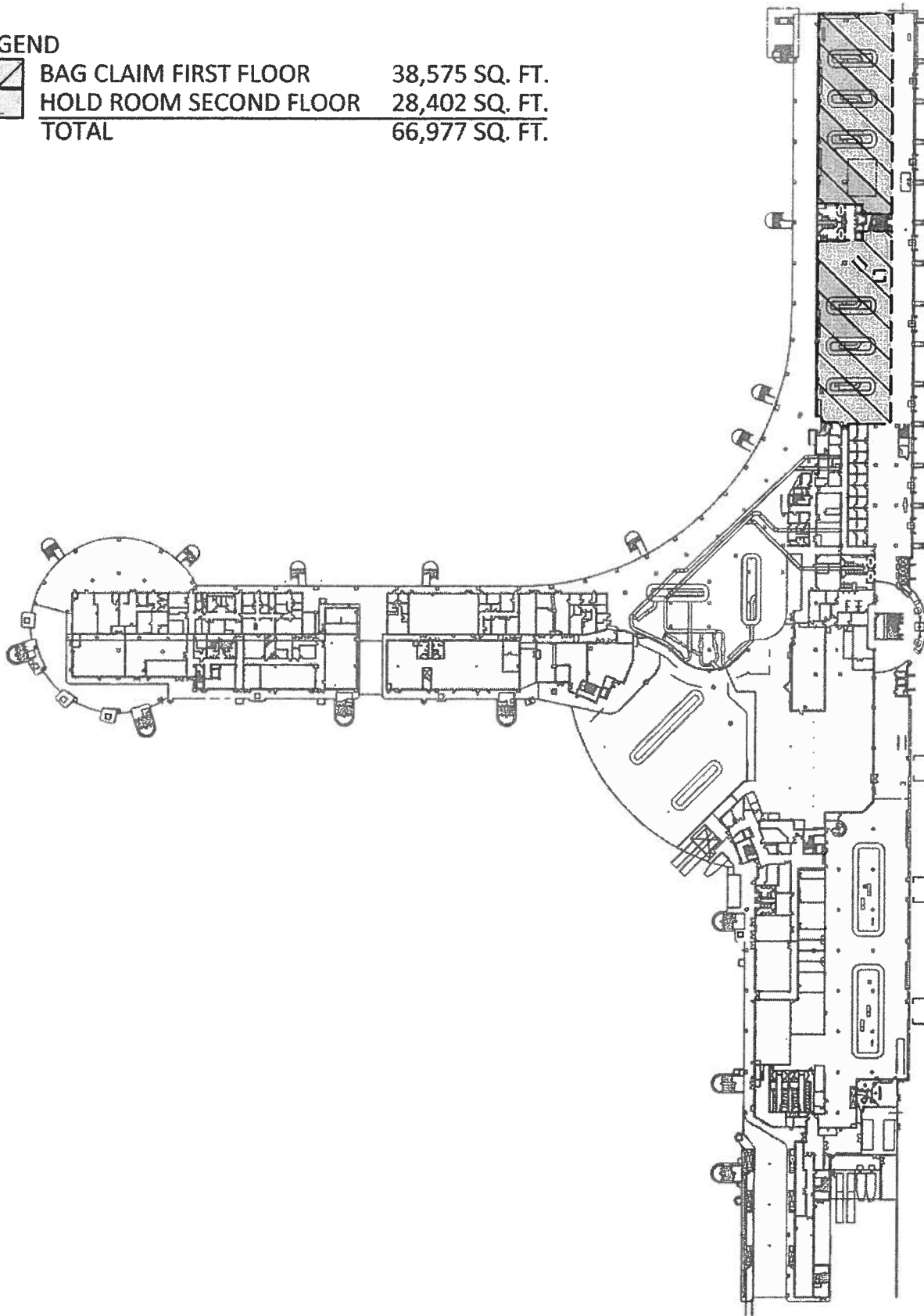
EFFECTIVE 8/13/13
TERMINAL 2 EAST - SECOND FLOOR
JOINT USE SPACE
SHEET 1 OF 1

EXHIBIT D

LEGEND



BAG CLAIM FIRST FLOOR	38,575 SQ. FT.
HOLD ROOM SECOND FLOOR	28,402 SQ. FT.
TOTAL	66,977 SQ. FT.



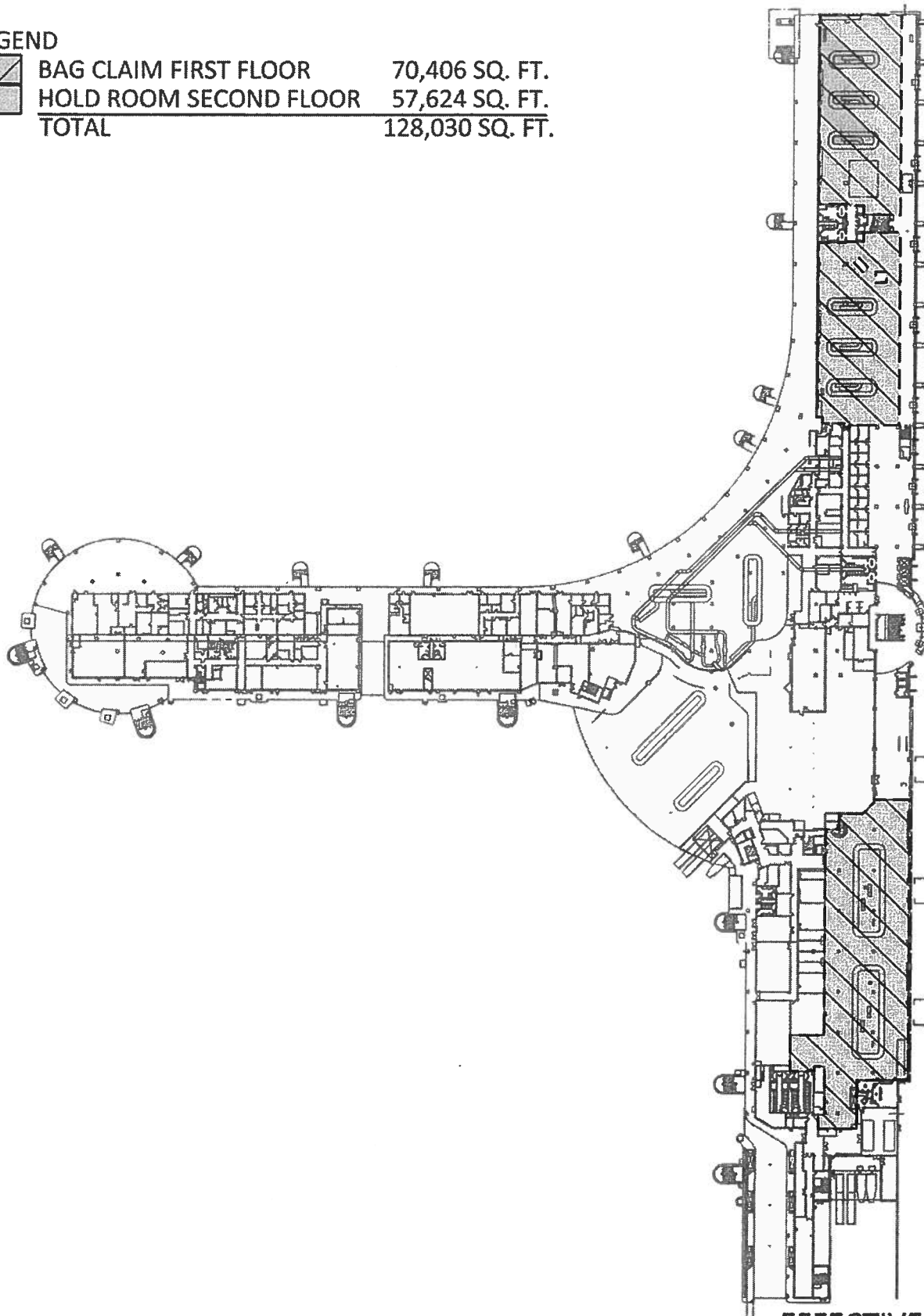
NO SCALE

TERMINAL 2 WEST - FIRST FLOOR
JOINT USE SPACE
SHEET 1 OF 2
EXHIBIT D

LEGEND



BAG CLAIM FIRST FLOOR	70,406 SQ. FT.
HOLD ROOM SECOND FLOOR	57,624 SQ. FT.
TOTAL	128,030 SQ. FT.



NO SCALE

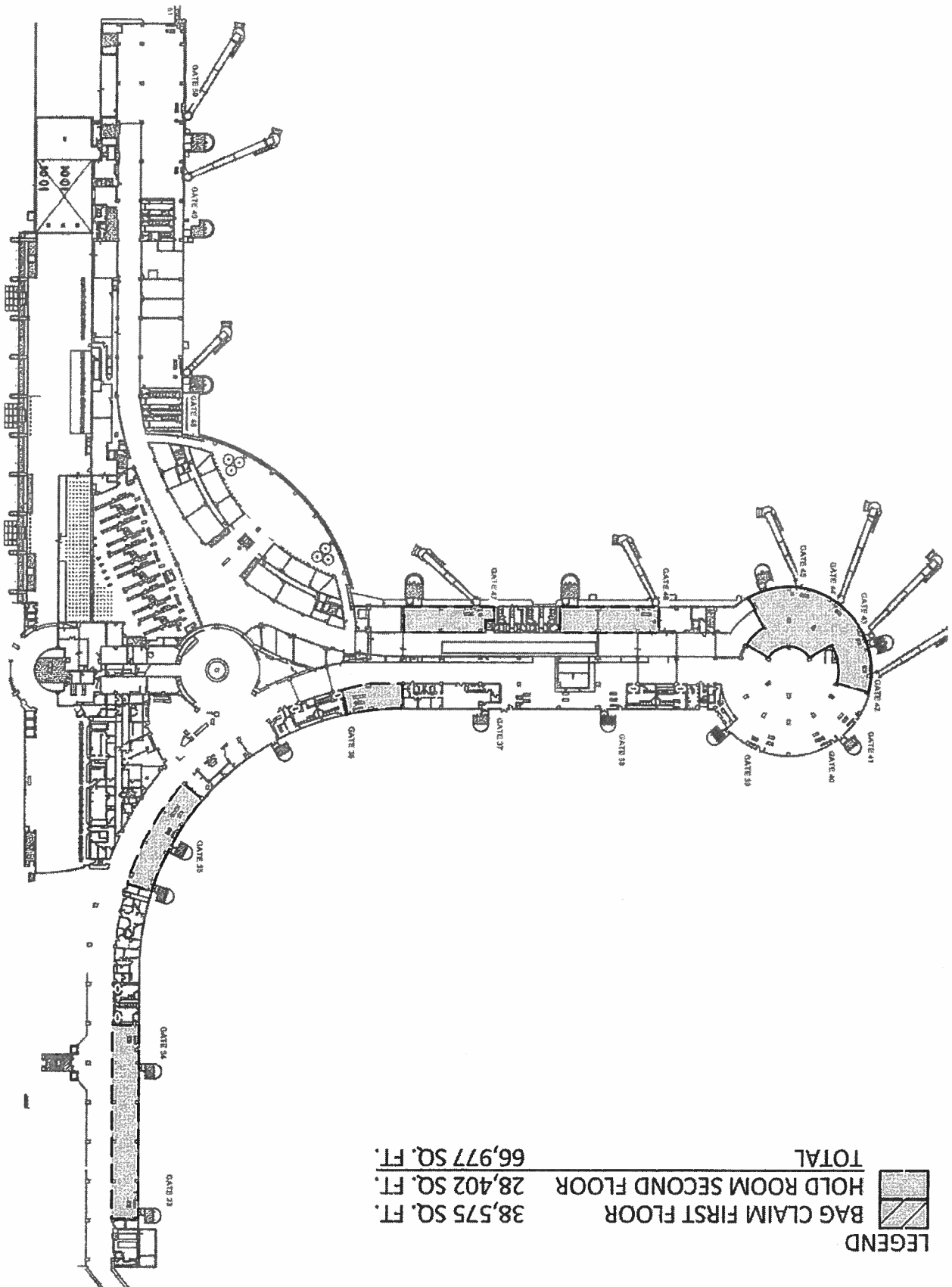
EFFECTIVE 8/13/13
TERMINAL 2 WEST - FIRST FLOOR
JOINT USE SPACE
SHEET 1 OF 2

EXHIBIT D

NO SCALE



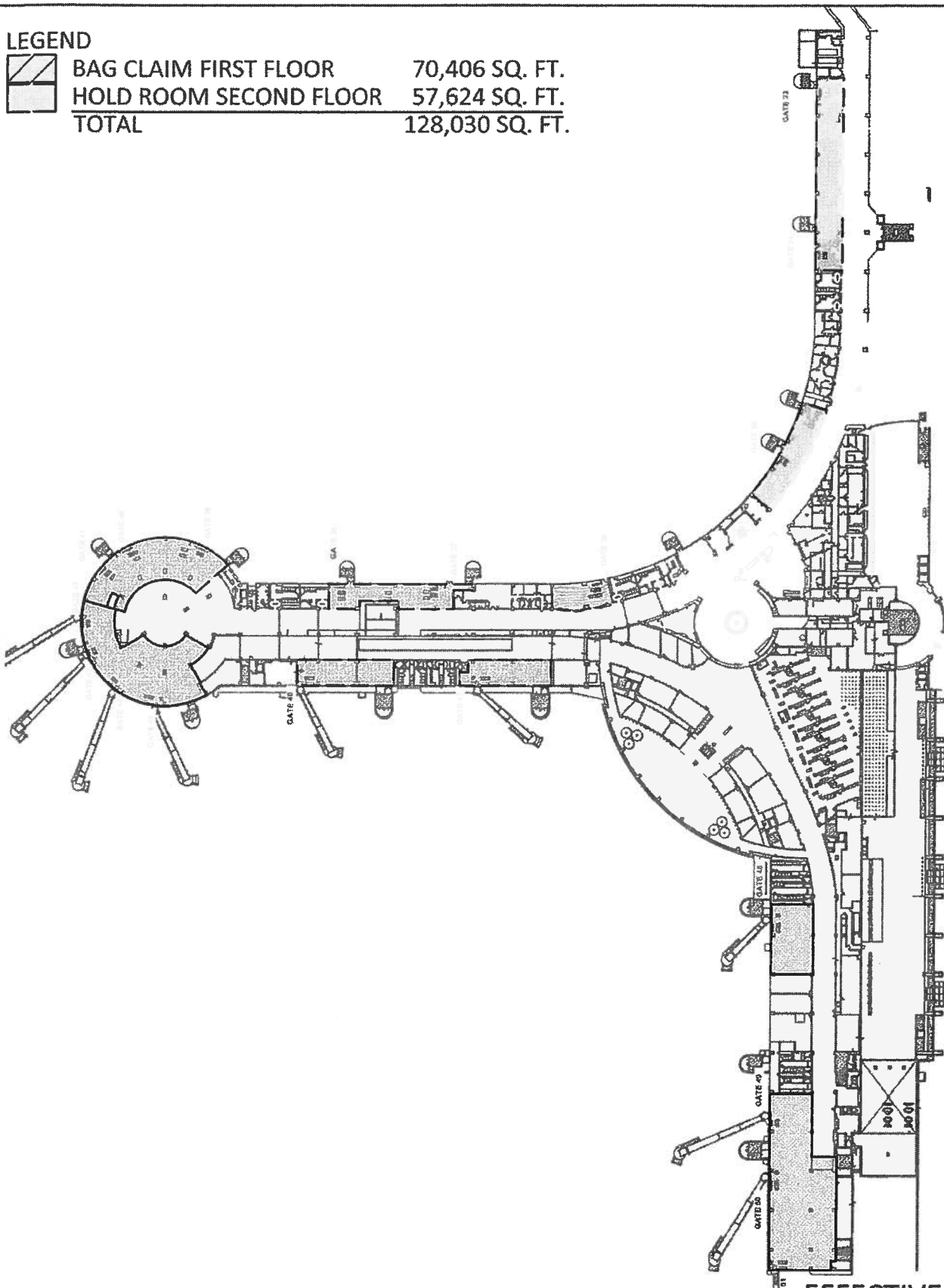
TERMINAL 2 WEST - SECOND FLOOR
JOINT USE SPACE
SHEET 2 OF 2
EXHIBIT D



LEGEND	
	BAG CLAIM FIRST FLOOR
	HOLD ROOM SECOND FLOOR
38,575 SQ. FT.	
28,402 SQ. FT.	
66,977 SQ. FT.	TOTAL

LEGEND

	BAG CLAIM FIRST FLOOR	70,406 SQ. FT.
	HOLD ROOM SECOND FLOOR	57,624 SQ. FT.
	TOTAL	128,030 SQ. FT.



EFFECTIVE 8/13/13
 TERMINAL 2 WEST - SECOND FLOOR
 JOINT USE SPACE
 SHEET 2 OF 2

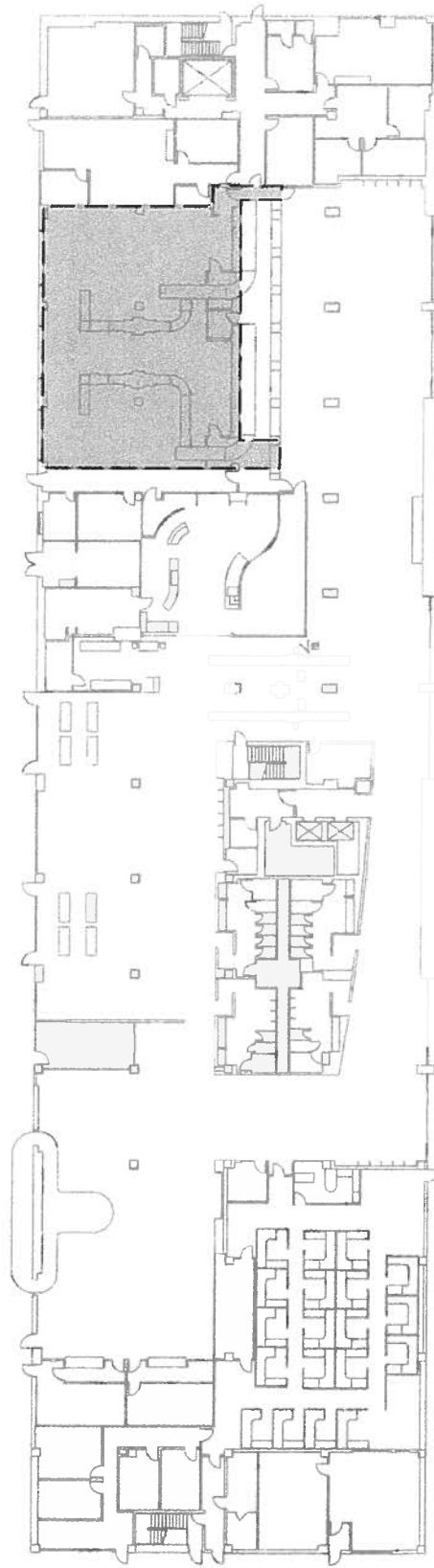
EXHIBIT D



NO SCALE

LEGEND

3,671 SQUARE FEET



NO SCALE

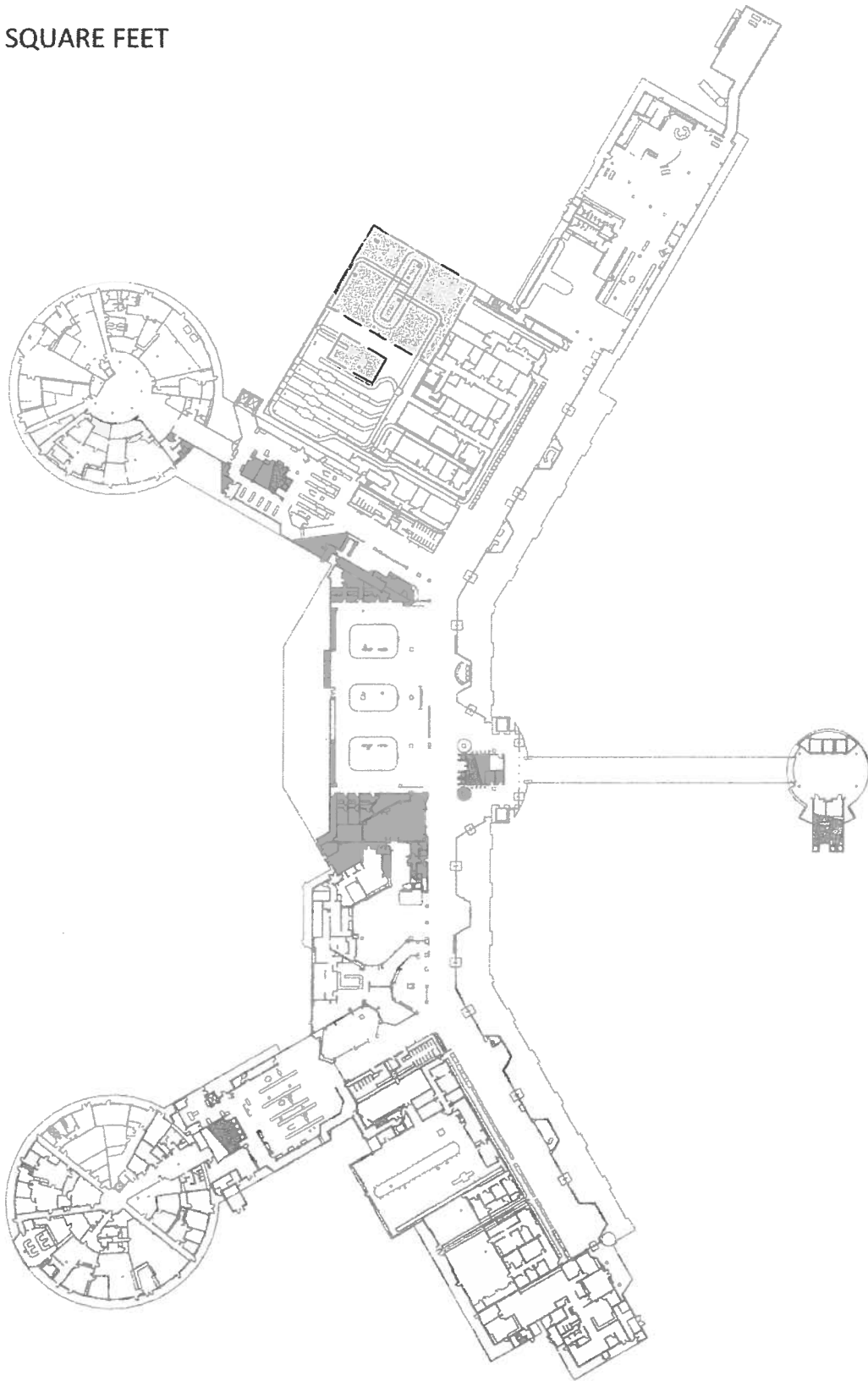
COMMUTER TERMINAL - FIRST FLOOR
SHARED USE SPACE

EXHIBIT E

PATH Z:\Airport Master file\avcom\AOA\T1\1ST FLOOR\AOA-T1-FL1.dwg

LEGEND

8,577 SQUARE FEET



NO SCALE

TERMINAL 1 - FIRST FLOOR
SHARED USE SPACE
SHEET 1 OF 1

EXHIBIT E

LEGEND

14,737 SQUARE FEET

7385 SQ. SF.

5036 SQ. SF.

2316 SQ. SF.

TERMINAL 2 EAST - FIRST FLOOR
SHARED USE SPACE
SHEET 1 OF 1

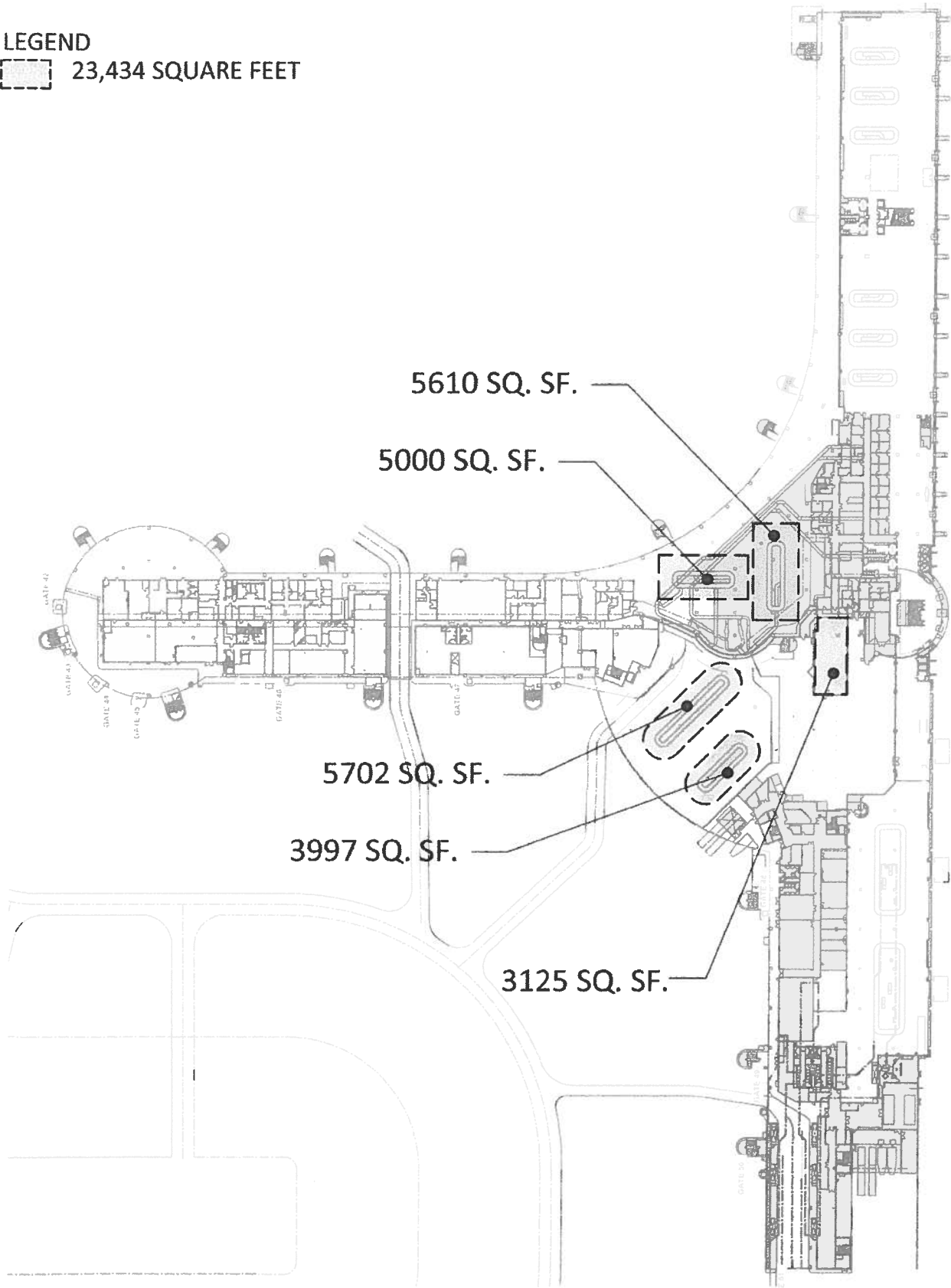


NO SCALE

EXHIBIT E

LEGEND

 23,434 SQUARE FEET



NO SCALE

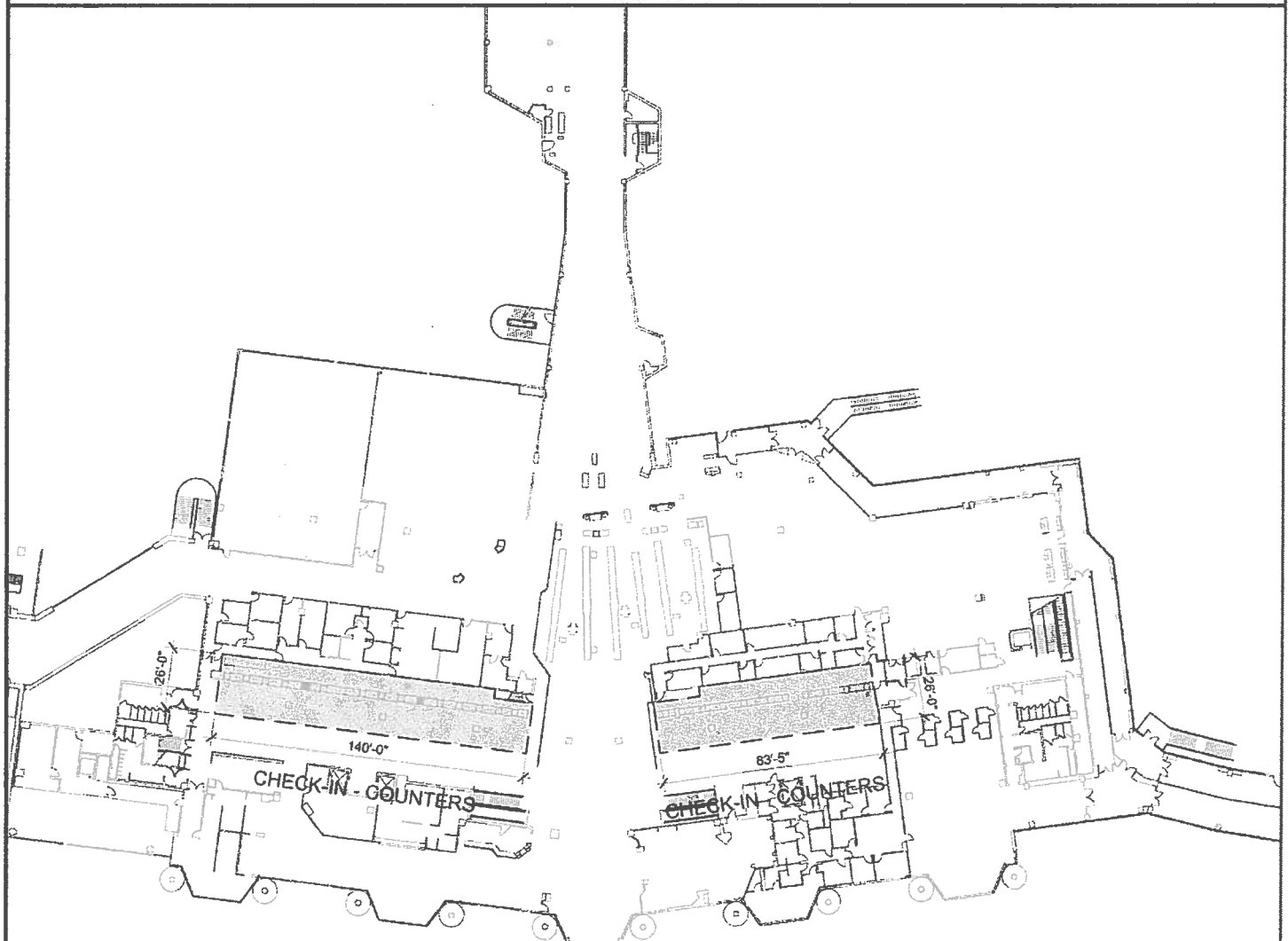
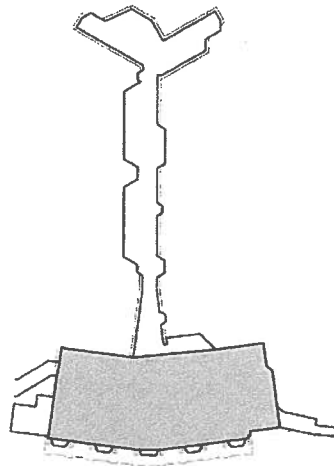
TERMINAL 2 WEST - FIRST FLOOR
SHARED USE SPACE
SHEET 1 OF 1

EXHIBIT E



SAN DIEGO INTERNATIONAL AIRPORT
TERMINAL 2 EAST

KEY PLAN



AREA = 5,809.00 Sq.Ft.

NOTE: DIMENSIONS ARE TAKEN FROM CENTERLINE OF WALL UNLESS NOTED OTHERWISE.

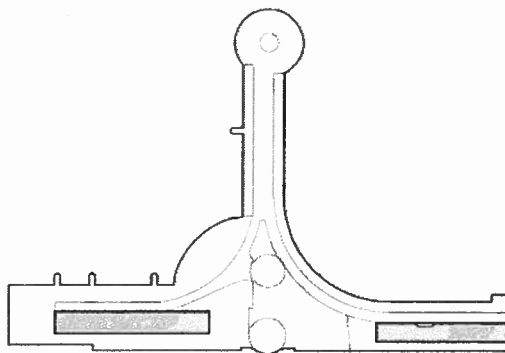
TERMINAL 2 EAST - SECOND FLOOR
COMMON USE SPACE
SHEET 1 of 10

NO SCALE

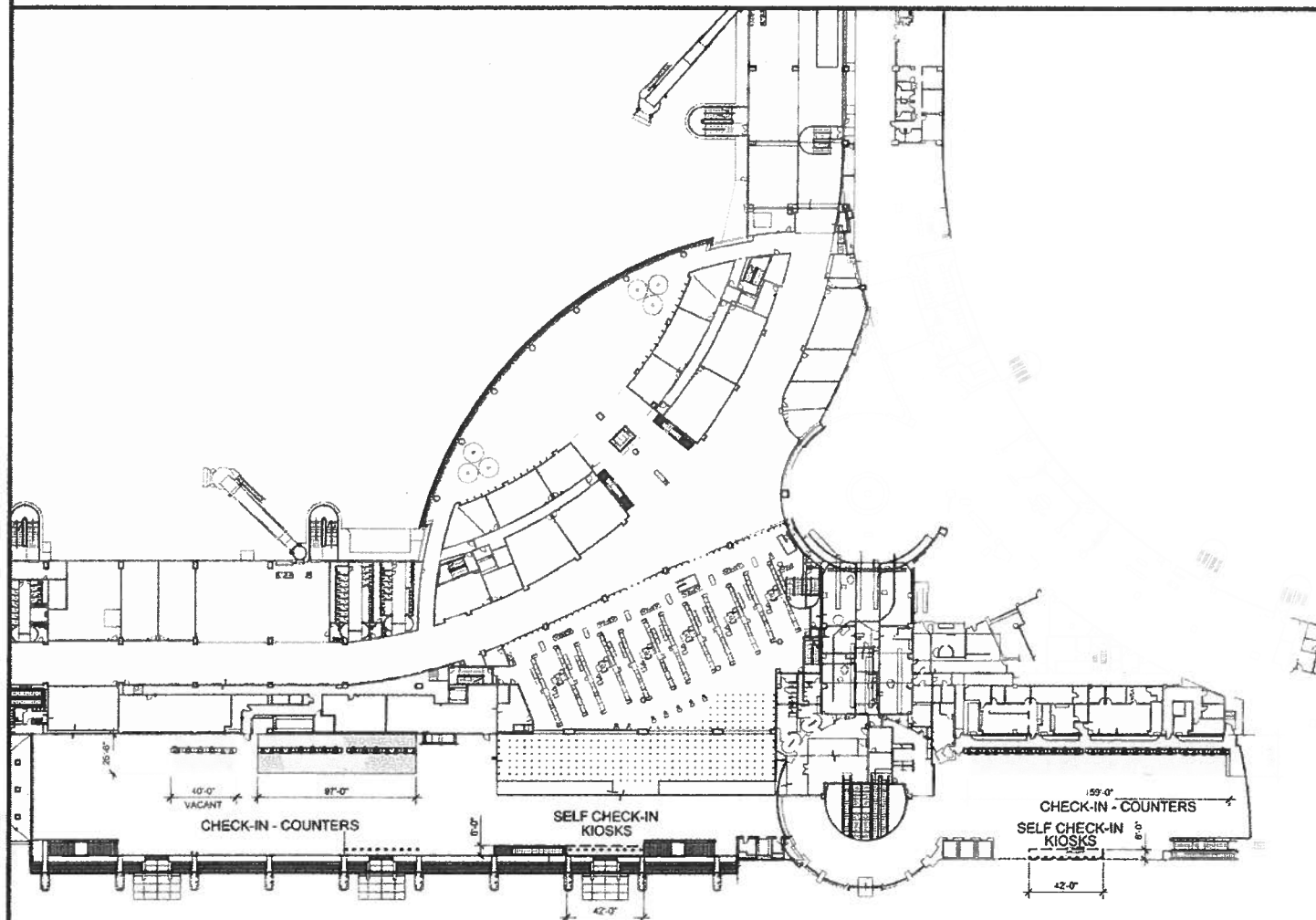
EXHIBIT F



SAN DIEGO INTERNATIONAL AIRPORT
TERMINAL 2 WEST



KEY PLAN



AREA = 8,348.00 Sq.Ft.
LESS VACANT = 1,060.00 Sq.Ft.

TOTAL = 7,288.00 Sq.Ft.

TERMINAL 2 WEST - SECOND FLOOR
COMMON USE SPACE

NOTE: DIMENSIONS ARE TAKEN FROM CENTERLINE OF WALL UNLESS NOTED OTHERWISE.

NO SCALE

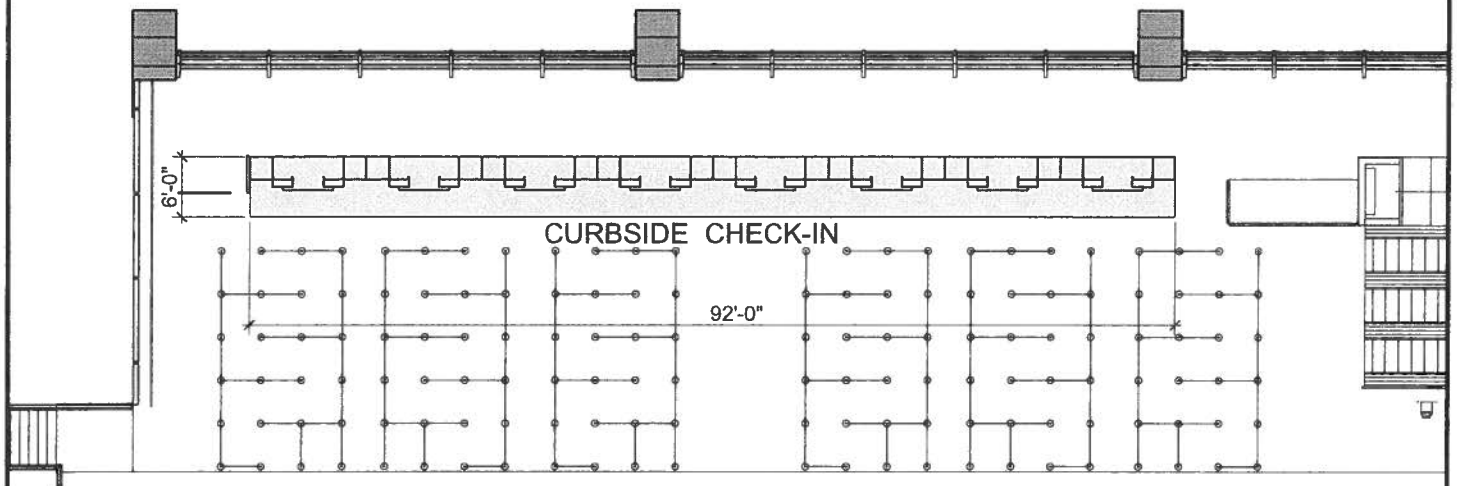
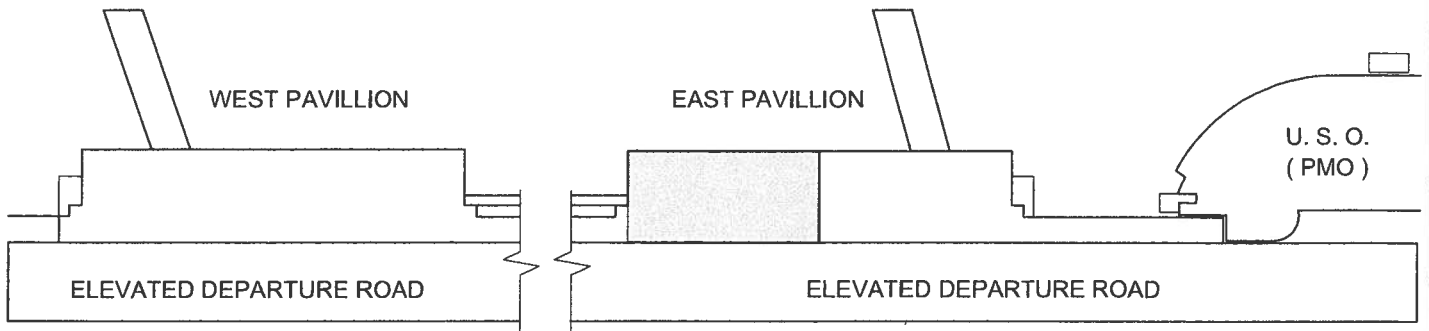
SHEET 2 of 10

EXHIBIT F



SAN DIEGO INTERNATIONAL AIRPORT
'SMART CURB'
ELEVATED ROADWAY

KEY PLAN



AREA = 552 Sq.Ft.

ELEVATED DEPARTURE ROAD

NOTE: DIMENSIONS ARE TAKEN FROM CENTERLINE OF WALL UNLESS NOTED OTHERWISE.

EAST PAVILLION - SECOND FLOOR
COMMON USE SPACE
SHEET 3 of 10

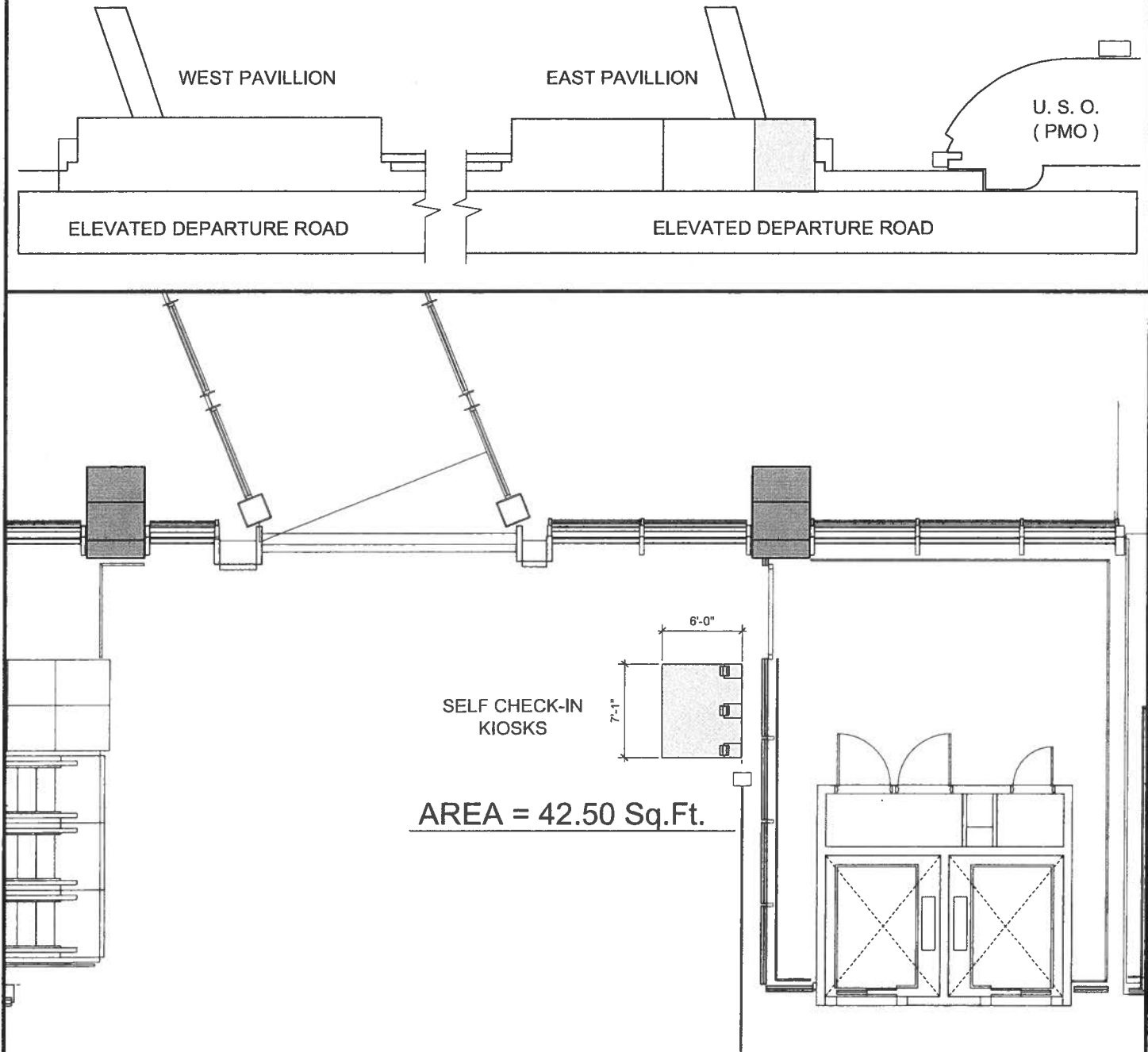
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EXHIBIT F



SAN DIEGO INTERNATIONAL AIRPORT
'SMART CURB'
ELEVATED ROADWAY

KEY PLAN



NOTE: DIMENSIONS ARE TAKEN FROM CENTERLINE OF WALL UNLESS NOTED OTHERWISE.

EAST PAVILLION - SECOND FLOOR
COMMON USE SPACE
SHEET 4 of 10

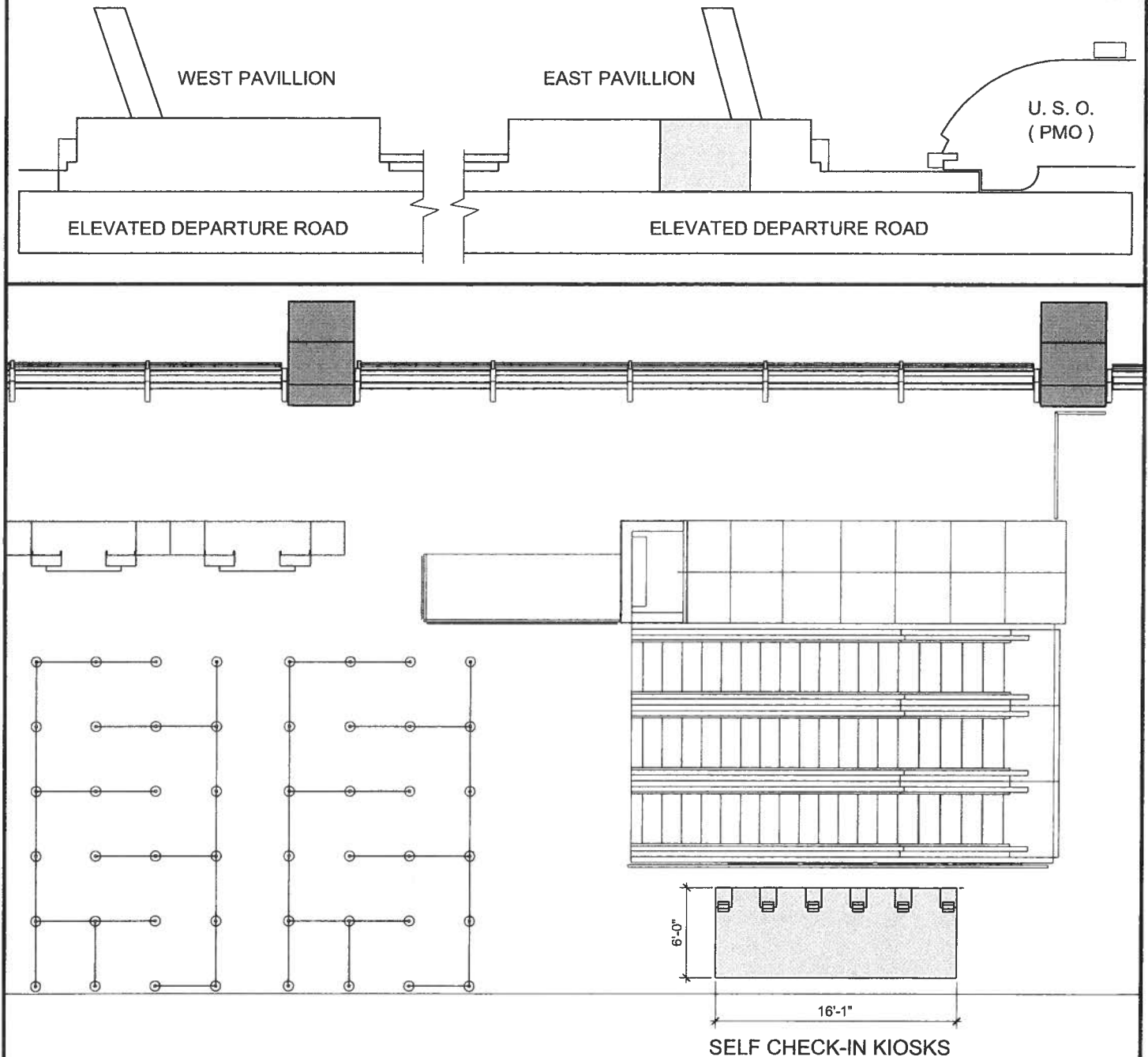
NO SCALE

EXHIBIT F



SAN DIEGO INTERNATIONAL AIRPORT
'SMART CURB'
ELEVATED ROADWAY

KEY PLAN



AREA = 96.50 Sq.Ft.

NOTE: DIMENSIONS ARE TAKEN FROM CENTERLINE OF WALL UNLESS NOTED OTHERWISE.

EAST PAVILLION - SECOND FLOOR
COMMON USE SPACE
SHEET 5 of 10

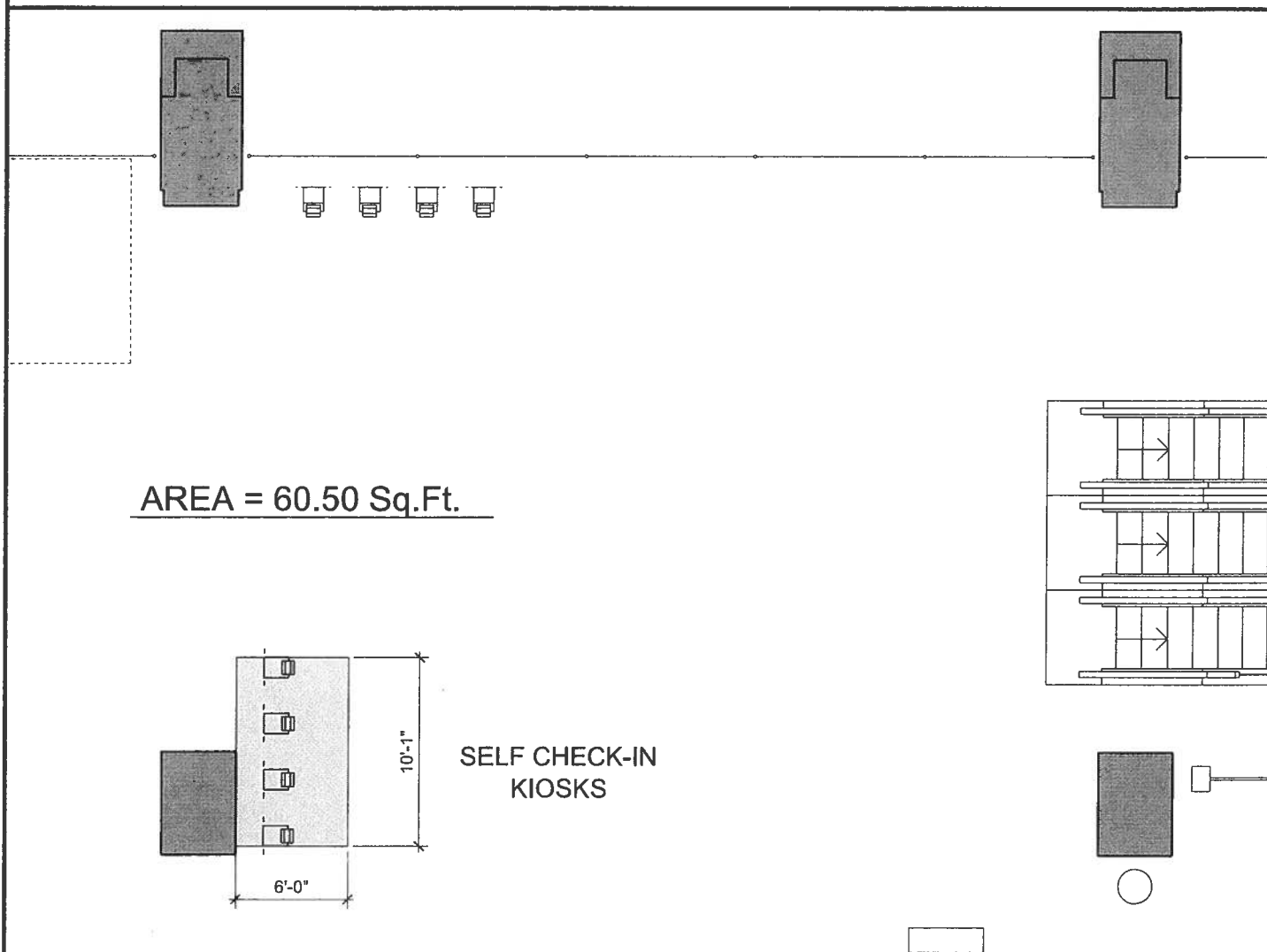
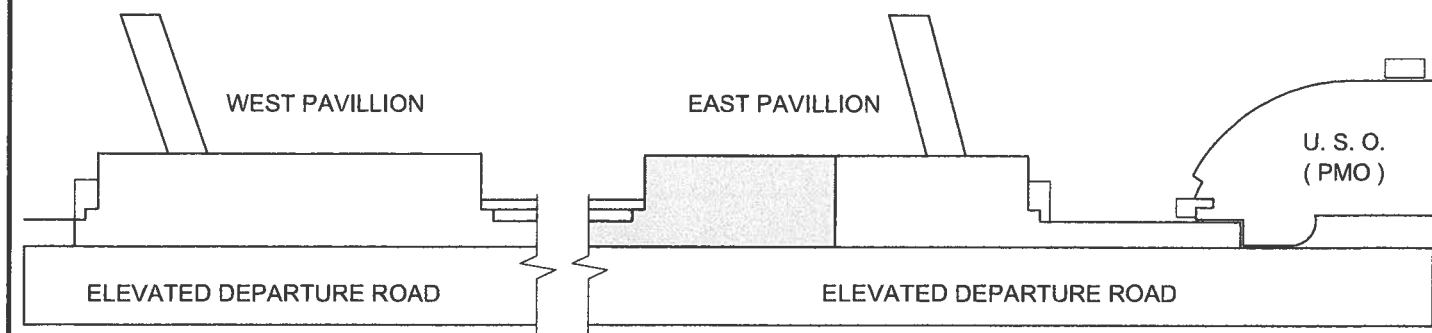
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EXHIBIT F



SAN DIEGO INTERNATIONAL AIRPORT
'SMART CURB'
ELEVATED ROADWAY

KEY PLAN



EAST PAVILLION - FIRST FLOOR COMMON USE SPACE SHEET 6 of 10

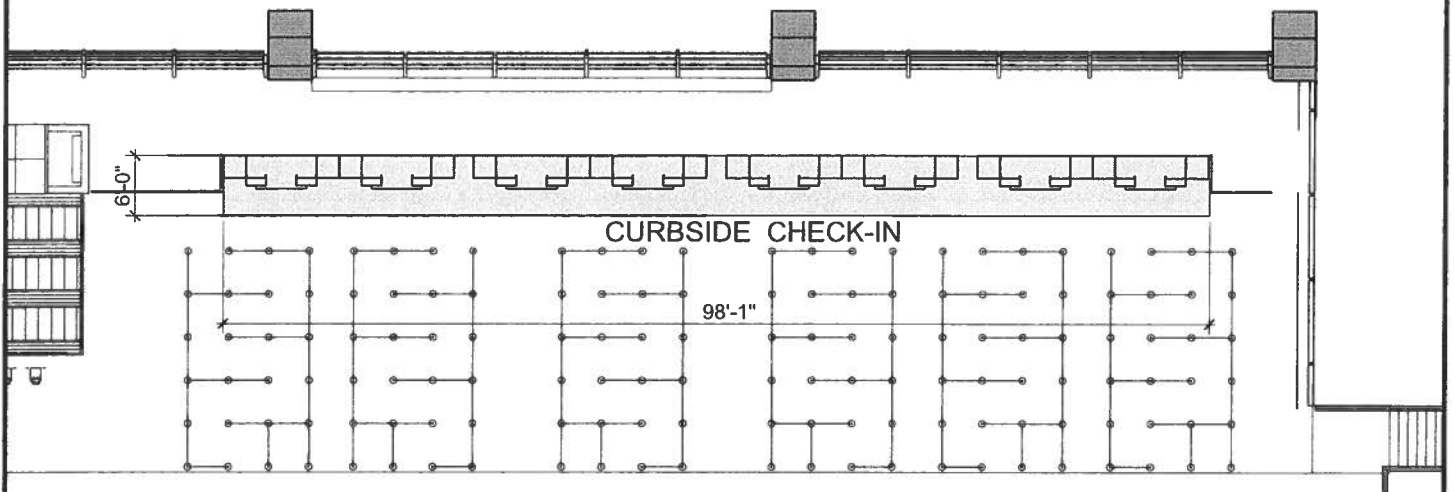
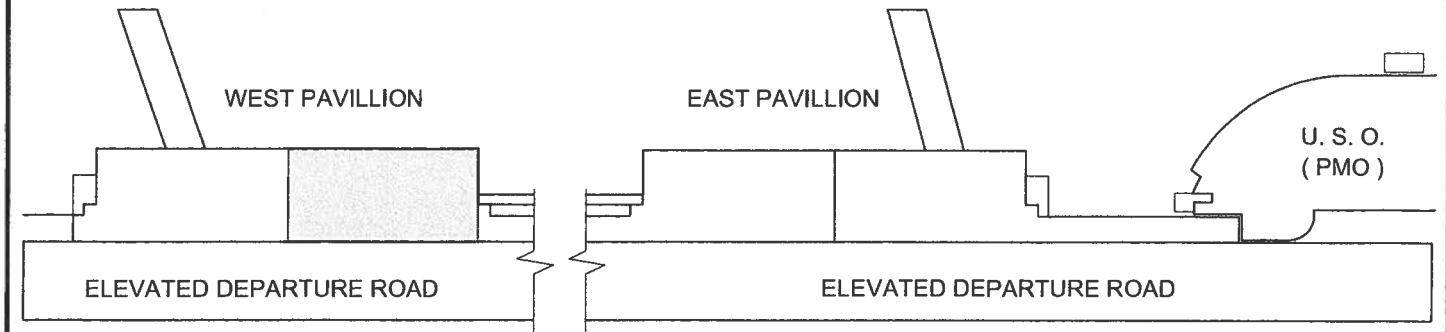
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EXHIBIT F



SAN DIEGO INTERNATIONAL AIRPORT
'SMART CURB'
ELEVATED ROADWAY

KEY PLAN



AREA = 588.50 Sq.Ft.

ELEVATED DEPARTURE ROAD

NOTE: DIMENSIONS ARE TAKEN FROM CENTERLINE OF WALL UNLESS NOTED OTHERWISE.

WEST PAVILLION - SECOND FLOOR
COMMON USE SPACE
SHEET 7 of 10

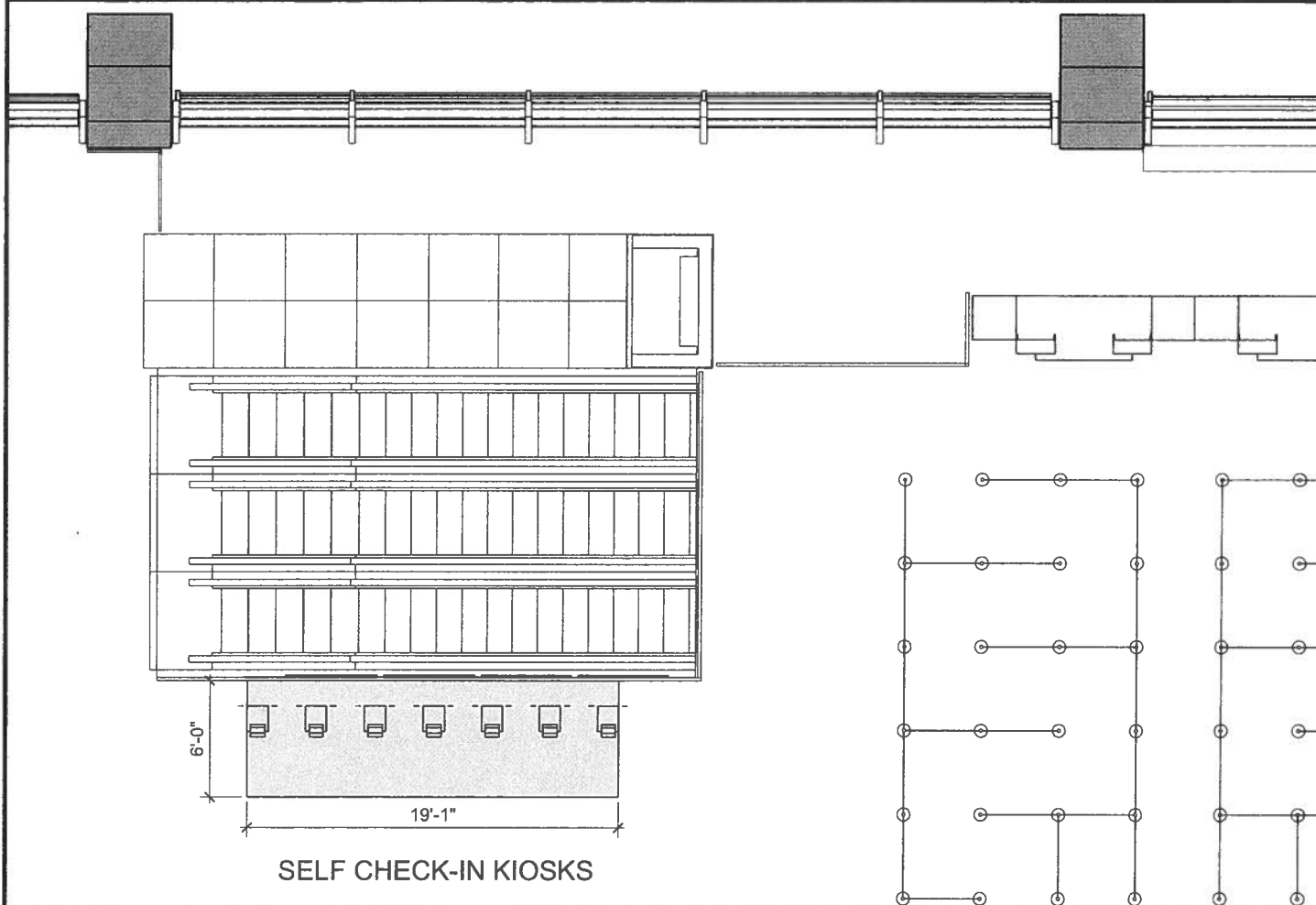
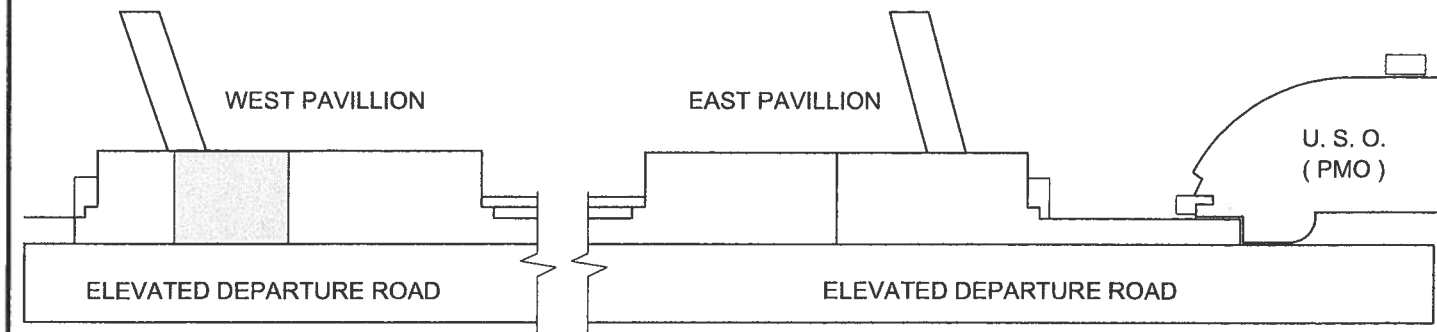
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EXHIBIT F



SAN DIEGO INTERNATIONAL AIRPORT
'SMART CURB'
ELEVATED ROADWAY

KEY PLAN



AREA = 114.50 Sq.Ft.

NOTE: DIMENSIONS ARE TAKEN FROM CENTERLINE OF WALL UNLESS NOTED OTHERWISE.

WEST PAVILLION - SECOND FLOOR
COMMON USE SPACE
SHEET 8 of 10

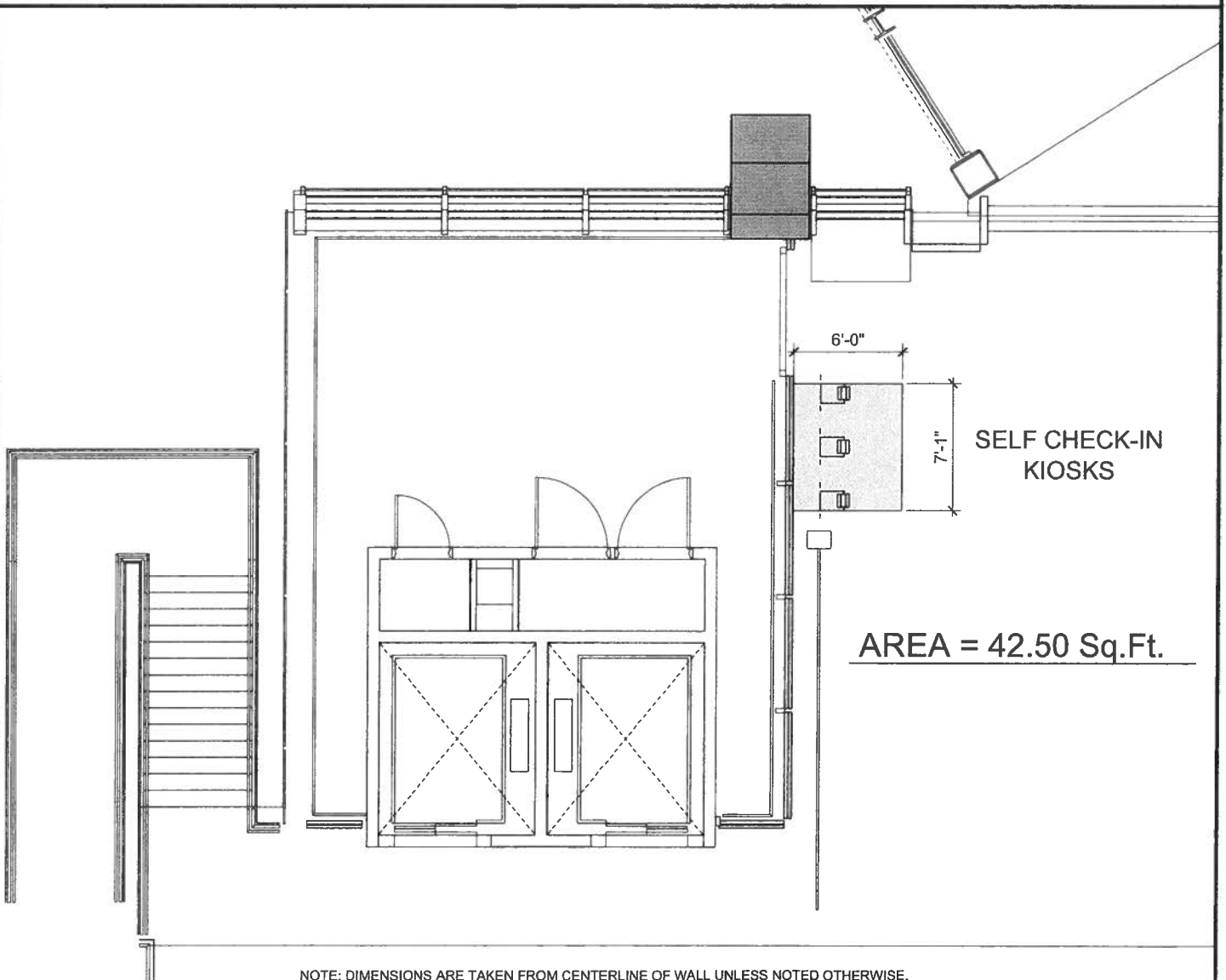
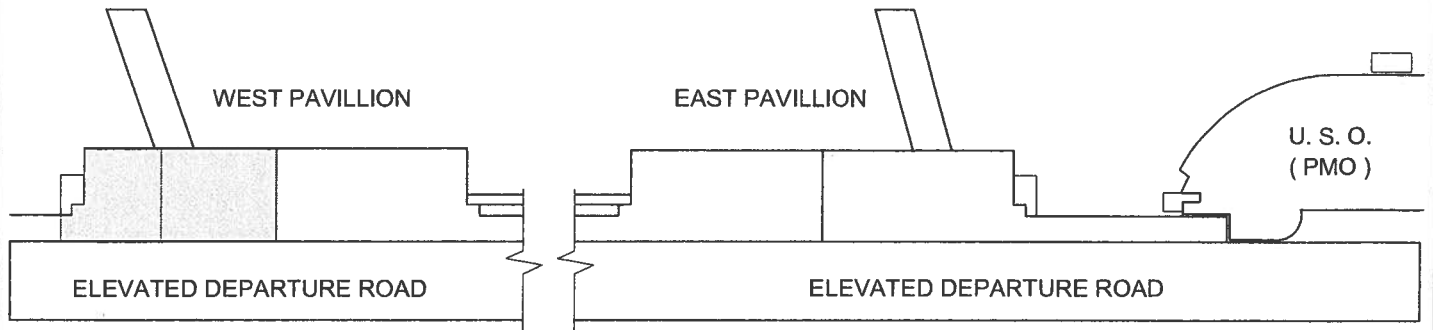
NO SCALE

EXHIBIT F



SAN DIEGO INTERNATIONAL AIRPORT
'SMART CURB'
ELEVATED ROADWAY

KEY PLAN



NOTE: DIMENSIONS ARE TAKEN FROM CENTERLINE OF WALL UNLESS NOTED OTHERWISE.

WEST PAVILLION - SECOND FLOOR
COMMON USE SPACE
SHEET 9 of 10

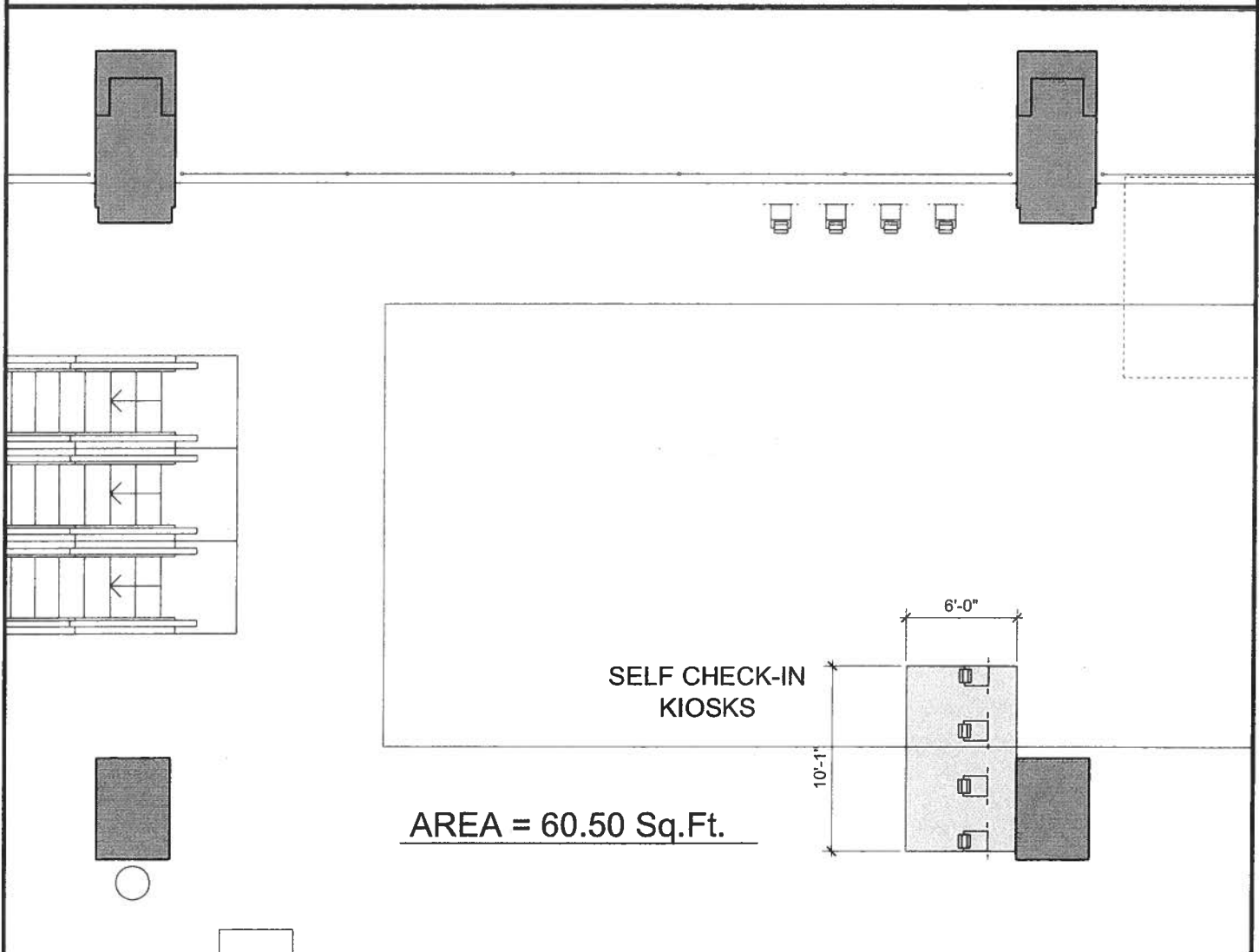
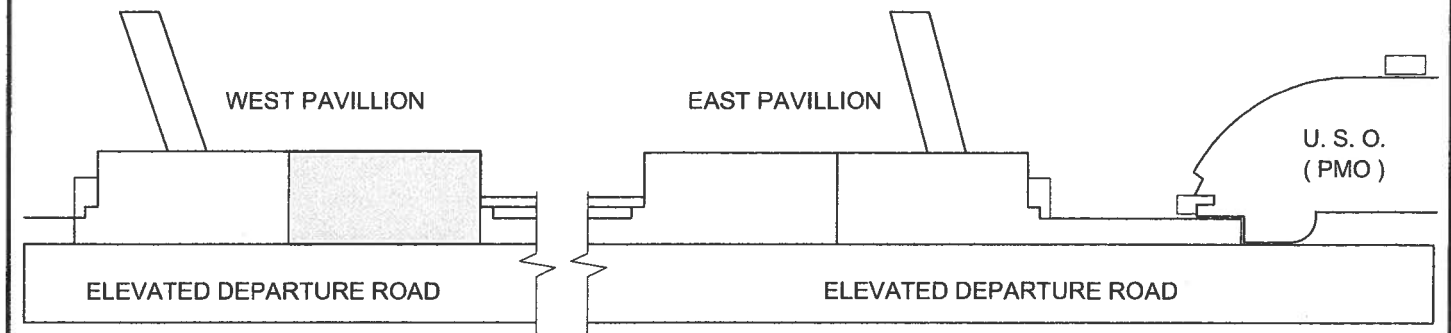
NO SCALE

EXHIBIT F



SAN DIEGO INTERNATIONAL AIRPORT
'SMART CURB'
ELEVATED ROADWAY

KEY PLAN



NOTE: DIMENSIONS ARE TAKEN FROM CENTERLINE OF WALL UNLESS NOTED OTHERWISE.

WEST PAVILLION - FIRST FLOOR
COMMON USE SPACE
SHEET 10 of 10

NO SCALE

EXHIBIT F



NO SCALE

TERMINAL 1 AND 2 TERMINAL ADJACENT AIRCRAFT PARKING POSITIONS

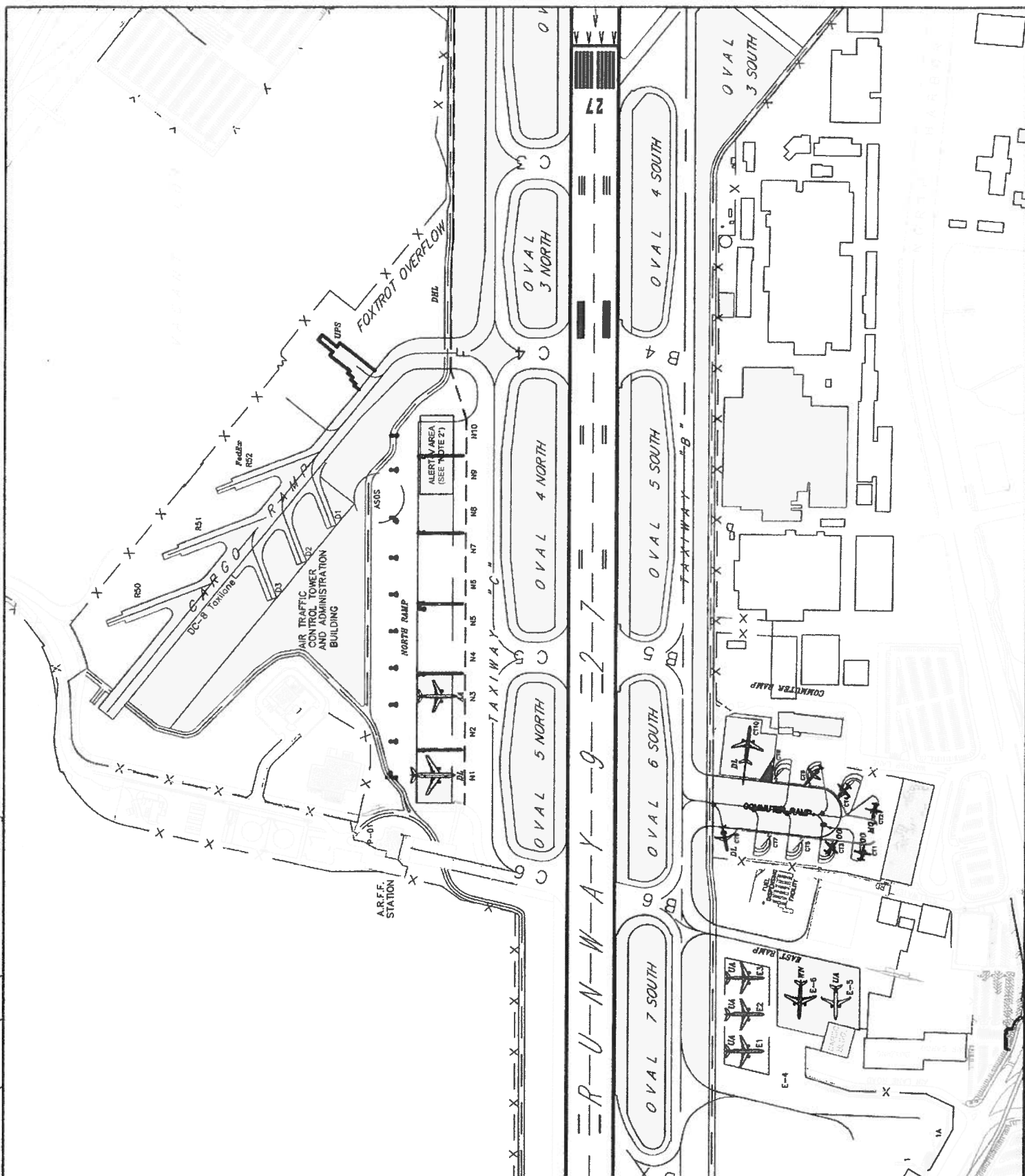
EXHIBIT G

TERMINAL 1 AND 2
RON POSITIONS
SHEET 1 OF 2

EXHIBIT H1

TERMINAL 1 AND 2
 RON POSITIONS
 SHEET 2 OF 2

EXHIBIT H2



METHODOLOGY OF CALCULATING RENTALS, FEES AND CHARGES (Commencing July 1, 2013)

Section I.01 Estimate of Rentals, Fees, and Charges for Each Fiscal Year

For each Fiscal Year, the Authority shall develop an estimated Landing Fee Rate, Terminal Rental Rate, Security Surcharge, and Terminal Adjacent Aircraft Position based on the Authority budget for such Fiscal year and calculated as set forth in this "Exhibit I". Before formally adopting the budget, and any resulting rental, fees, or charges, the Authority shall consult with the Airlines and consider their comments regarding the budget and the calculation of the estimated rentals, fees, and changes.

Section I.02 Adjustment of Rentals, Fees, and Charges During Fiscal Year

The Authority shall review the rentals, fees, and charges throughout the Fiscal Year ("interim review") and at a minimum for January 1 of each Fiscal Year ("mid-year review"). If during any interim or mid-year review the Authority finds that the actual expenses and/or activity levels vary by more than 5% from those originally estimated by the Authority, whether more or less, Authority may, after consultation with the Airlines, adjust the rentals, fees, and charges, calculated as set forth in this "Exhibit I".

Section I.03 Reconciliation of Rentals, Fees and Charges for Fiscal Year

Within seven (7) months after the close of each Fiscal Year, Authority shall calculate the final rentals, fees and charges based on actual expenses and activities for the Fiscal Year for the Landing Fee Rate, Terminal Rental Rate, Security Surcharge – Airfield Area Total Requirement, and Security Surcharge – Terminal Area Total Requirement. Any difference between the rentals, fees, and charges for these charges paid by the airlines versus the rentals, fees, and charges to be paid based on actual expenses and activity for the Fiscal Year and calculated as set forth in this "Exhibit I" shall be either refunded by the Authority to the Airline or Airline shall pay the Authority. Any amount due Airline as a result of such final accounting shall be paid in the form of a cash payment to Airline in the next ensuing month. Any amount due Authority as a result of such final accounting shall be invoiced to AIRLINE and due and payable on or before the tenth (10th) day of the next ensuing month. Authority may deduct from any rates, fees, and charges settlement due AIRLINE any amounts due Authority which are past due by thirty (30) days or more.

Section I.04 Calculation of Landing Fee Rate

The Landing Fee Rate shall be calculated as follows:

- A. **Airfield Area Total Requirement** shall be calculated by totaling the following annual amounts:
 - 1. O&M Expenses attributable or allocable to the Airfield Area.
 - 2. Annual Debt Service attributable or allocable to the Airfield Area.

3. Amortization Charges attributable to the Airfield Area.
 4. Reserve Requirements attributable or allocable to the Airfield Area.
- B. **Airfield Area Adjustments** shall be reductions or credits for revenues and other funding attributable or allocable to the Airfield area including the following:
1. Terminal Adjacent Aircraft Parking Position Charge revenue
 2. Remain Overnight Parking Position Charge revenue
 3. Fuel Flowage Fees (fueling system and general aviation aircraft)
 4. Non-Signatory Landing Fee Revenue
 5. Ground handling concession revenue
 6. Seventy percent (70%) of inflight catering revenue
 7. Federal, State, or local grants received to offset O&M expenses, Annual Debt Service, or other Indenture requirements.
 8. Passenger Facility Charges received and used to offset Annual Debt Service, or other reserve requirements.
- C. **Airfield Area Net Requirement** shall be calculated as the Airfield Area Total Requirement less Airfield Area Adjustments.
- D. **Landing Fee Rate** shall be calculated as the Airfield Area Net Requirement divided by total landed weight.

Section I.05 Calculation of Terminal Rental Rate

The Terminal Rental Rate shall be calculated as follows:

- A. **Terminal Area Total Requirement** shall be calculated by totaling the following annual amounts:
1. O&M Expenses attributable or allocable to the Terminal Area.
 2. Annual Debt Service attributable or allocable to the Terminal Area.
 3. Amortization Charges attributable to the Terminal Area.
 4. Reserve Requirements attributable or allocable to the Terminal Area
- B. **Terminal Area Adjustments** shall be reductions or credits for revenues and other funding attributable or allocable to the Terminal Area including the following:
1. Non-Signatory Airline Terminal Rentals and Joint Use Charges
 2. FIS Use Charges revenue
 3. Custodial contract credit, which is recorded as an operating expense attributable to the Terminal Area cost center on the accounting records of the Authority. As long as the airlines provide this service to the Authority, a credit adjustment is recorded for the rate-setting period.
 4. Federal, State, or local grants received to offset O&M expenses, Annual Debt Service, or other reserve requirements.
 5. Passenger Facility Charges received and used to offset Annual Debt Service, or other reserve requirements.

- C. **Terminal Area Net Requirement** shall be calculated as the Terminal Area Total Requirement less Terminal Area Adjustments.
- D. **Terminal Rental Rate** shall be calculated as the Terminal Area Net Requirement divided by Rentable Premises in the Terminal.
- F. **Allocation of Joint Use and Shared Use Charges to Airline** shall be as follows:
 - 1. Joint use charges shall be allocated among all passenger airlines at Airport per the formula specified in Section 8.03.B of this Agreement, for which the Authority pro-rates the Joint Use Premises rent based on twenty percent (20%) divided by the number of passenger airlines, plus 80 percent (80%) of the monthly rent based on projected Fiscal Year activity, using each airline's total number of Enplaned Passengers as a percentage of all passenger airlines' total Enplaned Passengers.
 - 2. Shared use charges shall be allocated among those passenger airlines at Airport that share one area, including improvements therein, per the formula specified in Section 8.03.C of this Agreement, for which the Authority pro-rates the rent for the Shared Use Premises based on projected Fiscal Year activity, using each airline's Enplaned Passengers as a percentage of the total Enplaned Passengers of all airlines sharing the Shared Use Premises.
 - 3. Common use charges shall be allocated among all passenger airlines located in the CUPPS-Equipped Terminals at Airport per the formula specified in Section 8.03.D of this Agreement, and based on projected Fiscal Year activity, for which the Authority pro-rates the Common Use Premises rent based on twenty percent (20%) divided by the number of passenger airlines located in the CUPPS-Equipped Terminals, plus 80 percent (80%) of each airline's total number of Enplaned Passengers as a percentage of all passenger airlines' total Enplaned Passengers located in the CUPPS-Equipped Terminals.

Section I.06 Calculation of Security Surcharge – Airfield Area Total Requirement

This Security Surcharge – Airfield Area Net Requirement shall be calculated as follows:

- A. **Security Surcharge– Airfield Area Total Requirement** shall be calculated by totaling the following annual amounts:
 - 1. O&M Expenses attributable or allocable to Other Airline Support as a cost of providing security in the Airfield Area.
 - 2. Annual Debt Service attributable or allocable to Other Airline Support as a cost of providing security in the Airfield Area.
 - 3. Amortization Charges attributable to Other Airline Support as a cost of providing security in the Airfield Area.
 - 4. Reserve Requirements attributable or allocable to Other Airline Support as a cost of providing security in the Airfield Area.
- B. **Security Surcharge – Airfield Area Adjustments** shall be reductions or credits for revenues and other funding attributable or allocable to the Other Airline Support as an off-set to a cost for providing security in the Airfield Area, including the following:
 - 1. Federal, State, or local grants received to offset O&M expenses, Annual Debt Service, or other reserve requirement.

2. Passenger Facility Charges received to offset O&M expenses, Annual Debt service or other reserve requirements attributable to the airfield security.
- C. **Security Recovery – Airfield Area Net Requirement** shall be calculated as the Security Surcharge – Airfield Area Total Requirement less Security Surcharge Airfield Area Adjustments.
- D. **Allocation of Security Surcharge Allocation of Security Surcharge – Airfield Area Net Requirement** shall be based on Airline's landing fees paid as a percentage of the total airline landing fees projected for the Fiscal Year.

Section I.07 Calculation of Security Surcharge – Terminal Area Total Requirement

The Security Surcharge – Adjusted Terminal Area Total Requirement shall be calculated as follows:

- A. **Security Surcharge – Terminal Area Total Requirement** shall be calculated by totaling the following annual amounts:
 1. O&M Expenses attributable or allocable to Other Airline Support as a cost of providing security in the Terminal Area.
 2. Annual Debt Service attributable or allocable to Other Airline Support as a cost of providing security in Terminal Area.
 3. Amortization Charges attributable to Other Airline support as a cost of providing security in the Terminal Area.
 4. Reserve Requirements attributable or allocable to Other Airline support as a cost of providing security to the Terminal Area.
 5. Terminal Rent for the security checkpoint areas utilized by the TSA for passenger security screening purposes, calculated as the Terminal Rental Rate multiplied by the square footage set forth in "Exhibit K."
- B. **Security Surcharge – Terminal Area Adjustments** shall be reductions or credits for revenues and other funding attributable or allocable to Other Airline Support as an offset to costs for providing security to the Terminal Area, including the following:
 1. Federal, State, or local grants received to offset O&M expenses, Annual Debt Service, or other reserve requirements.
 2. Passenger Facility Charges received and used to offset Annual Debt Service, or other indenture requirements.
- C. **Security Surcharge – Terminal Area Net Requirement** shall be calculated as the Security Surcharge – Terminal Area Requirement, less Security Surcharge – Terminal Area Adjustments.
- D. **Security Surcharge – Adjusted Terminal Area Net Requirement** shall be calculated as 95% of the Security Surcharge – Terminal Area Net Requirement for each Fiscal Year.
- E. **Allocation of Security Surcharge – Adjusted Terminal Area Total Requirement** shall be based on projected Fiscal Year activity, using each airline's total number of Enplaned Passengers as a percentage of all passenger airlines' total Enplaned Passengers.

Section I.08 Calculation of Terminal Adjacent Aircraft Parking Position Charge

The Overnight Aircraft Parking Position Charge shall be calculated as follows:

- A. **Terminal Adjacent Aircraft Parking Position Requirement** shall be calculated as ten percent (10.0%) of the Airfield Area Net Requirement as calculated in Section I.03 of this "Exhibit I".
- B. **Terminal Adjacent Aircraft Parking Position Charge** shall then be calculated as the Terminal Adjacent Aircraft Parking Position Requirement divided by the total number of Terminal Adjacent Aircraft Parking Positions as shown on "Exhibit G".
- C. Overnight Parking Position Charge shall equal the Terminal Adjacent Aircraft Parking Position Charge.

Section I.09 Calculation of Common Use Systems Support Charges

- A. **Common Use Systems Support Charges** shall be calculated by totaling all O&M Expenses attributable or allocable to the Common Use Systems Support cost center and will be paid for by the Signatory Airlines located in the CUPPS-Equipped Terminals.
- B. **Allocation of Common Use Systems Support Charges** shall be based on projected Fiscal Year activity, using each airline's total number of Enplaned Passengers as a percentage of all passenger airlines' total Enplaned Passengers located in the CUPPS-Equipped Terminals.

AFFILIATE AIRLINE OPERATING AGREEMENT

This Affiliate Airline Operating Agreement (hereinafter "Affiliate Agreement") is made and entered into this _____ day of _____, _____ by and between the San Diego County Regional Airport Authority (hereinafter "Authority") by and through its President/CEO, with principal offices located at San Diego International Airport, PO Box 82776, San Diego, California 92138-2776 (hereinafter "Airport"), and _____, a _____ corporation, with principal offices located at _____, (hereinafter "Airline"), and _____, a _____, with principal offices located at _____, the (hereinafter "Affiliate").

RECITALS

WHEREAS, the Authority, pursuant to the provisions of the San Diego County Regional Airport Authority Act, as amended, California Public Utilities Code §§170,000 *et seq.*, operates and maintains the Airport, located in San Diego, California, and is authorized to grant rights and privileges with respect thereto; and

WHEREAS, Airline is a federally certificated air carrier and is engaged in the Air Transportation Business; and

WHEREAS, Airline and the Authority have previously or simultaneously herewith, entered into an Airline Operating and Lease Agreement (hereinafter "Signatory Operating Agreement"), a copy of which is attached hereto as "Exhibit A", providing for the use of certain facilities at Airport by Airline; and

WHEREAS, Airline is entitled to use Airport facilities, in common with others so authorized, for the sole purpose of engaging in the Air Transportation Business; and

WHEREAS, Affiliate is a federally certificated air carrier who from time to time will provide services for Airline at Airport; and

WHEREAS, Airline and Affiliate desire Affiliate to provide Air Transportation Business at the Airport only for and on behalf of Airline as a service to Airline; and

WHEREAS, references within this Affiliate Agreement to exhibits and definitions of terms as used herein, unless otherwise stated herein, shall be identified and defined as stated in Airline's Signatory Agreement, a copy of which is attached hereto as "Exhibit A"; and

WHEREAS, the Authority, Airline and Affiliate desire to enter into this Affiliate Agreement to set forth the rights, privileges and obligations of the parties and to facilitate the development, promotion and improvement of air commerce.

NOW, THEREFORE, in consideration of the premises and mutual undertakings of the parties hereto, the Authority, Airline and Affiliate agree as follows:

1. **AUTHORITY TO OPERATE.** Affiliate shall be permitted to operate at the Airport for the sole purpose of providing Air Transportation Business on behalf of Airline under the terms

hereof. Affiliate's operations at the Airport shall at all times be deemed to be pursuant to, and shall be in compliance with the Signatory Operating Agreement.

2. TERM. The term of this Affiliate Agreement shall commence on _____, _____, provided however that the term of this Affiliate Agreement shall expire no later than 11:59 p.m. on June 30, 2018. *This Affiliate Agreement may be terminated at any time upon thirty (30) days prior written notice by one party to the other parties.* This Affiliate Agreement shall automatically terminate (a) upon termination of the Signatory Operating Agreement, (b) upon termination of the agreement between Affiliate and Airline for Affiliate to provide services for and on behalf of Airline at the Airport, or (c) if Affiliate has not operated at the Airport during the prior six (6) months from the date of a written notice of termination by the Authority. Termination shall not relieve Airline or Affiliate from any obligation(s) that accrued hereunder prior to termination.

3. AFFILIATE OPERATIONS ATTRIBUTABLE TO AIRLINE. All landings of aircraft, landed weights and passengers associated with Affiliate's operations for and on behalf of Airline shall be attributable to and reported by Airline in accordance with the Signatory Operating Agreement. Airline shall separately and independently report Airline's and any Affiliate's operations for and on behalf of Airline. Affiliate shall remit all reports required to be submitted pursuant to the applicable provisions of the Signatory Operating Agreement.

A. AMOUNT OF AIRLINE RENT FEES AND CHARGES. The same Airline Rent Fees and Charges applicable to Airline's operations shall apply to the Affiliate's operations for and on behalf of Airline.

B. PAYMENT OF AIRLINE RENT FEES AND CHARGES. Payment of the Airline Rent Fees and Charges associated with Affiliate's operations and activities at the Airport shall be made in accordance with and pursuant to the applicable provisions of the Signatory Operating Agreement.

C. RESPONSIBILITY FOR AIRLINE RENT FEES AND CHARGES. Airline shall be responsible for the payment of all Airline Rent Fees and Charges related to both its operations and activities at the Airport and those of the Affiliate for and on behalf of Airline. If the Authority permits an Affiliate to pay such Airline Rent Fees and Charges in whole or in part separately to the Authority, Airline shall remain liable for all unpaid Airline Rent Fees and Charges incurred by its Affiliate. Notwithstanding the payment obligations set forth above, Airline and Affiliate shall be jointly and severally liable for the payment of all Airline Rent Fees and Charges associated with Affiliate's operations and activities at the Airport for and on behalf of Airline. Affiliate and Airline agree that the Authority may seek collection of the Airline Rent Fees and Charges from either Affiliate or Airline without the necessity of resorting to or exhausting any security and without the necessity of first proceeding against the other. Affiliate and Airline hereby waive any right to require the Authority to exercise any right or remedy against the other party prior to seeking collection against either Airline or Affiliate, as applicable.

D. PASSENGER FACILITY CHARGES ("PFCs"). Affiliate, or Airline on behalf of Affiliate, shall remit to the Authority revenues from PFCs imposed or collected for the benefit of the Authority on a monthly basis, and in no event later than the last day of the month following the month in which Affiliate has recorded PFCs in its accounting system as required by 14 CFR 158.51. Failure by Affiliate (or Airline on behalf of Affiliate) to timely remit PFC revenues to the Authority is a breach of this Affiliate Agreement and cause for immediate termination. The parties agree that the PFC revenues when collected are held in trust for the beneficial interest of the Authority as trust funds for all purposes under federal and state law.

4. SECURITY DEPOSIT. Airline or Affiliate shall provide a security deposit in the sum of _____ and 00/100 Dollars \$ _____ to Authority on or before the commencement date of the term of this Affiliate Agreement. The security deposit shall be held by Authority and used to remedy Affiliate's defaults in the payment of Airline Rent Fees and Charges, or both, which are required by the terms of this Affiliate Agreement or which otherwise arise as a result of Affiliate's operations at the Airport.

The security deposit shall be in the form of an irrevocable standby letter of credit drawn on a bank having a branch in San Diego County and having a Moody's Long Term Letter of Credit rating of single A or higher and a Moody's Long Term Deposit rating of single A or higher. Each letter of credit shall be in the form provided at "Exhibit Q" in Airline's Signatory Operating Agreement, attached hereto and by this reference made a part hereof. Variances from the form provided in "Exhibit Q" shall be allowed only with the prior consent of the Authority.

The amount of the security deposit may be adjusted from time to time at the discretion of the President/CEO of the Authority. Following any such adjustment, the amount of the security deposit shall be at least equal to the combined total of three (3) months' estimated obligations by Affiliate to the Authority, said obligations to include, but not be limited to, Airline Rent Fees and Charges under the current requirements of the Affiliate Agreement. In the event the amount of the security deposit is increased, Airline or Affiliate, whichever provided the security deposit, shall submit the additional security deposit within thirty (30) days of being notified in writing of the increase.

Airline or Affiliate, whichever provided the security deposit, shall maintain the required security deposit continuously throughout the term of this Affiliate Agreement. Failure to do so shall be deemed a default and shall be grounds, upon ten (10) days' written notice unless the default is cured, for immediate termination of this Affiliate Agreement in accordance with the terms of this Affiliate Agreement.

The security deposit, or the remaining portion thereof following any draws on the letter of credit by Authority, shall be rebated, released, assigned, surrendered, or endorsed to Airline or Affiliate, as applicable, no later than ninety (90) days after the termination of this Agreement.

5. INDEMNIFICATION AND INSURANCE

A. INDEMNIFICATION. Affiliate shall, to the fullest extent permitted by law, defend, indemnify and hold harmless Authority and its Board, officers, officials, directors, employees, volunteers and agents from and against (i) any and all liability, damages, losses, expenses, claims, judgments, or demands, including attorneys' fees and court costs ("claims"), arising directly or indirectly from any act or omission of Affiliate, its employees, agents, and representatives or out of the obligations undertaken in connection with or the performance of this Affiliate Agreement, or (ii) for claims based upon Airline's alleged breach of any statutory duty or obligation or Affiliate's duty under contracts with third parties, or (iii) arising from any defect in any part of the Airline Leased Premises, except for those claims arising out of the sole active negligence or willful misconduct of Authority. The obligations in this Article shall apply for the entire time that any third party can make a claim against or sue Authority for liabilities arising out of Affiliate's use, occupancy, or operation of the Airline Leased Premises or Airport.

B. **INSURANCE.** Affiliate shall procure, at its expense, and maintain at all times during the term of this Affiliate Agreement, the types and amounts of insurance specified in "Exhibit P" to Airline's Signatory Operating Agreement, a copy of which is attached hereto and incorporated by reference herein. The specified insurance described in 1 and 2 in "Exhibit P" shall include and insure Authority, its Board, officers, employees and agents, their successors and assigns, as additional insureds, against the areas of risk associated with this Affiliate Agreement in a form satisfactory to Authority to protect against loss from liability imposed by law for damages on account of bodily injury, including death resulting therefrom, and property damage suffered or alleged to be suffered by any person or persons whatsoever resulting directly or indirectly from any act, omission or activity of Affiliate, or any person acting for it or under its control or direction, or any person authorized by it to use the Airline Leased Premises.

Each specified insurance policy (other than Worker's Compensation, Employers' Liability and Property Risk Insurance) shall contain a Severability of Interest (Cross Liability) clause which states, "It is agreed that the insurance afforded by this policy shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability," and a Contractual Endorsement which shall state, "Such insurance as is afforded by this policy shall also apply to liability assumed by the insured under the insured's Affiliate's Agreement with Authority."

All such insurance shall be primary and noncontributing with any other insurance held by Authority where liability arises out of or results from the acts of omissions of the Affiliate or those of its agents, employees, officers, assigns, or any person or entity acting for or on behalf of Affiliate.

Authority shall have no liability for any premiums charged for such coverage(s). The inclusion of Authority, its Board, officers, employees, and agents, their successors and assigns, as additional insureds is not intended to, and shall not make them, or any of them, a partner or joint venturer with the Affiliate in Affiliate's operations at Airport or in the performance of this Affiliate Agreement. In the event Affiliate fails to furnish Authority with evidence of insurance and maintain the insurance as required, Authority upon ten (10) days prior written notice to comply, may (but shall not be required to) terminate this Affiliate Agreement.

At least thirty (30) days prior to the expiration date of the above policies, documentation showing that the coverage has been renewed or extended shall be filed with Authority. If such coverage is canceled or reduced, Affiliate shall, within fifteen (15) days of such notice of cancellation or reduction of coverage, file with Authority evidence that the required insurance has been reinstated or provided by another insurance company or companies.

Affiliate shall provide proof of all specified insurance and related requirements to Authority either by production of the actual insurance policy, by use of Authority's own endorsement form(s), by broker's letter reasonably acceptable to the President/CEO in both form and content in the case of foreign insurance syndicates, or by other written evidence of insurance reasonably acceptable to the President/ CEO. The documents evidencing all specified coverage shall be filed with Authority prior to Affiliate performing under this Affiliate Agreement or using the Airport. The documents shall contain the applicable policy number, the inclusive dates of policy coverage, and the insurance carrier's number, address, and telephone number, shall bear an original signature of an authorized representative of said carrier, and shall provide that such insurance shall not be subject to cancellation, reduction in coverage, or non-

renewal except after written notice by certified mail, return receipt requested, to the Authority at least thirty (30) days prior to the effective date thereof. Authority reserves the right to have submitted to it, upon request, all pertinent information about the agent, broker and carrier providing such insurance.

Acceptable evidence of proof of insurance shall be mailed to the Authority as follows:

San Diego County Regional Airport Authority
Attention: Risk Management Dept.
P.O. Box 82776
San Diego, CA 92138-2776

Submission of insurance from a non-California admitted carrier is subject to the provisions of California Insurance Code §§ 1760-1780, and any laws, ordinances or other regulations and/or directives from the State of California's Department of Insurance or other regulatory board or agency. Affiliate agrees, except where legally exempted, to provide Authority with proof of said insurance by and through a surplus line broker licensed by the State of California.

The procuring of such required policies of insurance shall not be construed to limit Affiliate's liability hereunder, nor to fulfill the indemnification provisions and requirements of this Affiliate Agreement. Notwithstanding said policies of insurance, and only to the extent consistent with the obligations of Affiliate set forth elsewhere in this Affiliate Agreement, Affiliate shall be obligated for the full and total amount of any damage, injury or loss caused by its intentional misconduct, negligence or neglect connected with this Affiliate Agreement or with its use of Airport.

Any deductibles or self-insured retentions must be declared and acceptable to Authority. At the option of Authority and upon written notice to Affiliate, Affiliate shall, (1) cause the insurer shall either reduce or eliminate such deductibles or self-insured retentions as respects Authority, its Board, officers, officials, and employees, or (2) Affiliate shall procure a bond or letter of credit guaranteeing payment of losses and related investigations, claim administration, and defense expenses in an amount equal to the unaccepted deductible or self-insurance retention.

Authority shall retain the right at any time to review the coverage, form, and amount of the insurance required herein. If, in the opinion of Authority, the insurance provisions in this Affiliate Agreement do not provide adequate protection for Authority and/or for members of the public, Authority may require Affiliate to obtain increased insurance sufficient in coverage, form, and amount to provide adequate protection. Authority's requirements shall be reasonable, but shall be designed to assure protection from and against the kind and extent of risk which exist at the time a change in insurance is required.

Provisions of this Article as to the maintenance of insurance shall not be construed as limiting in any way the extent to which Affiliate may be held responsible for the payment of damages to persons or property resulting from its activities or the activities of any person or persons for which it is otherwise responsible.

6. **NON-LIABILITY OF AUTHORITY.** Authority shall not be liable to Affiliate for any diminution or deprivation of its rights hereunder on account of any such laws, ordinances, statutes, rules, regulations, orders, limitations, restrictions, prohibitions, directives, or resolutions. In the event, however, that any such laws, ordinances, statutes, rules, regulations, orders, limitations, restrictions, prohibitions, directives, or resolutions, shall so interfere with the conduct of Affiliate's activities and business operations under this Affiliate Agreement as to constitute a termination in whole or in part of this Affiliate Agreement by operation of law in accordance with the laws of the State of California, Affiliate shall have the right to terminate this Affiliate Agreement and thereby be relieved of all future obligations and duties hereunder. In no event, however, shall such termination impose any liability upon Authority, or obligate Authority to make any payment to Affiliate.

7. **ASSIGNMENT OR TRANSFER BY OPERATING AFFILIATE.** Affiliate shall not sell, transfer or assign this Affiliate Agreement or any part hereof. The rights and privileges granted to Affiliate hereunder shall not be assigned or transferred and are for the sole benefit of Affiliate and Airline.

8. **SIGNS AND ADVERTISING.** Affiliate shall not place any signs, posters, or advertising devices whatsoever on, within, or about the Airport Facilities without the prior written approval of the President/CEO or his or her authorized representative.

9. **COMPLIANCE WITH LAWS, RULES & REGULATIONS.** This Affiliate Agreement and the use of the Airline Leased Premises and Airport Facilities covered by this Affiliate Agreement by Affiliate and the conduct of Affiliate's business shall be subject to and Affiliate agrees to comply with, any and all applicable laws, ordinances, statutes, rules, federal grant assurances, regulations, orders, limitations, restrictions, or prohibitions of any governmental authority, federal or state, including those adopted by Authority, lawfully exercising authority over Airport or the activities and business operations of Affiliate .

The right to use the Airport and the Airfield Area covered by this Affiliate Agreement is restricted in accordance with the published "Rules and Regulations, San Diego International Airport" of the Authority, which are currently located at http://www.san.org/documents/airport_rules_regulations.pdf. Affiliate agrees to fully comply with the provisions of Section 9.40 of the Authority's Code which contain time of day and other use restrictions on aircraft operations.

10. **LICENSES AND PERMITS.** Affiliate shall obtain and keep in force, at its own expense, all permits and licenses required by any governmental units or agencies having lawful jurisdiction thereof.

11. **TAXES.** Affiliate shall pay all taxes lawfully assessed against Affiliate's operations hereunder; provided, however, that Affiliate shall not be deemed to be in default of its obligations hereunder for failure to pay such taxes pending any legal proceeding instituted to determine the validity of such taxes.

12. **AUTHORITY'S RESERVATION OF RIGHTS.** Any provision of this Affiliate Agreement to the contrary notwithstanding, the Authority shall have the absolute right to make any repairs, alteration and additions to the Airport and Airfield Area at the Airport Facilities as it sees fit, regardless of the desires or views of Affiliate, without interference or hindrance, and free from any and all liability to Affiliate for loss of business or damage of any nature whatsoever, occasioned during the making of such repairs, alterations and additions.

The Authority reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Affiliate from erecting, or permitting to be erected, any building or other structure which, in the sole opinion of the Authority, would limit the usefulness of the Airport, or constitute a hazard to aircraft.

It is hereby agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right prohibited by federal law, and the Authority reserves the right to grant to others the privilege and right of conducting any one or all activities of an aeronautical nature.

Authority reserves the right to further develop or improve the Airport as it sees fit, regardless of the desires or view of Affiliate and without interference or hindrance.

13. COVENANTS AGAINST DISCRIMINATION.

A. TITLE 49 OBLIGATIONS. Affiliate for itself, its heirs, personal representatives, 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 premises described in this Affiliate Agreement for a purpose for which a DOT program or activity is extended or for another purpose involving the provisions of similar services or benefits, Affiliate shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

B. NO EXCLUSION FROM PARTICIPATION. Affiliate for itself, its personal representatives, 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: (i) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (ii) 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 the benefits of, or otherwise be subject to discrimination; and (iii) that Affiliate shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

C. BREACH OF NONDISCRIMINATION COVENANT. In the event of breach of any of the above nondiscrimination covenants by Affiliate, Authority shall have the right to terminate this Affiliate Agreement and to reenter and repossess said land and the facilities thereon, and hold the same as if said Affiliate Agreement had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed, including expiration of appeal rights.

D. NONDISCRIMINATION IN ACCOMMODATIONS. Affiliate shall furnish its accommodations and/or services on a fair, equal, and not unjustly discriminatory basis to all

users thereof, and it shall charge fair, reasonable, and not unjustly discriminatory prices for each unit or service; provided that Affiliate may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

E. MATERIAL BREACH. Noncompliance with the above shall constitute a material breach hereof and in the event of such noncompliance Authority shall have the right to terminate this Affiliate Agreement and the rights or estate hereby created without liability therefore or at the election of Authority or the United States either or both shall have the right to judicially enforce these provisions.

F. OTHER AGREEMENTS. Affiliate agrees that it shall insert subsections A through E, above, in any agreement by which said Affiliate grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the premises herein covered by this Affiliate Agreement.

G. AFFIRMATIVE ACTION PROGRAM. Affiliate assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure 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. Affiliate 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. Affiliate assures that it will require that its covered sub-organizations provide assurances to Affiliate that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 CFR 152, Subpart E, to the same effect.

14. FEDERAL GOVERNMENT AGREEMENTS AND RIGHTS.

A. FUTURE AGREEMENTS. This Affiliate Agreement shall be subordinate to the provisions and requirements of any existing or future agreement between the Authority and the United States of America relative to the development, operation or maintenance of the Airport.

B. RIGHT OF FLIGHT. There is hereby reserved to Authority, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the premises covered by this Affiliate Agreement. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from, or operation on the Airport premises.

C. 14 C.F.R. PART 77, OBSTRUCTIONS IN NAVIGABLE AIRSPACE. Affiliate agrees to comply with the notification and review requirements covered in 14 Code of Federal Regulations ("C.F.R.") Part 77 of the Federal Aviation Regulations, in the event future construction of a building is planned for the premises covered by this Affiliate Agreement, or in the event of any planned modification or alteration of any present or future building or structure situated on said premises.

D. NO OBSTRUCTIONS. Affiliate, by accepting this Affiliate Agreement, expressly agrees for itself, its successors, and assigns that it will not erect nor permit the erection of any structure or object nor permit the growth of any tree on the land rented hereunder above the mean sea level elevation of zero (0) feet for the Airfield Areas, and fifty (50) feet for all other areas covered by this Affiliate Agreement. In the event the aforesaid covenants are breached, Authority reserves the right to enter upon the land covered by this Affiliate Agreement and to

remove the offending structure or object or cut the offending tree, all of which shall be at the expense of Airline.

E. NO INTERFERENCE. Affiliate by accepting this Affiliate Agreement agrees for itself, its successors, and assigns that it will not make use of the premises covered by this Affiliate Agreement in any manner which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, Authority reserves the right to enter upon the premises hereby covered by this Affiliate Agreement and cause the abatement of such interference at the expense of Airline.

F. NO EXCLUSIVE RIGHTS. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of § 308a of the Federal Aviation Act of 1958 (49 U.S.C. § 40103; P.L. 103-272; 108 STAT. 1102, and as may be amended).

15. WAR OR NATIONAL EMERGENCY. This Affiliate Agreement and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of said Airport or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency.

16. CERTIFICATIONS. Affiliate shall provide the Authority with such proof that Affiliate is a validly licensed and federally certificated airline and authorized to do business and is in good standing in California, all as may be reasonably requested by the Authority. Affiliate shall further complete such certificates as may be reasonably requested by the Authority in connection with the execution of public contracts or as may be required by law.

17. NOTICES. All notices, communications, statements or payments require by this Affiliate Agreement shall be sent to the following addresses:

A. TO AUTHORITY:
San Diego County Regional Airport Authority
PO Box 82776
San Diego, CA 92138-2776
Attention: _____

B. TO AFFILIATE:

C. TO AIRLINE:

Parties hereto shall give written notice of any change of address.

18. SECTION HEADINGS. The section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of this Affiliate Agreement.

19. ENTIRE AGREEMENT. This instrument contains the entire Affiliate Agreement between the parties and all prior negotiations and agreements are merged herein. No party has made any representations except those expressly set forth, and no rights or remedies are, or shall be acquired by either party by implication or otherwise unless expressly set forth. By affixing its signature hereto, Affiliate acknowledges receipt of the Signatory Operating Agreement which is attached to this Affiliate Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Affiliate Agreement to be executed on their behalf by their respective duly authorized officers, all as of the day and year first above written.

APPROVED AS TO FORM

**SAN DIEGO COUNTY REGIONAL
AIRPORT AUTHORITY**

By: _____
Breton K. Lobner
General Counsel

By: _____
Name: _____
Title: _____

AIRLINE

AIRLINE

By: _____
Print Name: _____
Print Title: _____

By: _____
Print Name: _____
Print Title: _____

AFFILIATE

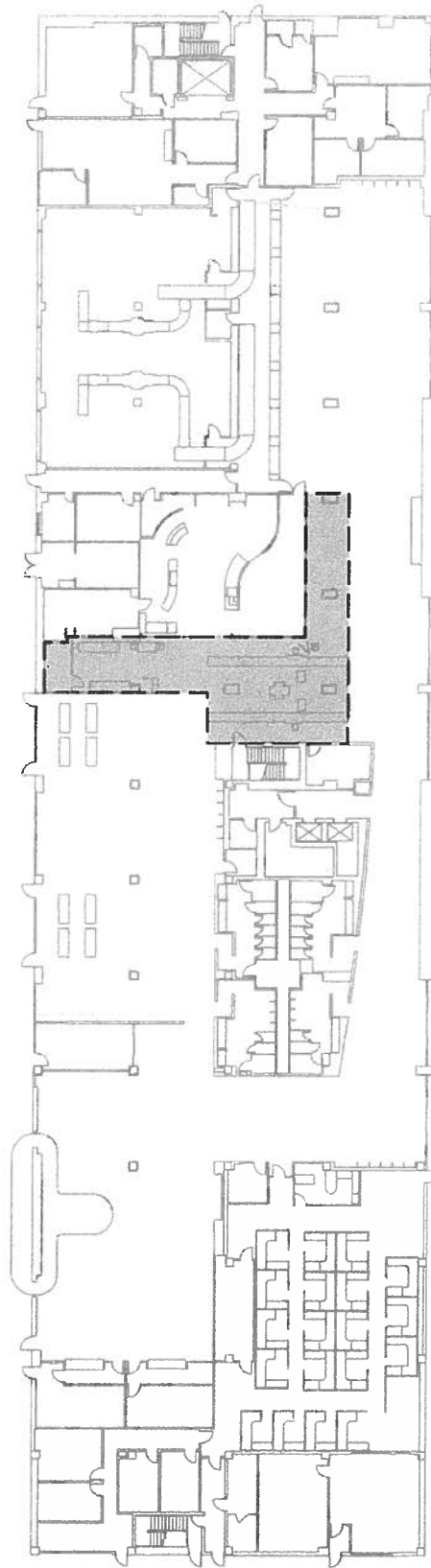
AFFILIATE

By: _____
Print Name: _____
Print Title: _____

By: _____
Print Name: _____
Print Title: _____

LEGEND

 2,053 SQUARE FEET



NO SCALE

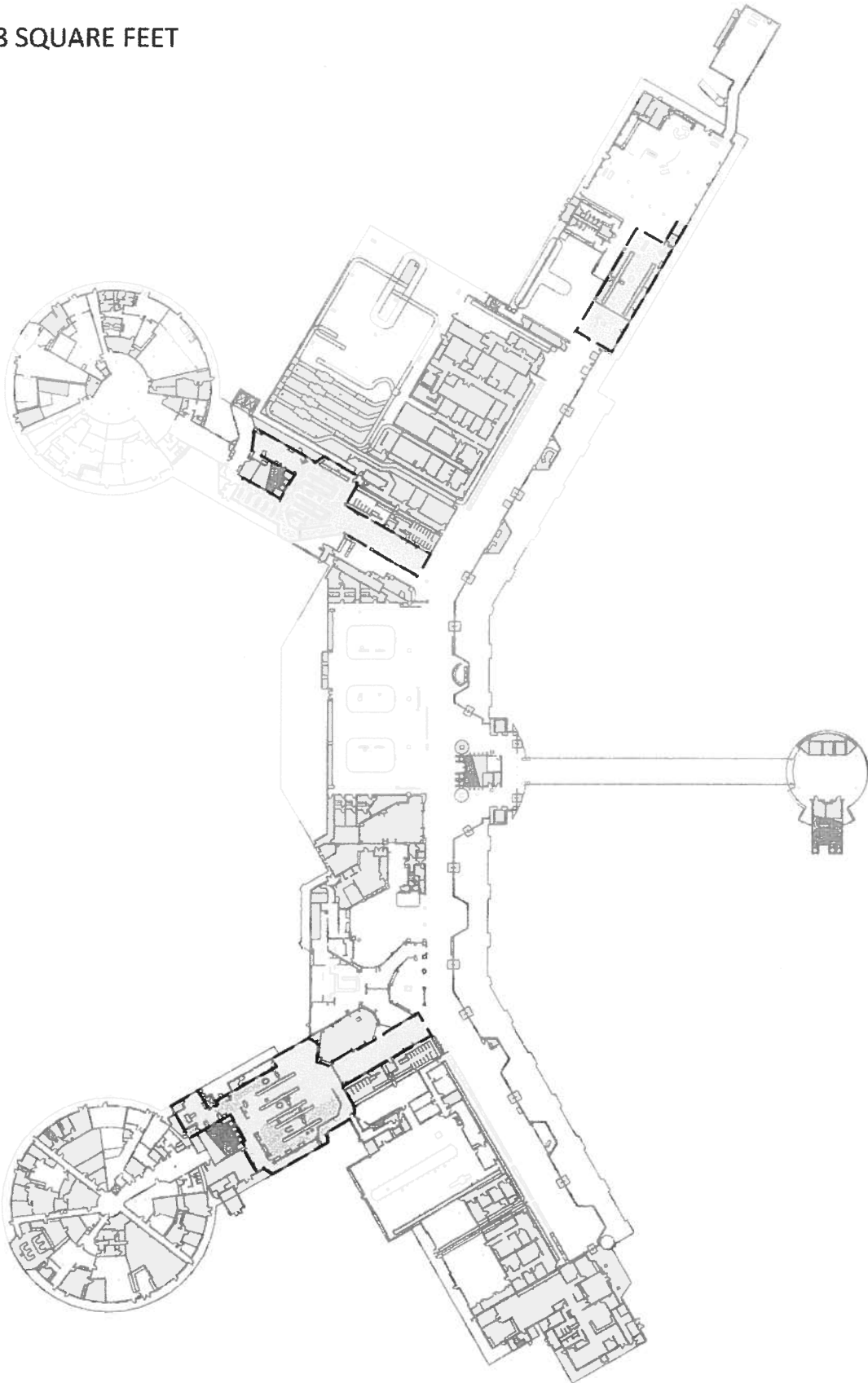
COMMUTER TERMINAL - FIRST FLOOR
SECURITY CHECKPOINT

EXHIBIT K

LEGEND



19,518 SQUARE FEET



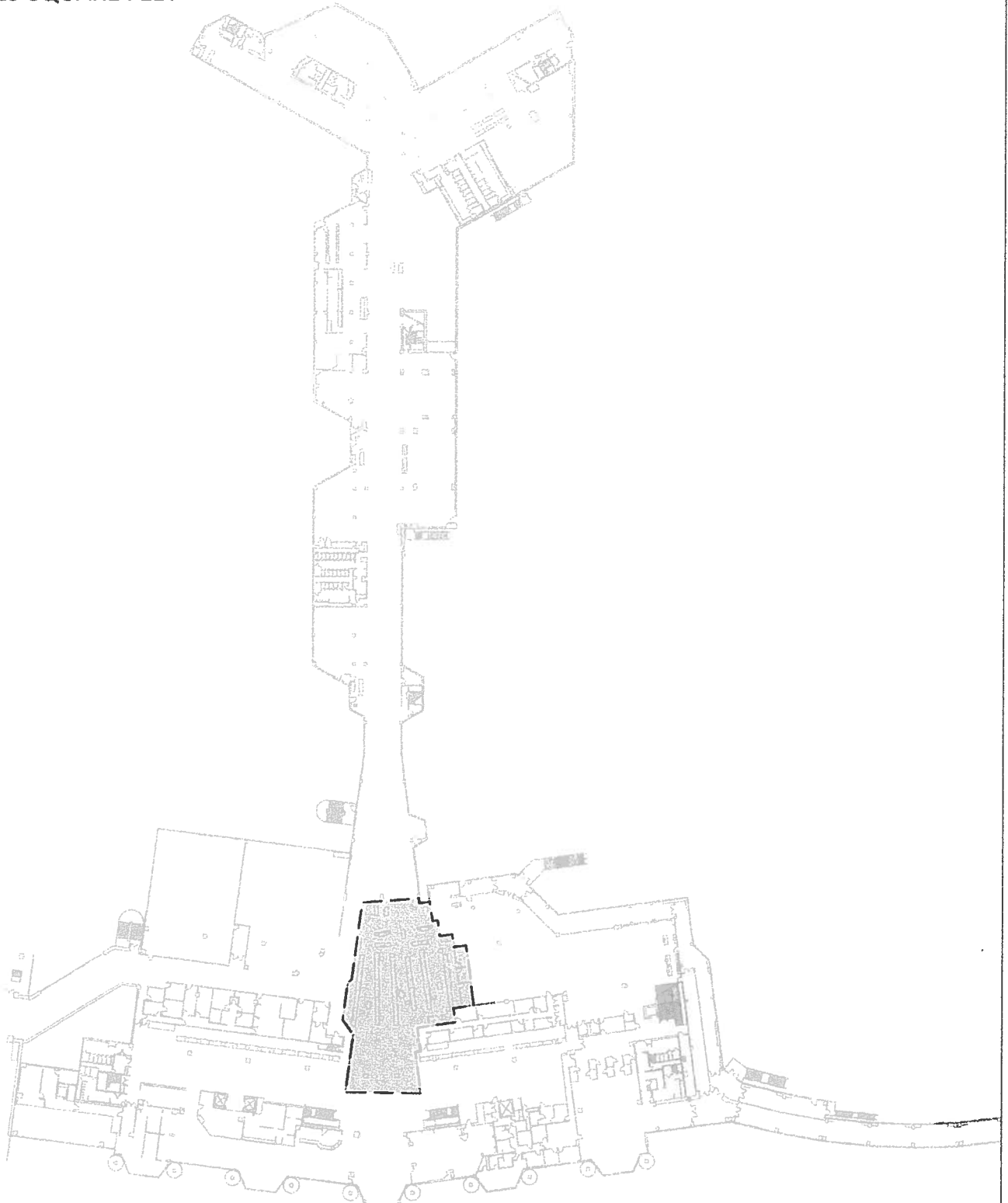
TERMINAL 1 - FIRST FLOOR
SECURITY CHECKPOINT
SHEET 1 OF 1

NO SCALE

EXHIBIT K

LEGEND

 8,019 SQUARE FEET



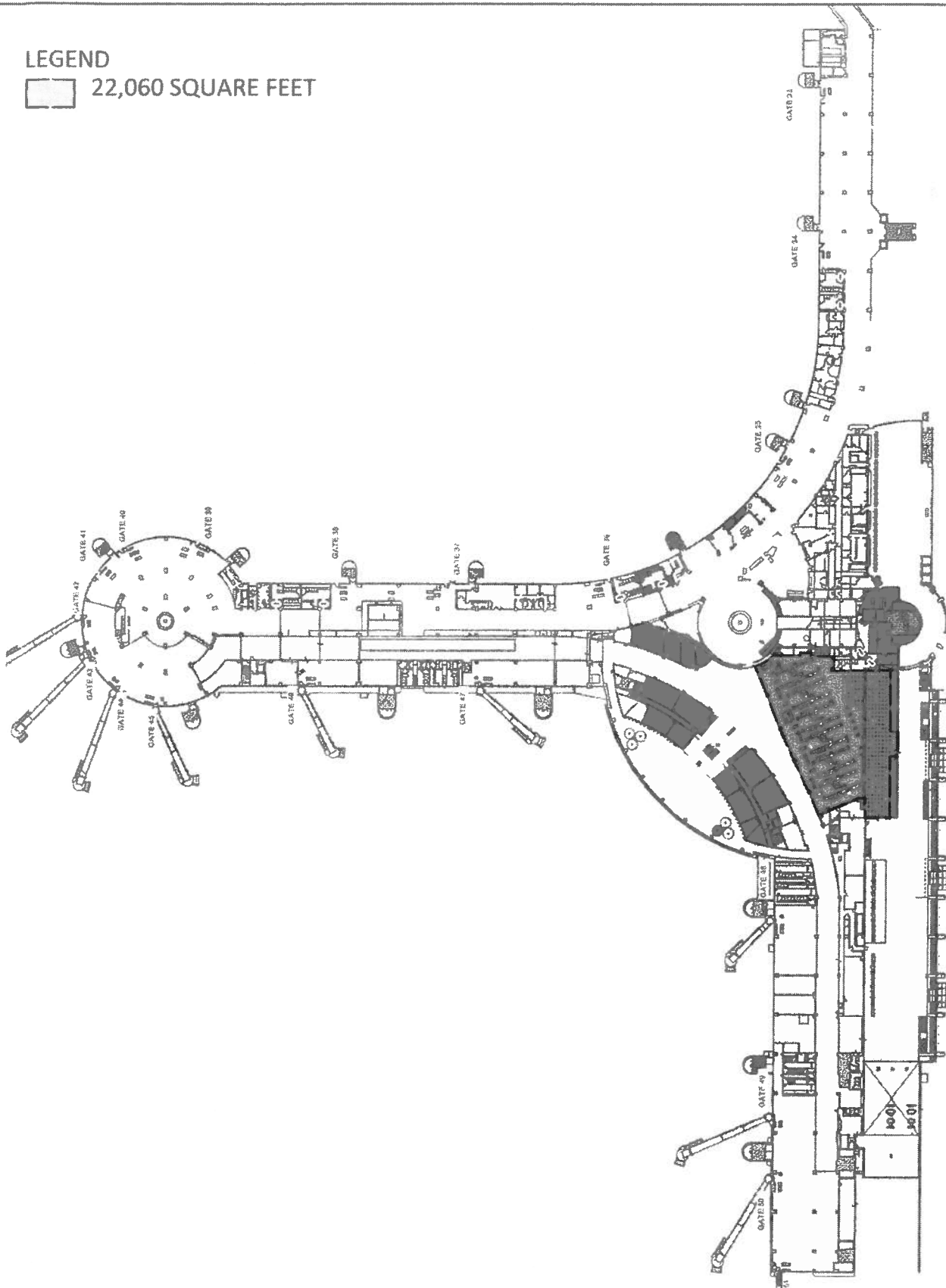
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TERMINAL 2 EAST - SECOND FLOOR
SECURITY CHECKPOINT
SHEET 1 OF 1

EXHIBIT K

LEGEND

22,060 SQUARE FEET



NO SCALE

TERMINAL 2 WEST - SECOND FLOOR
SECURITY CHECKPOINT
SHEET 1 OF 1

EXHIBIT K

PREFERENTIAL USE GATE ASSIGNMENTS
(Secondary Use Gate Assignments)
Effective July 1, 2013

Terminal 1	
Gate 1	Southwest
Gate 1A	SDCRAA
Gate 2	Southwest
Gate 3	Southwest
Gate 4	Southwest
Gate 5	Southwest
Gate 6	Southwest
Gate 7	SDCRAA
Gate 8	SDCRAA
Gate 9	SDCRAA
Gate 10	SDCRAA
Gate 11	United
Gate 12	United
Gate 13	United
Gate 14	United
Gate 15	United
Gate 16	Alaska
Gate 17	Alaska
Gate 18	Alaska

Commuter Terminal	
Parking Position 1	United
Parking Position 2	American Eagle & Seaport
Parking Position 3	United
Parking Position 4	American Eagle
Parking Position 5	United
Parking Position 6	American Eagle
Parking Position 7	Delta
Parking Position 8	Delta
Parking Position 9	Delta

Terminal 2	
Gates 20-22 (International Gates)	SDCRAA (British Airways, Japan, Volaris, Air Canada, WestJet, Hawaiian, Allegiant)
Gate 23	SDCRAA (JetBlue)
Gate 24	SDCRAA
Gate 25	Virgin America
Gate 26	SDCRAA
Gate 27	American
Gate 28	SDCRAA (Frontier)
Gate 29	American
Gate 30	Spirit
Gate 31	American
Gate 32	American
Gate 33	US Airways
Gate 34	US Airways
Gate 35	United
Gate 36	United
Interim Gate 42	SDCRAA
Gate 37 closed, Interim Gate 43	US Airways
G38 closed, Gate 44	Delta
G39 closed, Gate 45	Delta
G40 closed, Gate 46	Delta
G41 closed, Gate 47	Delta

American Eagle & SeaPort operate at Gates 1 & 2
United Express, Delta operate at Gates 3 & 4

PREFERENTIAL USE GATE ASSIGNMENTS
(Secondary Use Gate Assignments)
Effective August 13, 2013

Terminal 1	
Gate 1	Southwest
Gate 1A	SDCRAA
Gate 2	Southwest
Gate 3	Southwest
Gate 4	Southwest
Gate 5	Southwest
Gate 6	Southwest
Gate 7	SDCRAA
Gate 8	SDCRAA
Gate 9	SDCRAA
Gate 10	SDCRAA
Gate 11	SDCRAA
Gate 12	SDCRAA
Gate 13	SDCRAA (Alaska)
Gate 14	Alaska
Gate 15	Alaska
Gate 16	Alaska
Gate 17	Alaska
Gate 18	Alaska

Terminal 2	
Gate 20-22 (International Gates)	SDCRAA (British Airways, Japan, Volaris, Air Canada, WestJet, Hawaiian, Allegiant)
Gate 23	JetBlue
Gate 24	SDCRAA
Gate 25	Virgin America
Gate 26	SDCRAA
Gate 27	American
Gate 28	SDCRAA (Frontier)
Gate 29	American
Gate 30	Spirit
Gate 31	American
Gate 32	American
Gate 33	US Airways
Gate 34	US Airways
Gate 35	US Airways
Gate 36	Under construction
Gate 37	SDCRAA
Gate 38	United
Gate 39	United
Gate 40	United
Gate 41	SDCRAA

Terminal 2 (Continued)	
Gate 42	SDCRAA
Gate 43	SDCRAA
Gate 44	United
Gate 45	United
Gate 46	United
Gate 47	Delta
Gate 48	Delta
Gate 49	Delta
Gate 50	Delta
Gate 51	Delta

Commuter Terminal	
Parking Position 1	United
Parking Position 2	American Eagle & Seaport
Parking Position 3	United
Parking Position 4	American Eagle
Parking Position 5	United
Parking Position 6	American Eagle
Parking Position 7	Delta
Parking Position 8	Delta
Parking Position 9	Delta

American Eagle & SeaPort operate at Gates 1
& 2
United Express, Delta operate at Gates 3 & 4

**PREFERENTIAL USE TICKET COUNTER ASSIGNMENTS
And (Second Priority Use Assignments)
IN CUPPS-EQUIPPED TERMINALS
TWO PASSENGER POSITIONS PER TICKET COUNTER
Effective July 1, 2013**

Terminal 2 East Starting from the eastern Ticket Counter	
Counter #1	SDCRAA (Volaris)
Counter #2	SDCRAA (Volaris)
Counter #3	Spirit
Counter #4	Spirit
Counter #5	SDCRAA (Allegiant)
Counter #6	SDCRAA (WestJet & Allegiant)
Counter #7	SDCRAA (WestJet)
Counter #8	SDCRAA (Hawaiian)
Counter #9	SDCRAA (Hawaiian)
Counter #10-1 position	SDCRAA (Virgin A.)
Counter #11-1 position	SDCRAA (Virgin A.)
Counter #12	Virgin America
Counter #13	Virgin America
Counter #14	American
Counter #15	American
Counter #16	American
Counter #17	American
Counter #18	American
Counter #19	American
Counter #29	American
Counter #21	American
Counter #22	SDCRAA (Air Canada)
Counter #23	SDCRAA (Air Canada)
Counter #24	SDCRAA (Frontier)
Counter #25	SDCRAA (Frontier)
Counter #26	SDCRAA (Frontier)

Terminal 2 West Starting from the eastern Ticket Counter	
Counter #1	Under Construction
Counter #2	Under Construction
Counter #3	Under Construction
Counter #4	Under Construction
Counter #5	Under Construction
Counter #6	Under Construction
Counter #7	Under Construction
Counter #8	Under Construction
Counter #9	Under Construction
Counter #10	Under Construction
Counter #11	JetBlue
Counter #12	JetBlue
Counter #13	Delta
Counter #14	Delta
Counter #15	Delta
Counter #16	Delta
Counter #17	Delta
Counter #18	Delta
Counter #19	Delta
Counter #20	United
Counter #21	United
Counter #22	United
Counter #23	United
Counter #24	United
Counter #25	United
Counter #26	United
Counter #27	United
Counter #28	United
Counter #29	United
Counter #30	United
Counter #31	US Airways
Counter #32	US Airways
Counter #33	US Airways
Counter #34	US Airways
Counter #35	US Airways

COMMUTER TERMINAL POLICY

- Airlines or their Affiliates operating aircraft with 76 seats or less to a destination within 100-nautical miles of San Diego International Airport (SAN) must operate from the Commuter Terminal.
- Airlines with all flights at SAN utilizing aircraft with 50 seats or less must operate from the Commuter Terminal.
- Airlines or their Affiliates operating aircraft with 50 seats or more to a destination beyond 100 nautical miles of SAN may operate from any terminal.
- In cases where an Airline and its Affiliate offer service to the same destination from SAN, all such operations may be combined at the Airline's gates in Terminal 1 or 2.
- Any changes to this Commuter Terminal Regional Jet Policy shall be approved in writing in advance by the President/CEO or his/her designee.
- The following aircraft are currently exempt from this rule due to the limitations of the Commuter Terminal ramp, and will operate Terminal 1 or Terminal 2
 - Aircraft with a wingspan greater than 90 feet.
 - Aircraft with a length greater than 120 feet.
 - Aircraft that do not have built in Airstairs and have a boarding door sill height that is greater than 6-feet.

RON COMMITTEE OVER-RIDING PRINCIPLES

The RON Committee is designated to establish aircraft overnight parking positions, is subject to the following principles and must:

- Maintain efficient Airfield Area operations,
- Maintain efficient airline operations,
- Ensure fair and equitable treatment of airlines,
- Ensure fair and equitable allocation of overnight aircraft parking facilities,
- Include local station managers as members of the RON Committee, and select which station manager shall chair the Committee, on a rotating basis.
- Ensure that Authority has representation at each Committee meeting, and
- Acknowledge that the Authority, at its sole discretion, will make the final decision in the event of disputes within the Committee that can not be resolved.

From these overriding principles, the Authority will formulate a policy to guide the RON committee.

EXHIBIT "O" 1

SAN DIEGO INTERNATIONAL AIRPORT - SAN - MAINTENANCE MATRIX

SAN = San Diego County Regional Airport Authority; AL = AIRLINE

Effective July 1, 2013

	EXCLUSIVE SPACE				COMMON USE SPACE (Section 15.05 & 15.09)				SHARED USE SPACE	JOINT USE SPACE		PUBLIC SPACE
	Office Space	Ticket Counter	Baggage Make-up	Maintenance & Operations Areas	Apron	Ticket Counter	Sky Cap Podium & SMART Curt	Baggage Make-up & ATO	Baggage Claim	Holdrooms		
1. Access Control	SAN	SAN	SAN	SAN	SAN	SAN	SAN	SAN	SAN	SAN	SAN	
2. Apron/Ramp Area ^{2, 10}												
a. Sweeping	-	-	-	-	SAN	-	-	-	-	-	-	
b. Pavement Repairs / Spalling	-	-	-	-	SAN	-	-	-	-	-	-	
c. Janitorial/Spill/Trash (Hazmat) ³	-	-	-	-	AL	-	-	-	-	-	-	
3. Baggage Conveyance System												
4. CUPS/CUSS/FIDS System												
a. Network Cable Plant	SAN	SAN	SAN	SAN	-	SAN	SAN	SAN	SAN	SAN	SAN	
b. Data/Communication	SAN	SAN	SAN	SAN	-	SAN	SAN	SAN	SAN	SAN	SAN	
c. FIDS/BIDS/RIDS	SAN	SAN	SAN	SAN	-	SAN	SAN	SAN	SAN	SAN	SAN	
5. Electrical/Mechanical												
a. Distribution & Power ^{4, 5}	AL	AL	AL	AL	AL	SAN	SAN	AL	SAN	SAN	SAN	
b. Infrastructure Exterior	-	-	-	-	SAN	-	-	-	-	-	-	
c. Infrastructure Interior ⁴	AL	AL	AL	AL	-	SAN	-	AL	SAN	SAN	SAN	
d. Relamping & Ballast	AL	SAN	AL	AL	SAN	SAN	SAN	AL	SAN	SAN	SAN	
e. Repairs	AL	AL	AL	AL	SAN	SAN	SAN	AL	SAN	SAN	SAN	
f. UPS/Emergency Backup Sys. ⁶	AL	-	AL	AL	-	SAN	SAN	AL	SAN	SAN	SAN	
6. Elevators/Escalators	-	-	-	-	-	-	-	-	-	-	-	
7. External/Internal Roll-up Doors	-	AL	AL	AL	AL	AL	-	AL	SAN	-	SAN	
8. Fire Protection												
a. Fixed Automatic Systems	SAN	SAN	SAN	SAN	SAN	SAN	SAN	SAN	SAN	SAN	SAN	
b. Portable Fire Extinguishers ⁷	AL	AL	AL	AL	AL	SAN	SAN	AL	SAN	SAN	SAN	
c. Sprinkler/Alarm	SAN	SAN	SAN	SAN	SAN	SAN	SAN	SAN	SAN	SAN	SAN	
9. Fixtures/Improvements/Furnishings												
a. Installed and controlled by Authority	SAN	SAN	SAN	SAN	SAN	SAN	SAN	SAN	SAN	SAN	SAN	
b. Install and controlled by Airline	AL	AL	AL	AL	AL	-	-	AL	AL	AL	-	
c. Jet Bridge ^{3, 14}	-	-	-	-	AL	-	-	-	-	-	-	
10. Gate Use Area ^{8, 9, 10}												
a. Aircraft Safety Envelope	-	-	-	-	AL	-	-	-	-	-	-	
b. Lead-in Line ⁹	-	-	-	-	AL	-	-	-	-	-	-	
c. Other Line Painting (SAN approval)	-	-	-	-	AL	-	-	-	-	-	-	
d. RON	-	-	-	-	SAN	-	-	-	-	-	-	
11. General Maintenance												
a. Doors External (Insulation & Weather Stripping)	AL	-	AL	AL	-	SAN	SAN	AL	SAN	SAN	SAN	
b. Doors Internal (Insulation & Weather Stripping)	AL	AL	AL	AL	-	SAN	SAN	AL	SAN	SAN	SAN	
c. Exterior Facility	SAN	SAN	SAN	SAN	SAN	SAN	SAN	SAN	SAN	SAN	SAN	
d. Non-Structure Ceiling (tiles)	AL	SAN	AL	AL	-	SAN	AL	AL	SAN	SAN	SAN	
e. Non-Structure Floor (tiles, carpet)	AL	SAN	AL	AL	-	SAN	-	AL	SAN	SAN	SAN	
f. Painting	AL	AL	AL	AL	SAN	SAN	SAN	AL	SAN	SAN	SAN	
g. Structural	SAN	SAN	SAN	SAN	SAN	SAN	SAN	SAN	SAN	SAN	SAN	
12. General Repairs of Public Furniture	-	-	-	-	-	-	-	-	-	-	-	
13. HVAC Infrastructure												
a. Air Distribution	SAN	SAN	SAN	SAN	-	SAN	-	SAN	SAN	SAN	SAN	
b. Cooling/Heating & Operation	SAN	SAN	SAN	SAN	-	SAN	-	SAN	SAN	SAN	SAN	
14. IT												
a. Airline Computer Room Temp	AL	-	-	AL	-	-	-	AL	-	-	-	
b. Airline Proprietary (Com/Data)	AL	AL	AL	AL	-	-	-	AL	AL	AL	-	
c. Airline Ticket/Gate Equipment (Proprietary)	AL	AL	-	AL	-	AL	AL	AL	AL	AL	-	
d. Broadband Access ¹¹	AL	AL	AL	AL	AL	AL	AL	AL	AL	AL	-	

SAN DIEGO INTERNATIONAL AIRPORT - SAN - MAINTENANCE MATRIX										Effective July 1, 2013	
SAN = San Diego County Regional Airport Authority; AL = AIRLINE											
	EXCLUSIVE SPACE				COMMON USE SPACE (Section 15.05 & 15.09)				SHARED USE SPACE	JOINT USE SPACE	PUBLIC SPACE
	Office Space	Ticket Counter	Baggage Make-up	Maintenance & Operations Areas	Apron	Ticket Counter	Sky Cap Podium & SMART Curb	Baggage Make-up & ATO	Baggage Claim	Holdrooms	
e. Communications/Data Lines (FIDS)	AL	AL	AL	SAN	—	SAN	SAN	SAN	SAN	SAN	SAN
f. Public WiFi	SAN	SAN	SAN	SAN	—	SAN	SAN	SAN	SAN	SAN	SAN
g. Radio, Weather, Air Nav	AL	AL	AL	AL	—	AL	AL	AL	AL	AL	AL
h. Baggage Scales	—	AL	—	—	—	AL	AL	—	—	—	—
i. Ticket/Gate Equip. (Non-Proprietary)	—	—	—	—	—	SAN	SAN	—	—	SAN	—
15. Janitorial/Recycle/Trash Removal ¹²	AL	AL	AL	AL	—	AL	AL	—	—	AL	AL
16. Keys/flocks	SAN	SAN	SAN	SAN	—	SAN	SAN	SAN	SAN	SAN	SAN
17. Pest Control (Rodents and Insects)	SAN	SAN	SAN	SAN	—	SAN	SAN	SAN	SAN	SAN	SAN
18. Podiums	—	AL	—	—	—	—	—	—	AL	AL	—
a. Proprietary Inserts	—	—	—	—	—	SAN	SAN	—	SAN	SAN	—
b. Non-proprietary Inserts	—	—	—	—	—	SAN	SAN	—	SAN	SAN	—
c. Podium shells (Non-proprietary)	—	SAN	—	—	—	SAN	SAN	—	SAN	SAN	—
d. Podium shell (Proprietary)	—	AL	—	—	—	AL	AL	—	AL	AL	—
19. Public Address System	—	—	—	—	—	—	—	—	—	—	—
a. Baggage/Ticket/Gate Paging	SAN	SAN	SAN	—	—	SAN	SAN	—	SAN	SAN	SAN
b. General & Visual Paging	SAN	SAN	SAN	SAN	—	SAN	SAN	—	SAN	SAN	SAN
20. Roof Repairs	SAN	SAN	SAN	SAN	—	SAN	SAN	SAN	SAN	SAN	SAN
21. Sewage	—	—	—	—	—	—	—	—	—	—	—
a. Distribution/Infrastructure	SAN	—	—	SAN	—	—	—	—	—	—	SAN
b. Fixtures & General Lavatory Mtc.	AL	—	—	AL	—	—	—	—	—	—	SAN
22. Signs ¹³	—	—	—	—	—	—	—	—	—	—	—
a. Exterior (Including Gates)	—	—	AL	AL	SAN	—	SAN	—	—	—	SAN
b. Interior	AL	AL	AL	AL	—	SAN	—	AL	SAN	SAN	SAN
23. Trash/Waste/Recycle (Dumpsters)	—	—	—	—	SAN	—	—	—	—	—	—
24. Water Systems	—	—	—	—	—	—	—	—	—	—	—
a. Bathroom	AL	—	—	AL	—	—	—	—	—	—	SAN
b. Distribution Infrastructure	AL	—	—	AL	—	—	—	—	—	—	SAN
c. Potable & Eyewash	SAN	—	SAN	SAN	SAN	—	SAN	AL	SAN	SAN	SAN
25. Glass/Window Maintenance	—	—	—	—	—	—	—	—	—	—	—
a. Exterior	AL	AL	AL	AL	—	AL	AL	AL	AL	AL	AL
b. Interior	AL	AL	AL	AL	—	AL	—	AL	AL	AL	AL

Footnotes

- 1 In the event of a conflict between the Agreement and this Exhibit "O", the terms and conditions of the Agreement will prevail. Items not included on Matrix must be approved and negotiated with SDCRAA. SDCRAA reserves the right to modify this Exhibit "O" in its sole discretion after consultation with the Airlines.
- 2 Airlines are responsible for the continuous monitoring and removal of FOD and other debris from their ramp space & aircraft aprons.
- 3 Airline shall safely and properly collect and dispose of bio-hazards and other hazmat from their aircraft and provide trash removal from their jet bridges.
- 4 Based on current approved usage. Airline is responsible for developing circuits for new power requirements.
- 5 SDCRAA responsibility unless attributable to Airline. If Airline is responsible, SDCRAA may maintain at Airline's expense.
- 6 Airline is responsible for providing adequate power supply protection for all its vital services and important equipment sensitive to voltage drops, voltage spikes, or temporary power outages as may occur from time to time.
- 7 Airline is responsible for providing and maintaining its own ramp and gate fire extinguishers.
- 8 SDCRAA performs initial striping. Airline performs subsequent modifications, subject to SDCRAA prior approval.
- 9 Airline is responsible for the cost of any additional special requests performed by SDCRAA, such as modified lead-in lines, safety envelope and stop bars.
- 10 Airline shall keep, at its own expense, its terminal aircraft aprons free of fuel and oil. SDCRAA will mitigate any ineffective response and charge Airline for the clean-up.
- 11 SDCRAA will maintain connectivity within the terminal complex. Airline is responsible for developing any broadband service and data circuits it requires.
- 12 Separate Memorandums of Agreement may be in effect between SDCRAA and Airline(s).
- 13 Prior permission from SDCRAA is required for installation of signs, including in the jet bridges.
- 14 Airline shall be responsible for all Jetbridge utility needs, including, but not limited too, distribution, plumbing, potable water, electrical, HVAC and PC air.

Exhibit P

INSURANCE

Airline shall maintain at all times during the term of this Agreement, at no expense to Authority, the following minimum levels and types of Insurance:

1. Commercial General Liability and Aircraft Liability, which shall include but not necessarily be limited to all of the following coverages and carry at least the following minimum limits of liability for bodily injury and property damage:

Aircraft Liability (including passengers), Premises Liability for all ground operations (including fueling or refueling operations if such operations are conducted by Airline), Products & Completed Operations, Liquor Liability, Contractual Liability, Independent Contractors, Personal Injury, Hangarkeepers Liability, Motor Vehicle Liability and coverage for mobile equipment within the confines of the Airport, Cargo Legal Liability, War and Allied Perils.

- a) Not less than Two Hundred Fifty Million Dollars (\$250,000,000) combined single limit per occurrence for bodily injury and property damage and in the aggregate as respects products liability.
- b) Not less than Fifty Million Dollars (\$50,000,000) War and Allied Perils coverage, each occurrence and annual aggregate or US Government equivalent.
- c) Not less than Twenty Five Million Dollars (\$25,000,000) in the annual aggregate for Personal Injury.
- d) Not less than Two Million Dollars (\$2,000,000) each occurrence for Liquor Liability, if alcoholic beverages are served or sold.

2. Commercial Automobile Liability Insurance, combined single limit (CSL), covering owned, hired and non-owned motor vehicles with a limit of Ten Million Dollars (\$10,000,000) for airside operations and Two Million Dollars (\$2,000,000) for landside operations.

- a) This policy shall be written on an "occurrence" basis and written on a Commercial Business Auto form, or an acceptable equivalent, and shall protect against claims arising out of the operation of motor vehicles or mobile equipment operated on the Airport that are not covered under the Aircraft Liability or General Liability policies.

3. Workers Compensation in accordance with laws of the State of California at statutory rates and providing coverage for any and all employees of Airline:

- a) This policy shall provide statutory coverage for Workers' Compensation (Coverage A).

- b) This policy shall also provide coverage for Employers' Liability in the amount of One Million Dollars (\$1,000,000) (Coverage B).
 - c) This policy shall include a Waiver of Subrogation Endorsement.
- 4. Property Insurance, in an amount equal to the replacement cost value of the tenant's improvements and betterments both during the course of construction and after completion.
 - a) This policy shall protect the value of Airline improvements and betterments for Fire & Extended Coverage, including Sprinkler Leakage, Vandalism & Malicious Mischief and Debris Removal.
 - b) This policy shall include a Waiver of Subrogation Endorsement.

IRREVOCABLE STANDBY LETTER OF CREDIT

Letter of Credit: No. _____ (1)

Dated: _____ (2)

BENEFICIARY:

San Diego County Regional Airport Authority
Attn: Real Estate Management Department
3225 North Harbor Drive
San Diego, CA 92101

At the request and for the account of _____ (3) at _____ (4), we, _____ (5), hereby issue this irrevocable standby Letter of Credit in your favor effective _____ (6), 2010, for up to an aggregate amount of _____ (7) United States Dollars [US \$ _____ (7) .00].

We warrant to you that all your drafts under this Letter of Credit will be duly honored upon presentation of your draft(s) drawn on us and presented to us at our San Diego County branch, located at _____ (8) on or before the expiration date set forth below. Our obligation under this Letter of Credit is the individual obligation of this bank. Our obligation in no way is contingent upon reimbursement with respect thereto or upon our ability to perfect any lien or security deposit.

All drafts must be marked "Drawn Under _____ (5) Letter of Credit No. _____ (1) dated _____ (2)." Partial and multiple drawings under this Letter of Credit are permitted. We hereby agree that such drafts shall be duly honored on presentation and delivery of documents as specified.

Funds under this Letter of Credit are available at our office located at _____ (8), San Diego County, California, against your draft drawn at sight on us accompanied by Beneficiary's signed and dated statement worded as follows:

"The undersigned officer of the San Diego County Regional Airport Authority, hereby certifies that the amount of the accompanying draft drawn under Letter of Credit number _____ (1) represents funds owed the San Diego County Regional Airport Authority by _____ (3) as a result of operations by _____ (3) at the San Diego International Airport or other facilities under the control of the San Diego County Regional Airport Authority."

All banking charges associated with this draw are for the account of and to be charged to the account of _____ (3).

This Letter of Credit expires at our above office at the close of business on _____ (9). This Letter of Credit shall be automatically extended without amendment for additional period(s) of one (1) year from the present and each future expiration date unless, at least ninety (90) days before such expiration date, we have notified you in writing that we elect not to extend the Letter of Credit for such

additional period. Such notice of our election not extend this Letter of Credit shall be sent certified mail or personal courier service to you at the above address.

This Letter of Credit is subject to The International Standby Practices, International Chamber of Commerce Publication No. 590 (ISP-98). To the extent applicable provisions of ISP-98 are not in conflict, in which case applicable portions of ISP-98 shall prevail, this Letter of Credit shall be governed by and construed in accordance with the laws of the State of California.

All amendments under this Letter of Credit are subject to the Beneficiary's agreement, as per ISP-98, Article 2.06.c.

BANK OFFICER / REPRESENTATIVE

Legend - Use to complete the Letter of Credit form:

- (1) Insert the number of this letter of credit.
- (2) Insert the applicable date.
- (3) Insert the applicant's name (i.e., tenant, lessee, or licensee)
- (4) Insert the applicant's physical address.
- (5) Insert the name of the issuing bank.
- (6) Insert effective date of the letter of credit instrument.
- (7) Insert dollar value of letter of credit instrument
- (8) Insert address of issuing bank's branch at which draft is to be presented.
- (9) Insert expiration date of this letter of credit.

Instructions: Please instruct your bank to have the form Letter of Credit issued in the above format in "DRAFT" form and fax to _____, at (619) 400-_____ for approval prior to issuance of the "ORIGINAL". If you need further assistance, _____ can be reached at (619) 400-_____.

FORMAT AGREED TO AND ACCEPTED BY:
(Company Name Here)

By: _____
(Authorized Signature)

Exhibit R
MEMORANDUM OF UNDERSTANDING BETWEEN
THE ATTORNEY GENERAL OF THE STATE OF CALIFORNIA
AND
THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY REGARDING
THE SAN DIEGO INTERNATIONAL AIRPORT MASTER PLAN

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made by and between the San Diego County Regional Airport Authority ("Authority") and Edmund G. Brown Jr., Attorney General of the State of California, acting in his independent capacity on behalf of the People of the State of California ("Attorney General"), collectively referred to herein as the "parties," based on the following facts and considerations:

WHEREAS, the Authority and the Attorney General mutually desire that future operations at the San Diego International Airport ("Airport") over which the Authority has jurisdiction be conducted in a manner which reduces greenhouse gas ("GHG") emissions that otherwise might occur; and

WHEREAS, pursuant to the San Diego Regional Airport Authority Act, Public Utility Code Sec. 170000 et seq., the Authority is responsible for the operation, maintenance and improvement of the Airport; and

WHEREAS, the Authority has been engaged for over four years in studying a variety of means to maintain and improve the Airport so that it may remain a strong contributor to the economy of the region, including public outreach and collaboration with various local, regional and state agencies; and

WHEREAS, based on that effort, the Authority staff identified a number of actions that might be beneficial to its mission, and incorporated those possible actions into a draft Airport Master Plan ("Draft AMP"); and

WHEREAS, pursuant to the California Environmental Quality Act and Guidelines ("CEQA"), the Authority prepared and on May 31, 2006 circulated for a 150-day public/agency review and comment period a Draft Environmental Impact Report ("May 2006 DEIR") for the Draft AMP; and

WHEREAS, as a result of the public comments received on the May 2006 DEIR, the Authority elected to broaden the scope of the May 2006 DEIR to consider the potential environmental effects of the Draft AMP that might occur through the year 2030; and

WHEREAS, the Authority so revised the May 2006 DEIR, and released the revised version October 2, 2007 ("October 2007 DEIR"), and announced that

the public review and comment period on the October 2007 DEIR would extend to November 30, 2007; and

WHEREAS, at the request of a number of public agencies and community groups, the Authority twice extended the November 30, 2007 public comment period deadline on the October 2007 DEIR, first to January 4, 2008 and then to February 4, 2007; and

WHEREAS, in recognition of the new regulatory environment and reflecting the Authority's commitment to full disclosure of the AMP's environmental impacts, the October 2007 DEIR included a new section discussing and analyzing the existing GHG emissions from the operation of the Airport, and the GHG emissions that are likely to result from future growth in air travel to and from the Airport; and

WHEREAS, the Authority desires to ensure the environmental review process for the Draft AMP is completed in a timely manner and that litigation between the parties is avoided; and

WHEREAS, the Authority consistently is proactive in addressing environmental concerns before statutes or regulations have been adopted to impose specific controls or requirements, as evidenced by its Sustainability Policy and other Authority programs; and

WHEREAS, the Attorney General of the State of California serves as the chief law officer of California and in that capacity, is charged with enforcing the laws safeguarding the State's environmental and natural resources; and

WHEREAS, the Attorney General is committed to the successful implementation of AB 32 and reducing GHG emissions throughout California; and

WHEREAS, the Attorney General believes that, as reflected in the latest reports of the Intergovernmental Panel on Climate Change, global warming presents profoundly serious challenges to California and the nation, and that actions taken now and in the next few years with respect to assessing and limiting GHG emissions will determine our future; and

WHEREAS, no existing regulations govern GHG emissions from aircraft, although, in December 2007, the Attorney General petitioned the Environmental Protection Agency to undertake a rulemaking under the Clean Air Act to propose and adopt regulations setting emissions standards to control and limit GHG emissions from aircraft; and

WHEREAS, the Parties recognize that although under state law the Authority is responsible for managing the Airport, federal law imposes certain

limitations on the Authority, including its use of airport revenue and its authority to regulate the activities of air carriers and the operation of aircraft; and

WHEREAS, after conducting a series of workshops and receiving public testimony, the Authority adopted a Sustainability Policy on February 7, 2008 which will serve as the foundation for a sustainable growth strategy which commits the Authority to implement practices that will allow it to meet the transportation and other needs of the present generations without compromising the environment for the benefit of future generations; and

WHEREAS, the Attorney General and the Authority desire to enter into this MOU in recognition of the mutual commitment of the Attorney General and the Authority to ensure meaningful and constructive consideration of GHG emissions and actions to reduce such emissions, and in light of the Authority's forward-looking and ground-breaking commitment to protect the environment as evidenced by its Sustainability Policy and by entering into this MOU; and

WHEREAS, the Authority intends to work collaboratively with other airports in the State of California and with airlines, directly and through the Air Transport Association, to facilitate implementation of measures to address GHG emissions related to airports (including those set forth in this MOU) in a consistent, cost-effective manner.

NOW, THEREFORE, in consideration of the mutual terms, covenants and conditions, the Authority and the Attorney General enter into and agree to this Memorandum of Understanding:

Section 1. Implementation of Specific Measures to Control GHG Emissions.

1. Specific Measures. In accordance with this MOU the Authority will implement the specific measures described more fully in Exhibit A to limit the GHG emissions generated by the operation of the Airport, and particularly the implementation of the AMP ("Specific Measures"), following these principles:
 - a. Specific Measures will be implemented in a manner that does not disrupt the on-going operations of the Airport; violate federal law, regulations, or an FAA policy or rule published in the Federal Register after an opportunity for public notice and comment; interfere with the directions or instructions of an FAA air traffic controller; or compromise the safety of the traveling public, the airport, or aircraft. If the Airport believes that a Specific Measure cannot be implemented consistent with this provision, then it shall notify the Attorney General, and the parties shall confer in good faith.

- b. Subject to the other applicable provisions of this MOU, each Specific Measure shall be implemented to the extent that such measure produces a meaningful net reduction in GHG emissions that otherwise would result from the construction of the AMP or operations at the Airport. If the Airport believes that a Specific Measure will not produce a meaningful net reduction in GHG emissions, it shall notify the Attorney General, and the parties shall confer in good faith. The parties shall seek to agree upon an alternative or modified Specific Measure that achieves a meaningful net reduction in GHG emissions for approximately the same cost to the Authority as the original measure. Alternatively, by mutual agreement, a Specific Measure may be omitted.
2. Cooperation with Regulatory Agencies. The Attorney General and the Authority recognize that the implementation of the AMP and the terms of the MOU, including the Specific Measures, will require the approval and cooperation of federal, state, regional and local agencies, and therefore agree to cooperate in the implementation of the MOU so that its benefits might be attained, including, as necessary, adjustments to specific details of the implementation of the Specific Measures to meet the statutory or regulatory requirements imposed by such agencies, acting within the respective authority of each, which adjustments shall be embodied in a writing signed by both parties.

Section 2. Covenant Not to Sue or Otherwise Challenge the AMP EIR.

1. Covenant Not to Sue. In consideration of the Authority's commitment to implement the Specific Measures, and subject to Section 2.2, the Attorney General agrees that it will not make any comment on, file a legal challenge against, or otherwise intervene against the Authority in any suit challenging the adequacy of the EIR for the AMP, including the adequacy of mitigation measures identified in the EIR. Notwithstanding the preceding, the Attorney General does not waive any right to file an *amicus curiae* brief in a state or federal appellate court that addresses the legal requirements of CEQA or any other state or federal law. In the event the Attorney General files such a brief, it will expressly not take a position on the legal adequacy of the EIR. This section shall not restrict any constitutional or statutory obligation of the Attorney General, upon the request of a state agency, board, or commission, to represent such agency, board or commission as a client.
2. Termination of MOU in Event of Other Agency Litigation. In the event litigation is timely commenced by any public agency, including an agency for which the Attorney General is acting as counsel, that

challenges the adequacy of the EIR for the AMP or mitigation measures identified in the EIR, the Authority shall have the right to terminate the MOU, subject to the following conditions:

- a. Within 30 days after the litigation is commenced, the Authority shall send written notice to the Attorney General that it is considering exercising its right to terminate this MOU;
- b. Within 10 days after receiving such notice, the parties shall meet and confer;
- c. Within 45 days after the litigation is commenced, or longer with the Attorney General's written consent to extend this period, the Authority shall serve a notice on the Attorney General of its election to terminate the agreement; and
- d. If the Authority so elects to terminate this MOU, the Authority shall not assert any statute of limitations or laches against the Attorney General to prevent the Attorney General from pursuing any claim or remedy it might have had at the time the MOU entered into effect, so long as it files such action within thirty days after receiving notice of termination of the MOU.
- e. If the Authority so elects to terminate this MOU, the Authority shall have no obligations whatsoever under this MOU except for the obligation set forth in the previous subsection (2.2.d).

Section 3. Dispute Resolution.

1. Good Faith Efforts to Resolve Disputes. The parties shall attempt in good faith to resolve any controversy or claim arising out of or relating to this MOU. If a controversy or claim should arise that cannot be resolved by the respective staffs, the President, or delegate, of the Authority and the Attorney General's delegate, (collectively, the "Representatives") will meet at least once in person and, in addition, at least once in person or by telephone to attempt to resolve the matter. The Representatives will make every effort to meet as soon as reasonably possible at a mutually agreed time and place.
2. Modifications. No addition to or modification of any term or provision of this MOU will be effective unless set forth in writing and signed by an authorized representative of each party.

Section 4. Compliance with Law. The parties recognize that their respective commitments and covenants are subject to applicable requirements of law, including those identified in this Section 4.

1. CEQA. It is the parties' good faith belief that this MOU does not constitute a project within the meaning of CEQA and its Guidelines. The implementation of specific measures described in this MOU shall be subject to review and approval pursuant to the requirements of CEQA and its Guidelines.
2. Federal Limitations on Use of Airport Revenue. The parties to this MOU have considered the provisions of the Federal Aviation Administration (hereinafter "FAA") 1999 Policy and Procedure Concerning the Use of Airport Revenue [64 Fed. Reg. 7696, dated Feb. 16, 1999]; the Airport and Airway Improvement Act of 1982 ("AAIA"), codified at 49 U.S.C. §47107(b); the Federal Aviation Administration Authorization Act of 1994, P.L. 103-305 (Aug. 23, 1994); the Airport Revenue Protection Act of 1996, Title VIII of the Federal Aviation Administration Act of 1996, P.L. 104-264 (Oct. 9, 1996), 110 Stat. 3269 (Oct. 9, 1996); 49 U.S.C. §46301(a)(3); and 49 U.S.C. §47133.

The parties further have considered that the Authority has received numerous federal Airport Improvement Project ("AIP") grants over the years and that a condition to receiving federal grant funds is the following grant assurance Number 25: "All revenues generated by the airport . . . will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport."

The parties have considered these provisions, and enter into this MOU with the good faith belief that this MOU may be implemented in compliance with those policies, statutes, and assurances.

Compliance with Federal Rates and Charges Policy. The parties have considered the FAA's Policy Regarding Airport Rates and Charges, 61 Fed. Reg. 31994, dated June 21, 1996, a policy adopted pursuant to the Federal Aviation Administration Authorization Act of 1994, P.L. 103-305 (Aug. 23, 1994), 49 U.S.C. §47129. The parties have considered these provisions, and enter into this MOU with the good faith belief that this MOU may be implemented in compliance with such policy.

3. Effect of MOU on Future Boards. Except as expressly stated herein, nothing in this MOU shall be construed as a waiver of any party's discretionary authority or deemed to restrict authority granted to any

party under law in any way with respect to future legislative, administrative or other actions, including but not limited to those actions related to the AMP.

Section 5. Effectiveness

This MOU shall become effective upon the final approval of both the Attorney General and the Board of the Authority, and the execution of the MOU.

Section 6. No Admissions

Neither this MOU nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, shall be asserted to constitute or be construed as an admission or concession by either party of any fact or legal assertion.

Section 7. General Terms and Conditions.

1. Public Announcement. Upon final approval and execution of the MOU by both the Attorney General and the Authority, the parties shall simultaneously make available to the public the terms of this MOU.
2. Time of Performance. The actions necessary to achieve the objectives of this MOU shall be completed in a timely manner.
3. Full Cooperation. The Authority and the Attorney General agree to cooperate with each other and to provide each other with all necessary documents (subject to any privileges or other legal restrictions that may apply) when requested. Each party will use its best efforts to achieve the objectives of this MOU, consistent with its legal obligations and applicable law.
4. Independent Capacity. The Attorney General enters into this MOU in his independent capacity and not on behalf of any other state agency, commission, or board. Nothing in this MOU restricts any constitutional or statutory obligation of the Attorney General, upon the request of a state agency, board, or commission, to represent such agency, board or commission as a client.

Recognition of Financial Limitations. The parties acknowledge that the Authority is not a tax supported public entity and that its source of funds is limited to airport revenues, federal AIP grants and Passenger Facility Charges. They also acknowledge that the federal AIP grants and Passenger Facilities Charges are subject to, among other things, Congressional control and FAA administrative discretion. The parties have considered this, and enter into this MOU with the good faith belief that this MOU may be implemented in compliance with any restrictions

on the Authority's use of airport revenues, federal AIP grants, and Passenger Facility Charges.

5. Notice. Any notice required or permitted by this MOU shall be in writing and shall be delivered as follows with notice deemed given as indicated: (a) by personal delivery when delivered personally, (b) by overnight courier upon written verification of receipt, or (c) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to the addresses set forth below, or such other address as either party may specify in writing:

If to the Authority:

Thella F. Bowens, President/CEO
San Diego County Regional Airport Authority
P.O. 82776
San Diego, CA 92138-2776
Tel.: (619) 400-2444; FAX: (619) 400-2448

If to the Attorney General:

Deputy Attorney General Susan Durbin
Deputy Attorney General
1300 I Street
Sacramento, CA 95814
Tel.: (916) 324-5475; FAX: (916) 322-5609

6. Enforceability. The parties desire to ensure the terms of this MOU are completed as described herein. Neither party shall be liable to the other for any claimed costs or damages arising from a claimed non-performance of any provision of this MOU.
7. Partial Invalidity. If any term, covenant, condition, or provision of this MOU is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder shall remain in full force and effect, and shall in no way be affected, impaired or invalidated.
8. California Law. This MOU shall be governed by and construed in accordance with the laws of the State of California.
9. Rule of Construction. This MOU shall be deemed to have been jointly drafted, so that the general rule of construction that it be construed against the drafter shall not apply.

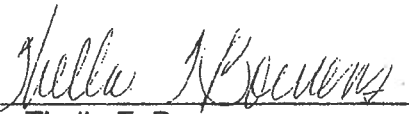
10. Signatures. This MOU may be executed in counterparts, each of which shall be deemed an original. This MOU shall be binding upon the receipt of original or electronic signatures.

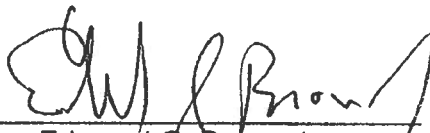
11. Entire Agreement. This MOU represents the entire agreement of the parties with respect to the subject matter herein, and supersedes any prior written or oral representations, discussions, or understandings between the parties relating to the subject matter of this MOU.

The undersigned have read this Memorandum of Understanding, fully understand its contents, and by the signatures below agree to its terms on behalf of their respective public agencies.

SAN DIEGO COUNTY REGIONAL
AIRPORT AUTHORITY

ATTORNEY GENERAL,
STATE OF CALIFORNIA

By: 
Thella F. Bowens
President and CEO

By: 
Edmund G. Brown Jr.
Attorney General

APPROVED AS TO LEGAL FORM

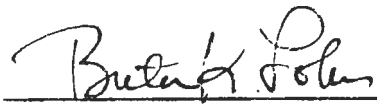
By: 
Breton K. Lobner
General Counsel MAY 5 2008

EXHIBIT A
SPECIFIC MEASURES

1. Reduction in Aircraft On-the-Ground Energy Usage.
 - a. Landside Power and Preconditioned Air at All New Gates. All new gates constructed under the Master Plan will provide landside power and preconditioned air to aircraft at such gates. The Authority will operate those new gates so as to make such power and preconditioned air available to aircraft at such gates. Prior to constructing the new gates, the Authority will ask airlines that will use the new gates to submit any specific requests as to how landside power and preconditioned air facilities are designed and provided, to increase the utility of such facilities to the airlines. The Airport will make reasonable efforts to accommodate the requests.
 - b. Retrofit Existing Gates with Landside Power and Preconditioned Air. As the Airport or its tenant reconditions or refurbishes existing gates, it will retrofit such existing gates as do not already provide landside power and preconditioned air to aircraft at the gate to provide such power. The Authority will operate those reconditioned or refurbished gates so as to make such power and preconditioned air available to aircraft at such gates. Prior to refurbishing existing gates, the Authority will ask airlines that will use the gates to submit any specific requests as to how landside power and preconditioned air facilities are designed and provided, to increase the utility of such facilities to the airlines. The Airport will make reasonable efforts to accommodate the requests.
 - c. Provision of Landside Power at All New Cargo Facilities and Hangars. All new cargo facilities and hangars constructed under the AMP will be equipped to provide electrical power to aircraft at such facilities and hangars. The Authority will operate its new cargo facilities and hangars and cause others that construct new cargo facilities and hangars to operate them to make such power available to aircraft at such cargo facilities and hangars.
 - d. Retrofit All Existing Cargo Facilities and Hangars with Landside Power. As the Airport or its tenants recondition or refurbish existing cargo facilities and hangars, the Airport will require retrofitting all such cargo facilities or hangars to provide landside power to aircraft at such cargo facilities or hangars. The Authority will operate its reconditioned or refurbished cargo facilities or hangars and cause others that recondition or retrofit cargo facilities and hangars to operate them so as to make such power available to aircraft at such cargo facilities or hangars.

- e. Cargo and General Aviation Aircraft Use of Landside Power. As the Airport or its tenant reconditions or refurbishes existing gates at its cargo and general aviation facilities, it will retrofit such existing gates as do not already provide landside power and preconditioned air to aircraft at the gate to provide such power. The Authority will operate those reconditioned or refurbished gates so as to make such power and preconditioned air available to aircraft at such gates. Prior to refurbishing existing gates, the Authority will ask airlines that will use the gates to submit any specific requests as to how landside power and preconditioned air facilities are designed and provided, to increase the utility of such facilities to the airlines. The Airport will make reasonable efforts to accommodate the requests.
- f. Aircraft Movements. The Authority will prepare an inventory of those greenhouse gas emissions attributable to the movement of aircraft at the Airport that it expects in 2010. The Authority will then establish a goal to reduce, by 2015 and with due regard to regulations to be issued pursuant to AB 32, annual GHG emissions levels by an amount equivalent to 20% of the emissions in 2010 from the movement of aircraft. Toward that end, by January 1, 2010, the Authority will prepare and make available to the public a study, with or without the participation of the airlines and the FAA, to identify and evaluate techniques to reduce fuel consumption and GHG emissions during all stages of aircraft movements at the Airport. The study shall recommend specific measures to achieve such reductions, based on an assessment of technical, economic, environmental and safety issues associated with the measures. The Authority will then investigate and attempt to implement meaningful incentives or other programs to encourage the use of those measures that were studied and recommended for implementation.

2. Reduction of Landside Energy Usage

- a. Replacement of Existing Tow Vehicles With Electric or Alternative Fuel Aircraft Pushback Tractors.
 - i. Beginning January 1, 2010, the Airport will replace all existing aircraft pushback tractors it currently owns with electric or alternative fuel vehicles upon the completion of the useful life of such existing vehicles, to the extent such vehicles are commercially available. Prior to January 1, 2010, the Airport will continue to replace tow vehicles in the ordinary course, consistent with its past purchasing practices. As used in this MOU, "alternative fuel vehicle" means a vehicle that runs on an energy source, fuel or blend

of fuels that achieves a reduction of at least 10 percent carbon intensity relative to petroleum fuel, as contained in Governor Schwarzenegger's Executive Order S-01-07.

- ii. Beginning January 1, 2010, the Airport will require every airline or other tenant or service provider to replace all existing aircraft pushback tractors which such airline, tenant or service provider currently owns or operates with electric or alternative fuel vehicles upon the completion of the useful life of such existing vehicles, to the extent permitted by federal law and to the extent such vehicles are commercially available.
 - iii. Should such alternative fuel vehicles not be commercially, and reasonably, available, the parties shall confer in good faith to negotiate a deferral of this provision until such time as the vehicles are so available.
- b. Replacement of Shuttles with Electric or Alternative Fuel Vehicles.
The Airport will implement one of the following alternatives at its discretion:
- i. By January 1, 2010, before the first elements of the AMP construction will be placed into service, the Airport will implement an incentive-based program to induce every operator of a shuttle service (e.g., hotel, door-to-door, parking) on the Airport to replace its existing shuttle vehicles which such operator at that time owns or operates with electric or alternative fuel shuttle vehicles upon the completion of the useful life of such existing shuttle vehicles.
 - ii. As an alternative to such an incentive-based program, by January 1, 2010, the Airport shall impose a requirement on every operator of a shuttle service on the Airport to replace its existing shuttle vehicles which such operator then owns or operates with electric or alternative fuel shuttle vehicles in accordance with the following provisions, to the extent permitted by federal law:
 - 1. Operators that own and operate from 1 to 3 shuttles shall replace all existing vehicles by January 1, 2015.
 - 2. Operators that own and operate 4 or more shuttles:
 - a. January 1, 2012: 25 % of existing vehicles.
 - b. January 1, 2013: 50% of existing vehicles.

c. January 1, 2014: 75% of existing vehicles.

d. January 1, 2015: 100% of existing vehicles.

iii. Implementation of either of these alternative measures shall be subject to the Authority's determination of commercial availability of equipment and adequate refueling infrastructure. If the Authority determines that such equipment is not commercially available or that there is not an adequate refueling infrastructure, then it shall provide a contemporaneous detailed, written statement of the reasons for that determination to the Attorney General, which can be made available to the public.

iv. The Authority shall make reasonable good faith efforts to assist shuttle operators to obtain grant funding or other concessionary financing that would enable such operators to replace existing vehicles more rapidly than is contemplated by the above schedules.

3. Use of Green Materials and Sustainable Design

a. Use of Cool Roofs (or Solar Panels) and Cool Pavements. The Authority will incorporate into AMP construction, to the extent feasible, including reasonable commercial availability of materials, the use of cool roofs (or rooftop solar panels) on all new buildings, and construct cool pavements for newly constructed paved or rebuilt paved areas that carry traffic, to the extent permitted by federal law and state contracting law.

i. The Authority currently estimates that it will be feasible for approximately 80% of the pavement that is part of the AMP to be constructed as cool pavement. If the Authority determines that less than such percentage can be constructed as cool pavement, it will provide a contemporaneous detailed, written statement of the reasons for that determination to the Attorney General, which can be made available to the public.

ii. The Authority currently intends to specify that all of the roofs under the AMP should be constructed as cool roofs. If the Authority determines that some of the roofs or portions thereof cannot be constructed as cool roofs, it will provide a contemporaneous detailed, written statement of the reasons for that determination to the Attorney General, which can be made available to the public.

- b. Construct All New Facilities to Meet LEED Certification (or equivalent), With a Target of Silver or Better. The Authority will seek to have all new terminal buildings constructed under the AMP achieve LEED certification with a target of Silver or better (or equivalent certification from a different certifying entity) to the extent feasible and to the extent permitted by federal law and state contracting law. This requirement shall not apply to facilities under the control of the United States Government. As to hangars or warehouses, if special LEED (or equivalent) procedures and standards are adopted to apply to such structures at airports, then the Authority will seek to have such structures achieve LEED certification with a target of Silver or better (or equivalent certification from a different certifying entity) or better, to the extent feasible and to the extent permitted by federal law and state contracting law.
- 4. Use of Green Construction Methods and Equipment.
 - a. Use of Construction Equipment Running on Alternative Fuels or Particulate Traps. The Authority will require that firms performing AMP construction use equipment that either runs on alternative fuels or employs ARB-certified particulate traps, to the extent permitted by federal law and state contracting law, for construction projects for which the Authority determines that such equipment is commercially available. If the Authority determines that it will not require use of such construction equipment, it will provide a detailed, written statement of the reasons for that determination to the Attorney General, which can be made available to the public. In such event, the Authority also will impose a limitation of five minutes on idling of such equipment.
- 5. Coordination and Encouragement of Tenants to Address GHG
 - a. Recycling. The Authority will continue to expand its existing aggressive recycling program for which it has been recognized by US EPA for its accomplishments, and named as Recycler of the Year by the City of San Diego for the last 5 years. These programs extend to the Airport, all tenants, businesses and concessions operating at the Airport and, to the extent permitted by federal law, all airlines.
 - b. Sale of Unleaded Mogas. The Authority will encourage the present operator of the general aviation facility to offer mogas for those planes that can run on unleaded mogas. When the Authority undertakes a process for seeking new operator(s) of general aviation services, it will include as a requirement that such operator(s) offer unleaded mogas.

- c. Reduction of Carbon Footprint. In implementing its Sustainability Policy, the Authority will work with all tenants, businesses, and concessions operating at the Airport to reduce their carbon footprints.

November 2013 Gate Schedule
Updated by Aviation & Commercial Business

Terminal 1: East Rotunda											
	Southwest	WN									
	737-700W Gate 1A	737-700W Gate 1B	737-700W Gate 2	737-700W Gate 3	737-700W Gate 4	757-200 Gate 5	767-300 Gate 6	757-200W Gate 7	767-300 Gate 8	737-700W Gate 9	737-700W Gate 10
	WN	WN	WN	WN	WN	WN	WN	WN	WN	WN	WN
6:00	RON	RON	RON	RON	RON	RON	RON	RON	RON	RON	RON
6:15	#226	#2807	#718 DEN	#512	#157	#2629 SJC	#1294 MDW	#2273 SAT	#849	#351 SFO	#340
6:30	PHX	SMF	6:20	LAS	BWI	6:20	6:30	6:40	AUS	6:35	OAK
6:45	6:55	6:50		6:40	6:45						6:50
7:00											
7:15							7:15		7:15		
7:30							#1539 TUS			7:30	
7:45		7:55			7:45	7:55	7:35	7:45		#2009 LAS	
8:00		#3954 PHX			#2276 OAK	#270 SFO		#420 SJC	8:00	7:55	
8:15		8:25			8:05	8:25		8:15	#1833 BNA		8:25
8:30									8:30		#3400 ABQ
8:45			8:50				8:55				8:50
9:00			#2760 SMF		9:05		#158 LAS			9:10	
9:15			9:20		#175 PHX		9:25			#2430 DEN	
9:30		9:35			9:35	9:25	#1997 OAK	9:25		9:40	
9:45		#193 HOU	9:55	9:55		#455 MDW	9:55	9:50	9:50		
10:00		10:05	#1393 SJC	#222 SFO		10:15	#744		#1361 SJC		10:00
10:15			10:20	10:25			SMF		10:15	10:15	#365 LAS
10:30					10:35		10:30			#2896 PHX	10:25
10:45					#411 OAK			10:50		10:45	
11:00		11:10	11:10		11:05			#1610 DEN	11:00		
11:15		#1053 PHX	#397 SMF				11:25	11:35	#1465 SJC		
11:30		11:35	11:40				#1604 LAS		11:25		11:35
11:45							11:55				#2002 MDW
12:00					12:00	12:00		12:10	12:00	11:50	12:10
12:15		12:25			#378 ATL	#2542 SJC		#894 OAK	#248	#943 SFO	
12:30		#733 SMF			12:30	12:25	12:30	12:40	LAS	12:25	
12:45		12:50					#3492		12:45		12:45
13:00						13:10	BWI			13:10	#235 PHX
13:15			13:20		13:15	#1715 AUS	13:15		13:10	#422 LAS	13:10
13:30		13:50	#629 SAT		#1902	13:35		13:30	#2175 OAK	13:35	
13:45		#2354	13:50		MDW			#342 HOU	13:50		
14:00		SFO			14:05			13:55			
14:15		14:15	14:20			14:25	#116 PHX				
14:30			#390 LAS			#2189 DEN	14:30				
14:45			14:50		14:45	15:00		14:45		14:45	
15:00					#1912 PHX			#554 MCI	15:10	#150 SMF	
15:15		15:25			15:15			15:20	#357 TUS	15:15	
15:30		#121 SJC				15:35			15:40		
15:45		15:55	15:45			#2677 SMF	15:55				
16:00			#3764 OAK			16:05	#755 ABQ			16:00	
16:15			16:15		16:20		16:25			983 PHX	
16:30					#29 LAS			16:30		16:30	
16:45		16:55			16:50	16:55		#349 SFO			
17:00		#1360 SJC				#1743 OAK		17:05			
17:15		17:20				17:25			17:00		
17:30			17:05				17:25		#2612 PHX	17:25	
17:45			#1898 SMF				#1273 LAS			17:40	
18:00			17:35		18:05		17:50			#476 RNO	
18:15					#2090 PHX			18:05		18:05	
18:30		18:35			18:30			#2001 OAK	18:20		
18:45		#402 DEN				18:40		18:35	#2232 SJC		
19:00		19:00				#381 SFO			18:50		
19:15			18:55								
19:30			#1193 LAS	19:35			19:20		19:35	19:20	
19:45			19:25	#1263 PHX			#305 SMF		19:35	#1426 OAK	
20:00				20:00	20:05		19:50		#259 SMF	19:50	
20:15					#671 SFO	20:15		19:55	20:20		
20:30					20:35	#394 LAS		#1121 TUS			
20:45						20:40		20:20		20:40	
21:00	21:00	21:00	21:00				20:45			#1091 OAK	
21:15	#208	#514	#455	21:15	21:30	21:40	#353 SJC			21:05	
21:30	MCO	PHZ	BOI	#398	#29	#533	21:10				
21:45				MDW	SFO	AUS	21:45	21:55			
22:00							#497	#188			
22:15							MHT	PHX	22:15	22:20	
22:30									#79	#79	22:35
22:45									ISP	DAL	#380
23:00											STL
23:15											
23:30	RON	RON	RON	RON	RON	RON	RON	RON	RON	RON	RON
	WN	WN	WN	WN	WN	WN	WN	WN	WN	WN	WN
	Gate 1A	Gate 1B	Gate 2	Gate 3	Gate 4	Gate 5	Gate 6	Gate 7	Gate 8	Gate 9	Gate 10

Terminal 1: West Rotunda	
Alaska	AS

	<u>Gate 11</u>	<u>757-200</u> <u>Gate 12</u>	<u>767-300</u> <u>Gate 13</u>	<u>757-200W</u> <u>Gate 14</u>	<u>757-200W</u> <u>Gate 15</u>	<u>737-900W</u> <u>Gate 16</u>	<u>737-900W</u> <u>Gate 17</u>	<u>737-900W</u> <u>Gate 18</u>	<u>Gate 19</u> Closed
	Authority	Authority	AS	AS	AS	AS	AS	AS	
			Secondary						
6:00						RON	RON	RON	
6:15						#847	#487 SEA	#573 PDX	
6:30						OGG	B738 6:30	B738	
6:45						B738		6:40	
7:00					RON TOW				
7:15					#497				
7:30					SEA				
7:45					B738				
8:00					7:50				
8:15									
8:30						8:14	9:00		
8:45						#2552 FAT	#485 SEA	8:55	
9:00			8:48	RON		Q400 8:45	M/T/W/Th	RON S/T/Th/F	
9:15			#768 STS	#857 LIH		8:55	B734 9:45	#895 SEA/HNL	
9:30			B738	B734		#2468 STS	9:00	737-800	
9:45			9:20	M/T/TH/Sat	9:40	9:30	#232 PVR	M/W/Sat	
10:00				10:30	#499 SEA		Fri/Sat/Sun	9:15	
10:15				10:05	S/M/T/F/Sa		B734 9:55		
10:30				#240 B734	RON Wed				
10:45				SJD	8:35 TH only				
11:00				10:55	10:45				
11:15									
11:30						11:40			
11:45						#3483			
12:00						BOI			
12:15						CRJ			
12:30				12:39					
12:45				#238 B734					
13:00				SJD					
13:15				M/Th/F/S/S			13:34		
13:30							#483 SEA		
13:45							B734	13:45	
14:00							13:50	#579 PDX	
14:15				14:15				B738	
14:30								14:35	
14:45					14:47				
15:00					#495 SEA				
15:15					B739				
15:30					15:35				
15:45									
16:00									
16:15									
16:30									
16:45			16:57				FIS TOW		
17:00			#2436 MRY			#3483	from G21		
17:15			Q400	17:23		CRJ	#233 SEA		
17:30				#577 PDX		17:35	B738	#237	
17:45				B734			17:55	FIS Tow on Sat.	
18:00				X Sat.				PDX	
18:15				18:20	18:21		16:55	18:00	
18:30					#2554 FAT		#571	Tow from Gt 21	
18:45			18:55		Q400		SEA	SEA	
19:00							B734		
19:15				19:15			M/T/W/TH		
19:30				#850 LIH			18:00		
19:45				M/W/F				19:40	
20:00			19:43	#2555 RON		19:24			
20:15			#763 MCO	Tues ONLY		#239 SEA			
20:30			RON	RON	21:30	B738			
20:45						X/Tu/Wed			
21:00									
21:15						20:55			
21:30									
21:45					21:25				
22:00					#480				
22:15					SEA			22:22	
22:30								#769	
22:45						22:45		BOS	
23:00			23:36	23:43		#574 PDX	23:51		
23:15			#892 HNL	#488 SEA		B738	#886 OGG	B738	
23:30			RON	RON	RON	RON	RON	RON	
	Authority	Authority	AS	AS	AS	AS	AS	AS	
	<u>Gate 11</u>	<u>Gate 12</u>	<u>Gate 13</u>	<u>Gate 14</u>	<u>Gate 15</u>	<u>Gate 16</u>	<u>Gate 17</u>	<u>Gate 18</u>	

Terminal 2 East:

Air Canada	AC	British	BA
Allegiant	G4	Hawaiian	HA
American	AA	Frontier	F9
Japan	JL	Spirit	NK

Gates 20, 21 and 22 are international gates.

	747-400 Gate 20 FIS	737-700W Gate 21 FIS	777-200 Gate 22 FIS	A320 Gate 23 Authority	767-300 Gate 24 Authority	757-200W Gate 25 VX	757-200W Gate 26 Authority	767-300 Gate 27 AA	767-200 Gate 28 F9	767-300 Gate 29 AA	757-200 Gate 30 NK	767-300 Gate 31 AA	757-200W Gate 32 AA
6:00		RON	RON			RON		RON	RON	RON		RON	RON
6:15			HA #15			#1951		#1380	#550 DEN	#1448 DFW		#160	#1096 ORD
6:30			HNL			SFO		DFW	A319 6:20	MD80 6:20		JFK	B738 6:20
6:45			A332			A320		MD83				B763	
7:00			DAILY			7:00							
7:15													
7:30										RON TOW			
7:45								7:45		#1800 DFW			
8:00		YYZ								MD83			RON TOW
8:15						8:25							#1438
8:30		08:30				#1742 SFO							ORD
8:45						A319				8:30			B738
9:00						9:20				RON TOW	8:42		9:10
9:15										#2092 DFW	#470 LAS		
9:30									9:24	MD80	A319		
9:45			9:45						#558 DEN	9:25	9:22		
10:00									A319		9:50		
10:15		10:13							10:05		DFW/SJD		
10:30		11/30 ONLY									#107 A319		10:20
10:45		Y4									10:28		#852 DFW
11:00		MEX											B738
11:15		11:19	11:10										11:05
11:30			#1565 YYC						11:19	11:20			
11:45	11:40		MWFSat			11:30			#556 DEN	#674 ORD			
12:00	JAL #066	12:13	73W			#961 SFO			W/TH A319	B738		11:45	
12:15	NRT	Y4	11:55			A319			12:03	12:05		#1710 DFW	
12:30	DAILY	MEX				12:15						MD80	
12:45		11/3-11/29										12:25	
13:00										13:20			
13:15	787									#872			
13:30	13:35									DFW			
13:45		13:31								MD80			
14:00		13:13								14:00			
14:15		Y4-11/1 ONLY											
14:30		MEX											
14:45		11/3-11/29						14:30					
15:00		14:31						ORD	#564 DEN		14:36	14:55	
15:15								738	A320		A320	#1740	
15:30								15:15	15:03		15:20	DFW	
15:45												MD80	
16:00			15:59								15:59	15:35	15:40
16:15		16:00	SJD								#108		#528
16:30	16:23	#233 SJD	567 ONLY					16:10			DFW		ORD xSat
16:45	PVR 567 Only	TOW to G17	TOW			16:40		DFW			A319		B738
17:00			17:00			#963 SFO		738					16:25
17:15			BA #272			A320		17:00					
17:30			LHR			17:25					17:30		
17:45			B777										
18:00		18:04							18:14	18:35			18:05
18:15		from SJD							#552	#1109 DFW			RON TOW
18:30		#239							DEN A319	MD80			#1109
18:45		1567 ONLY							18:55	RON TOW			DFW
19:00		Tow to Gate 18	19:00			19:15							MD80
19:15						#969 SFO							
19:30						A320					19:38		
19:45						19:55					#245 PDX	20:10	
20:00											A319	#1605 ORD	
20:15											20:25	B738	
20:30		20:18								20:15		RON TOW	20:40
20:45		YYZ								#1121			#145 JFK
21:00										DFW			B763
21:15			21:10			21:25				MD83			RON TOW
21:30						#964							
21:45			#16			SFO							
22:00			HNL										
22:15			B763						22:11				23:15
22:30			DAILY						#563				#1339
22:45									DEN				ORD
23:00									A319			23:30	B738
23:15						A320						#403 DFW	
23:30		RON	RON			RON		RON	RON			RON	RON
	FIS Gate 20	FIS Gate 21	FIS Gate 22	Authority Gate 23	Authority Gate 24	VX Gate 25	Authority Gate 26	AA Gate 27	F9 Gate 28	AA Gate 29	NK Gate 30	AA Gate 31	AA Gate 32

"EXHIBIT B"

Terminal 2 West:														
US Airways	US													
United	UA													
JetBlue	B6													
	A321W Gate 33	A321W Gate 34	757-200W Gate 35	A321W Gate 36	737-900W Gate 37	757-200W Gate 38	757-200W Gate 39	757-200W Gate 40	737-800W Gate 41	737-900W Gate 42	737-900W Gate 43	737-800W Gate 44	767-300W Gate 45	757-300W Gate 46
	US	US	US	B6	Authority B6	UA	UA	UA	Authority	Authority	UA	UA	UA	UA
6:00		RON	RON			RON	RON	RON			RON		RON #305	RON #1552
6:15		#567 PHX	#670			#663 SFO	#1255 ORD	#484 DEN			#640		IAH A320	EWR B739
6:30		6:30	PHL			A319 6:15	B739 6:20	B752 6:15			DEN		6:20	6:30
6:45			A321								B752			
7:00											7:00	RON TOW		
7:15												#546		
7:30												IAD		
7:45											RON TOW	B752		
8:00			8:25								#1604 SFO	7:55	8:04	
8:15											7:54 B738		#1073	
8:30													IAH	
8:45													B738	
9:00			9:05										9:21	
9:15			#612											
9:30			PHX				9:35							
9:45			A321				#526							
10:00		10:16	10:00		10:30		SFO A319							
10:15		#487					10:17				10:28			
10:30	10:29	CLT			BOS #620			10:48			#1105		10:43	
10:45	#157 PHL	A321			A320	10:57		#6521			ORD		#356	
11:00	A320	11:15			11:21	#1207		DEN CR7			B739		IAH	
11:15	11:20					SFO B738		11:23			11:21		B752	
11:30			11:23			11:46							11:40	11:41
11:45	11:46		#622											#1094
12:00	#665		PHX		12:10									IAH
12:15	DCA		A321		JFK #190									B738
12:30	A320				A320								12:31	12:37
12:45	12:45		12:40		13:01			#1197 SFO					#1114	
13:00				GATE CLOSED			12:36	B738					EWR B738	
13:15							#1175 IAD	13:27					13:25	
13:30				UNTIL MID-		13:37	B738							
13:45						#355	13:26							
14:00				NOVEMBER		ORD								
14:15						A320							14:14	
14:30				FOR INTERIOR		14:26	14:34						#599	
14:45							#1619 DEN						IAH A320	
15:00				REMODELING			B738				14:58		14:59	
15:15			15:20				15:15				#496 SFO			
15:30			#486								A319			
15:45			PHX								15:59			
16:00			A321					16:01						
16:15			16:25					#1570 SFO						
16:30								B738						
16:45								16:58						
17:00												17:12		
17:15												#662		
17:30												SFO		
17:45								17:27				A319		
18:00			18:05					#6513 DEN				18:13		
18:15			#632					CR7 17:57						
18:30			PHX											
18:45			A321											
19:00			19:15											
19:15								19:29			19:28			19:41
19:30								#386			#384			#1740
19:45								ORD			SFO B752			EWR
20:00			20:04		20:00	RON TOW	20:49 B752	A320			20:15			B739
20:15			#470		JFK #90								RON TOW	
20:30			PHX		A320		RON TOW		20:46		20:20		#263 EWR	
20:45		20:54	A321		20:58		#519 SFO		#20 BOS		#1692		21:04 B752	21:00
21:00		#669					21:16 A319		A320		IAD			
21:15	21:15	PHL	RON x4, 6			21:00					A320			
21:30	#579	A321	21:40			#628								
21:45						SFO								
22:00	CLT					A320					22:08			
22:15	A321													22:29
22:30	22:35							22:42						#271
22:45												22:21		IAH
23:00							23:29				22:45	#1699		B752
23:15			23:59				#450 DEN				#1206	SFO		
23:30		RON	RON #609		B6	RON	A319 RON				ORD B738	B739		RON
	US	US	US	Gate 36	Authority	UA	UA	UA	Authority	Authority	UA	UA	UA	UA
	Gate 33	Gate 34	Gate 35		Gate 37	Gate 38	Gate 39	Gate 40	Gate 41	Gate 42	Gate 43	Gate 44	Gate 45	Gate 46

"EXHIBIT B"

Terminal 2 West:	
Delta	DL
Sun Country	SY

	767-300W	777-200LR	737-900W	737-900W	777-300ER	
	Gate 47	Gate 48	Gate 49	Gate 50	Gate 51	
	DL	DL/HA	DL	DL	DL	
6:00	RON		RON	RON	RON	6:00
6:15	#671 MSP		#246 JFK	#1592 ATL	#978 SLC	6:15
6:30	M90 6:37		B738 6:30	B757	B738 6:15	6:30
6:45				6:45		6:45
7:00	RON TOW					7:00
7:15	#1248 DTW	RON TOW				7:15
7:30	A320 7:00	#1662 ATL				7:30
7:45		B757 7:55				7:45
8:00						8:00
8:15						8:15
8:30						8:30
8:45						8:45
9:00						9:00
9:15					9:14 SY	9:15
9:30	9:33				#402	9:30
9:45	#2295 SLC				MSP	9:45
10:00	A319			10:05	10:05	10:00
10:15	10:20			#1692		10:15
10:30		10:33		ATL		10:30
10:45		#833 DTW		B757		10:45
11:00		B757		11:00		11:00
11:15	11:14	11:23			11:16	11:15
11:30	#1687				#838	11:30
11:45	MSP				JFK B738	11:45
12:00	M90		12:08		12:00	12:00
12:15			#2378			12:15
12:30	12:33		SLC			12:30
12:45			B738	12:49		12:45
13:00			13:10	#2267		13:00
13:15	13:25			ATL B757		13:15
13:30	#1787			13:45		13:30
13:45	MSP					13:45
14:00	M90					14:00
14:15						14:15
14:30						14:30
14:45	15:00					14:45
15:00						15:00
15:15						15:15
15:30						15:30
15:45	15:47					15:45
16:00	#2078 SLC					16:00
16:15	A320					16:15
16:30	16:27				16:34 SY	16:30
16:45					#404 MSP	16:45
17:00					B737	17:00
17:15			17:16		17:25	17:15
17:30			#1967			17:30
17:45	17:40		ATL B757			17:45
18:00	#2546		RON TOW			18:00
18:15	SLC A320					18:15
18:30	18:20					18:30
18:45						18:45
19:00						19:00
19:15						19:15
19:30						19:30
19:45						19:45
20:00						20:00
20:15						20:15
20:30						20:30
20:45						20:45
21:00		20:48				21:00
21:15		ATL, #1467		21:27		21:15
21:30		B757		#1389		21:30
21:45	21:51	RON TOW		MSP	21:59	21:45
22:00	#1510				#1792	22:00
22:15	DTW		22:18	M90	ATL	22:15
22:30			#1576		B757	22:30
22:45		22:49	JFK		22:50	22:45
23:00	B738	#1909	B738			23:00
23:15		SLC				23:15
23:30	RON	RON	RON	RON		23:30
	DL	DL/HA	DL	DL	DL	
	Gate 47	Gate 48	Gate 49	Gate 50	Gate 51	

Gate Utilization - Departures per Gate Per Month and Per Week

Airline:	Gate Number:	Annual Departures:	Gate Allocation:	Dep/Month/Gate:	Dep/Gate/Week:
Terminals 1 and 2 (mainline service)					
Air Canada	21	632	0.50	52.7	12.2
Alaska Airlines	16, 17 & 18	5,076	2.50	169.2	39.0
Horizon Air - commenced 6/4/12		828	0.50	138.0	31.8
Allegiant Airlines	22	124	0.33	10.3	2.4
American Airlines	27, 29, 31 & 32	4,844	4.00	100.9	23.3
British Airways	20	359	0.50	29.9	6.9
Delta Air Lines	38, 39, 40 & 41	6,065	3.50	144.4	33.3
SkyWest (Delta Conn.) - on DL gates		50	0.25	4.2	3.8
Sun Country Airlines - on DL gates		177	0.25	59.0	13.6
Frontier Airlines	28	1,462	1.00	121.8	28.1
Hawaiian Airlines	22	366	0.33	30.5	7.0
Japan Airlines - commenced 12/2/12	20	18	0.50	18.0	4.5
JetBlue Airways	23	1,138	1.00	94.8	21.9
Southwest Airlines	1, 1A, 2 - 10	31,626	11.00	239.6	55.3
Spirit Airlines	30	1,040	1.00	86.7	20.0
United Airlines	11 - 15, 35 & 36	10,267	7.00	122.2	28.2
SkyWest (United Exp.) on UA gates					
US Airways/Mesa & SkyWest as Expr.	34, 34 & 37	4,395	3.00	122.1	28.2
Virgin America	25	1,607	1.00	133.9	30.9
Volaris	21	355	0.50	29.6	6.8
West Jet	22	236	0.34	19.7	4.5
Total Mainline Gates:			<hr/> 39.00		
No assignment to Gates 24 & 26 - under renovation.					
Commuter Terminal					
American Eagle to LAX (A. Eagle)	1	3,209	1.00	267.4	61.7
United Express to LAX (SkyWest)	1	4,251	1.00	354.3	81.8
American Eagle to LAX (SkyWest)	1	256	1.00	21.3	4.9
Delta to LAX (SkyWest)	1	2,117	1.00	176.4	40.7

Market Detail

	2011	2012	Change	% Change
Number of Markets:				
Domestic	43	47	4	8.51%
International	8	9	1	11.11%
Total Markets	51	56	5	8.93%

New Markets Added:	5
Markets Lost:	2

Airline Serving Markets:	2011	2012	Notes
Air Canada	Yes	Yes	
Alaska Airlines	Yes	Yes	
Allegiant Air	Yes	Yes	
American Airlines	Yes	Yes	
American Eagle	Yes	Yes	
British Airways	Yes	Yes	
Continental Airlines	Yes	No	Merged with United
Delta Air Lines	Yes	Yes	
Frontier Airlines	Yes	Yes	
Hawaiian Airlines	Yes	Yes	
Horizon Air	No	Yes	New Entrant
Japan Airlines	No	Yes	New Entrant
JetBlue Airways	Yes	Yes	
Mesa Airlines	Yes	Yes	
SkyWest Airlines	Yes	Yes	Operates as United Express, Delta Connection & American Eagle
Southwest Airlines	Yes	Yes	
Spirit Airlines	Yes	Yes	
Sun Country Airlines	Yes	Yes	
United Airlines	Yes	Yes	
US Airways	Yes	Yes	
Virgin America	Yes	Yes	
Volaris	Yes	Yes	
Westjet	Yes	Yes	
Total:	21	22	

Number of Markets Served:

Airline:	Total Markets:
Air Canada	2
Alaska Airlines	7
Allegiant Air	1
American Airlines	3
American Eagle	1
British Airways	1
Delta Air Lines	7
Frontier Airlines	1
Hawaiian Airlines	1
Horizon Air	3
Japan Airlines	1
JetBlue Airways	2
Mesa Airlines	1
Midwest Airlines	1
SkyWest Airlines	6
Southwest Airlines	19
Spirit Airlines	4
Sun Country	1
United Airlines	7
US Airways	4
Virgin America	1
Volaris	2
Westjet	1