

SIGNATORY AIRLINE USE AND LEASE AGREEMENT

For

ALBANY INTERNATIONAL AIRPORT

By and Between

THE ALBANY COUNTY AIRPORT AUTHORITY

And

[AIRLINE]

AIRLINE USE AND LEASE AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____ 201__, by and between the ALBANY COUNTY AIRPORT AUTHORITY, a body politic and corporate constituting a public benefit corporation created and existing under Title 32 of Article 8 of the Public Authorities Law of the State of New York, hereinafter referred to as “AUTHORITY,” and _____, a corporation organized and existing under the laws of the State of _____, and authorized to do business in the State of New York, hereinafter referred to as “AIRLINE.”

WITNESSETH:

WHEREAS, the County of Albany, New York, a municipal corporation and political subdivision of the State of New York, hereinafter referred to as “County,” is the owner of the Albany International Airport, hereinafter referred to as the “Airport,” located in the Town of Colonie, County of Albany, State of New York;

WHEREAS, the County and AUTHORITY have entered into an Airport Lease Agreement, hereinafter referred to as the “Airport Lease,” for the transfer of certain rights and obligations to AUTHORITY with respect to the Airport;

WHEREAS, AUTHORITY is responsible under the Airport Lease for the operation, maintenance, improvement and promotion of the Airport;

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

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

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

WHEREAS, AIRLINE and AUTHORITY entered into that certain Signatory Airline Use and Lease Agreement effective as of January 1, 2006, hereinafter referred to as the "2006 Agreement," specifying the rights and obligations of the parties with respect to the operation of the Airport by AUTHORITY and the use and occupancy of the Airport by AIRLINE, which 2006 Agreement expires on December 31, 2015; and

WHEREAS, AIRLINE and AUTHORITY desire to enter into a new use and lease agreement to replace and supersede the 2006 Agreement, subject to the terms of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, AUTHORITY and AIRLINE do hereby mutually undertake, promise and agree, each for itself and its successors and assigns, as follows:

ARTICLE 1 DEFINITIONS

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

2006 Agreement shall mean that certain Signatory Airline Use and Lease Agreement between AIRLINE and AUTHORITY, effective as of January 1, 2006, as the same may have been amended or supplemented from time to time in accordance with its terms.

Act shall mean the Albany County Airport Authority Act, Title 32 of Article 8 of the New York State Public Authorities Law, as such may be amended, supplemented, or replaced from time to time.

Affiliate shall mean a Signatory Airline that is operating its Air Transportation Business at the Airport as described in Section 10.5, or a Non-Signatory Airline that is operating its Air Transportation Business at the Airport under a Non-Signatory Operating Agreement with AUTHORITY, and that (in either case) is (i) a parent or subsidiary of AIRLINE or under the same parental control as AIRLINE, or (ii) shares an International Air Transport Association (IATA) flight designation code with AIRLINE at the Airport (Code-Sharing Partner), or (iii) otherwise operates under essentially the same trade name as AIRLINE at the Airport and uses essentially the same livery as AIRLINE (except in the case of a maintenance spare substitute); provided that no major airline, as such term is defined by the Federal Aviation Administration, shall be classified as an Affiliate of another major airline, unless either clause (i) or (iii) above defines the relationship between such airlines at the Airport. AIRLINE shall provide AUTHORITY with advance written notice prior to designating a new Affiliate. Such designation is subject to AUTHORITY approval, which shall not be unreasonably withheld. AIRLINE shall provide AUTHORITY with advance written notice prior to the cancellation of any designation of an Affiliate before the cancellation of such designation.

Affiliate Operating Agreement shall mean the agreement executed by AUTHORITY, AIRLINE and the Non-Signatory Airline designated by AIRLINE as its Affiliate pertaining to the Affiliate's use of any Airport facilities or services as an Affiliate of AIRLINE, substantially similar to Exhibit "I" attached hereto.

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

Air Transportation Company shall mean a company engaged in the business of scheduled or nonscheduled commercial transportation by air of persons, property, mail, or cargo.

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

Aircraft Aprons shall mean those parts of the Ramp Area adjacent to the Terminal that are used for the parking of aircraft and support vehicles, and the loading and unloading of aircraft.

Airfield shall mean the Landing Area and Ramp Area, and other facilities supporting the activity of military, general aviation, and commercial aircraft.

AIRLINE shall mean the Scheduled Air Carrier executing this Agreement.

Airline Affairs Committee or AAC shall mean collectively the authorized representatives of each Signatory Airline and Signatory Cargo Carrier which shall meet from time to time with representatives of AUTHORITY to receive information and provide input from the Signatory Airlines and Signatory Cargo Carrier with regard to the operation and development of the Airport.

Airline Premises shall mean those areas assigned to AIRLINE as Preferential Use and Joint Use Premises, as defined herein, and shown on Exhibits "B" and "C" attached hereto.

Airport shall mean the Albany International Airport owned by the County and operated by AUTHORITY, as the same may exist from time to time and which, as of the date hereof, is shown on Exhibit "A," attached hereto, including all real property and easements, improvements and appurtenances thereto, structures, buildings, fixtures, machinery, equipment, vehicles, supplies and other tangible personal property, or interest in any of the foregoing, now or hereafter leased or acquired by AUTHORITY. Airport shall also include any additional airports

or facilities leased, acquired, or operated by AUTHORITY, subject to the MII provisions of Article 9.

Airport Lease shall mean the Airport Lease Agreement between AUTHORITY and the County, dated December 5, 1995 and effective May 16, 1996, as may be amended from time to time.

Amortization Requirements shall mean the recovery or repayment of capital costs as principal and interest, in substantially equal annual installments over a fixed term for a Capital Expenditure which is not debt financed. The amortization charge, if any, for such expenditures shall be as agreed to by AUTHORITY and a Majority-in-Interest.

AUTHORITY shall mean the Albany County Airport Authority, a body politic and corporate constituting a public benefit corporation created and existing under the Act, and shall include such person or persons as may from time to time be authorized in writing by AUTHORITY to act for the AUTHORITY with respect to all matters pertaining to this Agreement.

Average Minimum Use Level shall mean the average minimum number of Turns calculated by AUTHORITY based on the rolling six-month average of an Air Carrier's Turns at all of an Air Carrier's Preferential Use Gates, as further described in Section 5.2.

Bonds shall mean any bonds or other financing instrument or obligation of the AUTHORITY having a first lien on Revenues, after the payment of O&M Expenses, including, to the extent not treated as an O&M Expense, bonds issued by the County for the purposes of the Airport, other than Subordinated Indebtedness or Other Indebtedness.

Capital Charge Coverage shall mean, for any Fiscal Year, an amount equal to twenty-five percent (25%) of Debt Service, if required by any Resolution(s) or other financing document(s)

of the County or AUTHORITY, plus such other amounts as may be established with respect to Other Indebtedness.

Capital Charges shall mean (i) Debt Service, (ii) Other Debt Service, and (iii) Amortization Requirements.

Capital Expenditure shall mean an expenditure made to acquire, purchase or construct a single capital item or project for the purpose(s) of improving, maintaining or developing the Airport and shall include expenses incurred for development, study, analysis, review or planning efforts. For the purposes of this Agreement, a Capital Expenditure shall mean an expenditure in excess of \$50,000 in net costs, after application of any applicable federal and state grants or PFC funds.

Capital Improvement Program or CIP shall mean each five-year capital improvement plan, as amended from time to time, submitted to and approved by the County in accordance with the Act. AUTHORITY's current CIP is attached hereto as Exhibit "E."

Chargeable Landings shall mean those aircraft landings for which landing fees shall be due and payable by AIRLINE, as set forth in Section 7.1. Such landings by AIRLINE shall include all Revenue Landings during any period.

Chief Executive Officer or CEO shall mean the Chief Executive Officer of the AUTHORITY, and shall also include such person or persons as may from time to time be authorized in writing by AUTHORITY or by the CEO or applicable law to act for the CEO with respect to any or all matters pertaining to this Agreement.

Contract Security shall mean that requirement established in Section 7.10 of this Agreement.

Cost Centers shall mean those areas or functional activities of the Airport as set forth in Exhibit “G,” grouped together for the purposes of accounting for Revenues, O&M Expenses, Capital Charges, Capital Charges Coverage, and any other requirements including reserves, established by any Resolution(s) or other financing document(s) of the County or AUTHORITY.

County shall mean the County of Albany, State of New York, operating through its legislature, legislative committees, or elected or appointed officials.

Debt Service shall mean the amount required during any period for the accrual and payment of principal of, interest on, and premium, if any, and other fees and amounts associated with all series of Bonds and Subordinated Indebtedness, all as set forth in any Resolution(s) or other financing document(s) of the County or AUTHORITY.

Debt Service Reserve Fund shall mean any fund or funds established by the AUTHORITY for monies necessary to satisfy any Debt Service Reserve Requirement established in any Resolution(s) or other financing document(s) of the County or AUTHORITY.

Debt Service Reserve Requirement shall mean the requirement, if any, for the Debt Service Reserve Funds for all series of Bonds, Subordinated Indebtedness, and Other Indebtedness.

DHS shall mean the Department of Homeland Security, and its authorized successors.

Effective Date shall mean that date set forth in Section 2.1.

Enplaned Passenger shall mean all local boarding, interline transfer, and intraline transfer passengers at the Airport, other than AIRLINE’s employees or AIRLINE’s retirees traveling on AIRLINE passes. The total number of AIRLINE’s Enplaned Passengers shall include all local boarding, interline transfer, and intraline transfer passengers boarded by AIRLINE or by any Air Transportation Company ground-handled or otherwise accommodated by AIRLINE.

Extraordinary Coverage Protection shall mean the requirement set forth in Section 8.4B.

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

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

Funds Remaining shall mean the amounts defined in Section 8.4C.

Gate shall mean a gate position including the associated Ramp Area, holdroom and loading bridge(s) as shown on Exhibit "B" attached hereto. The Ramp Area shall be sufficient to encompass all equipment staging and access associated with operating the gate including, without limitation, the ticket lift station and passenger check-in counter in the holdroom, the loading bridge, and all ground handling equipment.

General Fund shall mean any fund or account established by AUTHORITY in any Resolution(s) or other financing document(s) of the AUTHORITY for the purpose of retaining AUTHORITY's share of Funds Remaining, as set forth in Section 8.4C.

Joint Use Premises shall mean those areas which may be assigned to two or more Scheduled Air Carriers, as shown on Exhibits "B" and "C" attached hereto.

Landing Area shall mean those portions of the Airport provided for the landing, taking off and taxiing of aircraft, including without limitation, approach and turning zones, avigation or other easements, runways, taxiways, runway and taxiway lights, and other appurtenances in connection therewith.

Low-Volume Air Carrier shall mean a Non-Signatory Airline with seven or fewer scheduled revenue flights departing from the Airport with an aggregate of no more than 700 departing passenger seats each calendar week.

Majority-in-Interest or MII for the Airfield shall mean such group of Signatory Airlines and Signatory Cargo Carriers representing greater than fifty percent (50%) in number of all Signatory Airlines and Signatory Cargo Carriers, accounting for not less than fifty percent (50%) of Maximum Gross Landed Weight of all Signatory Airlines and Signatory Cargo Carriers for the most recent six (6) month period for which such statistics are available. MII for the Terminal shall mean such group of Signatory Airlines (i) representing greater than fifty percent (50%) in number of all such Signatory Airlines accounting for not less than fifty percent (50%) of the total Signatory Airline Terminal rentals for the most recent six (6) month period for which such statistics are available.

Maximum Gross Landed Weight shall mean the maximum gross certificated landed weight in one thousand pound units, as certified by the aircraft's manufacturer and stated in AIRLINE's flight operations manual, at which each aircraft operated at the Airport by AIRLINE is certificated by the FAA to land at the Airport.

Non-Revenue Landing shall mean any aircraft landing by AIRLINE at the Airport for a flight for which AIRLINE receives no revenue. Such Non-Revenue Landings shall include irregular and occasional test, courtesy, inspection, training, ferry, or emergency flights, including any flight that, after having taken off from the Airport and without making a landing at any other airport, returns to land at the Airport because of meteorological conditions, mechanical or operating causes, or any other reason of emergency or precaution, test, courtesy, inspection or training landings. Non-Revenue Landings shall also include any landing of an aircraft by AIRLINE that is diverted to or is otherwise making an unscheduled landing at the Airport, provided that no passengers are deplaned from such aircraft during such landing.

Non-Signatory Airline shall mean any Air Transportation Company that has not entered into an Airline Use and Lease Agreement, substantially similar to this Agreement, with AUTHORITY.

Non-Signatory Operating Agreement shall mean the agreement, executed by AUTHORITY and any Non-Signatory Airline pertaining to such airline's operations and use of certain facilities at the Airport, substantially similar to Exhibit "J" attached hereto.

Operation and Maintenance Expenses or O&M Expenses shall mean for any period all expenses accrued or paid by AUTHORITY in accordance with generally accepted accounting principles in the United States of America for airports of similar characteristics for the operation, maintenance, administration and ordinary current repairs of the Airport in order to maintain and operate the Airport in a reasonable and prudent manner, all as further defined in the Resolution.

Operation and Maintenance Reserve Requirement or O&M Reserve Requirement shall mean the requirement of any Resolution(s) or other financing document(s) of the AUTHORITY that a reserve be created and maintained sufficient to pay two or more months of budgeted O&M Expenses.

Other Debt Service shall mean the amount required during any period for the accrual and payment of principal of, interest and premium on, and other fees and amounts associated with, Other Indebtedness of the AUTHORITY.

Other Indebtedness shall mean any obligation incurred by AUTHORITY other than O&M Expenses, or reserves, for Airport purposes, and with respect to Capital Expenditures, an obligation incurred in accordance with Article 9 hereof, and which is neither Bonds nor Subordinated Indebtedness, all as set forth in any Resolution(s) or other financing document(s) of the County or AUTHORITY.

Passenger Facility Charges or PFCs shall mean those federally-approved charges or passenger facility fees, as authorized by 49 U.S.C. § 40117 and regulated by 14 CFR Part 158, as such statute and regulation currently exist or as they may be amended from time to time during the Term of this Agreement.

Period of Use shall mean, for a Scheduled Operation at a Preferential Use Gate:

(a) For arrivals of aircraft, the Period of Use shall commence thirty (30) minutes prior to the time scheduled for an arrival. The Period of Use shall terminate sixty (60) minutes after the time scheduled for an arrival or upon Airline's completion of the deplaning process, whichever occurs first.

(b) For departures of aircraft, the Period of Use shall commence sixty (60) minutes prior to the time scheduled for a domestic departure and ninety (90) minutes prior to the time scheduled for an international departure; provided, however, that the scheduled departure time shall be extended if the originating aircraft is being boarded and actively prepared for departure, and in such instances, the extension shall extend only to the completion of the active boarding process. The Period of Use for an originating flight shall terminate upon the actual departure of the aircraft from the Gate or thirty (30) minutes after the time scheduled for the departure, whichever occurs first.

Preferential Use Premises shall mean those portions of the Terminal, Ramp Area and Gates assigned to AIRLINE, as shown on Exhibits "B" and "C" attached hereto, to which AIRLINE shall have priority over all other users, subject to the provisions of Article 18.

Preferential Use Gate Utilization Targets shall mean each level of use or other criterion established by AUTHORITY for each Air Carrier to meet in order to use or continue to use the

Preferential Use Gate(s) assigned by AUTHORITY to such Air Carrier as part of its Preferential Use Premises, as further described in Section 5.2.

Ramp Area shall mean the aircraft parking and maneuvering areas adjacent to the Terminal, and shall include within its boundaries all Aircraft Aprons, including those areas assigned for use as remain overnight parking positions.

Requesting Airline shall mean a Scheduled Air Carrier requesting accommodation as set forth in Section 18.1.

Resolution shall mean any ordinance, resolution, indenture, or other instrument of the AUTHORITY or County authorizing the issuance of and providing security for Bonds, Subordinated Indebtedness, or Other Indebtedness, as such may be supplemented or amended from time to time; provided, however, that any amendment or supplement to a Resolution which shall have a material, adverse effect on Signatory Airlines under this Agreement shall first be approved by an applicable MII. The issuance of debt pursuant to the provisions of a Resolution shall not be construed as causing an adverse effect on Signatory Airlines.

Revenue Landing shall mean any aircraft landing by AIRLINE at the Airport for which AIRLINE receives revenue, including, without limitation, any landing of an aircraft by AIRLINE which is diverted to or is otherwise making an unscheduled landing at the Airport, provided that the passengers on board such aircraft are deplaned during such landing. A Revenue Landing shall not include any landing of an aircraft which is a Non-Revenue Landing.

Revenues shall mean income accrued or paid by the AUTHORITY in accordance with generally accepted accounting practices, including investment earnings, from or in connection with the ownership or operation of the Airport or any part thereof, or the leasing or use thereof,

all as further defined in any Resolution(s) or other financing document(s) of the County or AUTHORITY. For purposes of this Agreement, Revenues shall not include PFCs.

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

Scheduled Operation shall mean a Scheduled Airline's operation (arrival or departure) that occurs pursuant to a schedule that is published in the Official Airline Guide (OAG) or any successor publication thirty (30) days prior to the first day of the month in which AIRLINE's schedule would take effect, subject to AIRLINE's right to amend such schedule in accordance with Section 18.2C.

Seat shall mean a seat on an aircraft arriving or departing from the Airport other than those seats reserved in the flight deck or aircraft cabin for members of the flight crew.

Signatory Airline shall mean a Scheduled Air Carrier which has an agreement with AUTHORITY substantially similar to this Agreement; provided, however, that such Scheduled Air Carrier shall, at a minimum, lease from AUTHORITY, to the extent and when available, a Ticket Counter Bay and a Gate.

Signatory Cargo Carrier shall mean any Air Transportation Company principally engaged in the business of commercial transportation of property, mail and/or cargo, and which has entered into an operating agreement with the AUTHORITY which provides the AUTHORITY a term comparable to the Term of this Agreement and a minimum financial commitment satisfactory to AUTHORITY for use of a cargo handling facility.

Special Purpose Facility shall mean any capital improvement, equipment, or facility financed from proceeds or obligations not payable from Revenues.

Subordinated Indebtedness shall mean any bonds or other financing instrument or obligation having a lien on Revenues subordinate only to Bonds.

Term shall mean the period of time during which AIRLINE's activities at the Airport shall be governed by this Agreement. Said Term shall begin on the Effective Date, and, except as otherwise set forth herein, terminate on the date set forth in Article 3.

Terminal shall mean the airline passenger terminal and concourse buildings and related facilities at the Airport, as shown on Exhibit "B" attached hereto.

Ticket Counter Bay shall mean at least one-third (1/3) of a ticket counter area, as shown on Exhibit "B," including ticket counter, AIRLINE offices and baggage make-up areas. The ticket counter area shall extend into the public area a minimum of ten (10) feet from the front of the ticket counter to a maximum of the area enclosed by the outermost stanchion used for waiting passengers or the AIRLINE's Ticket Kiosks.

Ticket Kiosks shall mean all on-demand automatic electronic devices used to issue boarding passes, print receipts, and produce other related documents. The location of and amount of space occupied by Ticket Kiosks, including an allowance for queuing, shall be reasonably approved by the AUTHORITY and shall be treated as ticket counter space for rates and charges purposes.

TSA shall mean the Transportation Security Administration, and its authorized successors.

Turn shall mean the arrival and departure of an aircraft from a Gate, and may be measured in halves. The movement of an empty aircraft to or from a Gate shall not constitute half a Turn.

Additional words and phrases used in this Agreement but not defined herein shall have the meanings as set forth in a Resolution(s) or other financing document(s) of the County or AUTHORITY, or, if not so set forth, shall have their usual and customary meaning.

ARTICLE 2 EFFECTIVE DATE AND TRANSITION PROVISIONS

2.1 Effective Date. This Agreement shall be effective as of January 1, 2016; assuming that at least two Scheduled Air Carriers have executed this Agreement by December 31, 2015. Otherwise, this Agreement will not take effect for any Scheduled Air Carrier until the date on which at least two Scheduled Air Carriers have executed this Agreement.

2.2 Cancellation of Prior Agreements. On the Effective Date, all agreements and leases, between AIRLINE and AUTHORITY shall terminate, except for those agreements set forth in Exhibit “H,” which agreements shall continue to remain in full force and effect in accordance with their respective terms and conditions, notwithstanding the execution and delivery by AIRLINE and AUTHORITY of this Agreement.

ARTICLE 3 TERM

3.1 Basic Term and Renewal Term. Except as set forth in Section 3.2, this Agreement shall be in effect during the period commencing with the Effective Date and ending on December 31, 2020 (the “Basic Term”). This Agreement may be renewed for one (1) additional five (5) year period (the “Renewal Term”) provided that AIRLINE gives AUTHORITY at least six (6) months’ written notice of its intention to renew this Agreement for the Renewal Term, and further provided that the parties mutually consent to such Renewal Term. If the parties mutually consent to the Renewal Term, such Renewal Term shall be on the same

terms and conditions as are contained in this Agreement (except that, under the provisions of Section 2.1, the Renewal Term shall not remain in effect for AIRLINE or any other Scheduled Air Carrier), and shall be effective only if Signatory Airlines constituting an MII have executed such an Agreement with AUTHORITY for the Renewal Term by December 31, 2020.

3.2 Early Termination. Notwithstanding the above Basic Term, this Agreement may be terminated or cancelled prior to December 31, 2020, in accordance with Article 14, Article 15, or Article 19, or as may otherwise be provided in this Agreement, or any amendments thereto, with respect to termination or cancellation rights. In such event, the termination date shall be the effective date of such termination as provided in such Articles.

ARTICLE 4 PREMISES

4.1 Airline Premises.

A. AUTHORITY does hereby lease and demise to AIRLINE, and AIRLINE does hereby lease and accept from AUTHORITY, Preferential Use Premises and Joint Use Premises, in the Terminal as set forth in Exhibits “B” and “C.”

B. AUTHORITY shall have the right to permit an Air Transportation Company other than AIRLINE to use AIRLINE’s preferentially-assigned Gates subject to the conditions set forth in Article 18.

C. Gates shall be leased to Signatory Airlines on a preferential basis, subject to the provisions of Article 18. The allocation of Gates is set forth on Exhibit “C.”

D. AUTHORITY shall have the right, effective at the inception of the Renewal Term in accordance with the terms of Section 3.1, to adjust and/or reallocate all or any portion of the Airline Premises, if required, to accommodate a Scheduled Air Carrier. Prior to the expiration of the Term, and at least sixty

(60) days prior to the deadline for AIRLINE to provide notice of its intent to renew under Section 3.1, AUTHORITY and AIRLINE shall consult, to the extent possible, regarding the AUTHORITY's intentions to so adjust or reallocate all or any portion of the Airline Premises.

4.2 Terminal Equipment. Included in the Airline Premises as of January 1, 2016, is Terminal equipment as set forth in Exhibit "F" attached hereto. Terminal equipment owned or acquired by AUTHORITY for use by AIRLINE in its Airline Premises shall remain the property, and under the control, of AUTHORITY.

4.3 Employee Parking. AUTHORITY shall use reasonable efforts to make available area(s) at the Airport for vehicular parking for AIRLINE's employees, i.e., personnel employed at the Airport or such other personnel of AIRLINE which are assigned to work at another airport, but use the Airport to commute to their assigned airport; provided, however, such area(s) shall not be used for the long-term storage of vehicles or trailers. Long-term shall mean periods greater than two (2) weeks. AUTHORITY may charge fees for any such parking area(s) pursuant to Section 7.7B of this Agreement.

4.4 Public Address System. AUTHORITY shall provide and maintain a public address system in the Terminal, including microphones or other equipment necessary for the operation of said system, which AIRLINE and others similarly authorized by AUTHORITY shall have the right to use for flight announcements, paging and similar purposes, subject to reasonable rules and regulations established by AUTHORITY for the use of said system.

4.5 Federal Inspection Facilities. AUTHORITY may designate areas in the Terminal, or elsewhere on the Airport, to be used by the FAA, DHS, TSA and other agencies of the United States government for security purposes, the inspection of passengers and their baggage, and for

the exercise of the responsibilities of said agencies with respect to the movement of persons and property within and to and from the United States.

ARTICLE 5 USE OF THE AIRPORT AND RELATED FACILITIES

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

- A. The landing, taking off, flying over, taxiing, towing, and conditioning of AIRLINE's aircraft and, in areas designated by AUTHORITY, the parking, servicing, deicing, loading or unloading, storage or maintenance of AIRLINE's aircraft and support equipment subject to Sections 5.1F, 5.1G, and 5.4C and subject to the availability of space and such charges as are set forth herein, or as may be imposed by AUTHORITY for areas not included in the Airline Premises. Such rights shall also be subject to such reasonable regulations as AUTHORITY may establish. AIRLINE shall not use or permit the use of the Airfield by any aircraft operated or controlled by AIRLINE which exceeds the design strength or capability of the Airfield as described in the then current FAA-approved Airport Layout Plan (ALP) or other engineering evaluations performed subsequent to the then current ALP, including the then current Airport Certification Manual.
- B. The sale of air transportation tickets and services, the processing of passengers and their baggage for air travel, and the sale, handling, and providing of mail, freight and express services.

C. The training of personnel in the employ of or to be employed by AIRLINE and the testing of aircraft and other equipment being utilized at the Airport in the operation of AIRLINE's Air Transportation Business; provided, however, said training and testing shall be incidental to the use of the Airport in the operation by AIRLINE of its Air Transportation Business and shall not unreasonably hamper or interfere with the use of the Airport and its facilities by others entitled to the use of same. AUTHORITY reserves the right to restrict or prohibit such training and testing operations if it deems that such training and testing operations interfere with the use of the Airport.

D. The sale, disposition or exchange of AIRLINE's aircraft, engines, accessories, gasoline, oil, grease, lubricants, fuel or other similar equipment or supplies; provided, however, AIRLINE shall not sell or permit to be sold aviation fuels or propellants except (i) to such Air Transportation Company which is a successor company to AIRLINE; (ii) for use in aircraft of others which are being used solely in the operation of AIRLINE's Air Transportation Business, including, but not limited to, AIRLINE's Affiliate(s); or (iii) when a comparable grade and type of fuel desired by others is not available at the Airport except from AIRLINE.

E. The purchase at the Airport or elsewhere, of fuels, lubricants and any other supplies and services, from any person or company, subject to (i) Section 5.1D and (ii) AUTHORITY's right to require that each provider of services and/or supplies to AIRLINE secures a permit from AUTHORITY to conduct such activity at the Airport, pays required fees, and abides by all reasonable rules and

regulations established by AUTHORITY. No discriminatory limitations or restrictions shall be imposed by AUTHORITY that interfere with such purchases; provided, however, nothing herein shall be construed to permit AIRLINE to store aviation fuels or deicing products at the Airport. The granting of the right to store aviation fuels or deicing products shall be subject to the execution of a separate agreement between AIRLINE and AUTHORITY.

F. The servicing by AIRLINE or its suppliers of aircraft and other equipment being utilized at the Airport by AIRLINE on AIRLINE's Aircraft Aprons, fixed-base operator leased premises, or such other locations as may be designated by the CEO.

G. The loading and unloading of persons, property and mail by motor vehicles or other means of conveyance approved by AUTHORITY on AIRLINE's Aircraft Aprons or such other locations as may be designated by the CEO; provided, however, AIRLINE shall not use Aircraft Aprons to load or unload any cargo-only aircraft.

H. The provision, either alone or in conjunction with other Scheduled Air Carriers or through a nominee, of porter/skycap service for the convenience of the public, and passenger screening devices required pursuant to 49 CFR Part 1544, at no cost to AUTHORITY.

I. The installation and maintenance, at AIRLINE's sole cost and expense, of identifying signs in AIRLINE's Preferential Use Premises subject to the prior written approval of the CEO, which approval shall not be unreasonably withheld, delayed or conditioned. The general type and design of such signs shall be

harmonious and in keeping with the pattern and decor of the Terminal areas. Nothing herein shall be deemed to prohibit AIRLINE's installation on the walls behind ticket counters, check in counters, and ticket lift counters in holdrooms, and on AIRLINE's skycap podiums and loading bridges, identifying and company logo signs as are customarily installed by AIRLINE in such areas at comparable airport facilities.

J. The installation, maintenance and operation, at no cost to AUTHORITY, of such radio communication, computer, meteorological and aerial navigation equipment and facilities on AIRLINE's Preferential Use Premises as may be necessary or convenient for the operation of its Air Transportation Business; provided, however, that the locations and manner of such installations and operations shall be subject to the prior written approval of the CEO. The installation, maintenance and operation of any type of wireless communication system by AIRLINE on all or any portion of the Airline Premises shall not be permitted unless AIRLINE has obtained the prior written approval of the CEO, which shall not be unreasonably withheld or delayed provided that such wireless communication system shall not interfere in any way with AUTHORITY's communication systems or any other communication systems then in operation at the Airport.

K. Such rights of way as may reasonably be required by AIRLINE for the radio communication, computer, meteorological and aerial navigation equipment and facilities allowed under Section 5.1J, such rights of way to be located in and between Airline Premises and the Terminal, subject to the availability of space

and/or ground areas as may be determined with the prior written approval of the CEO. AUTHORITY reserves the right to require the execution of a separate agreement between AUTHORITY and AIRLINE for the lease and use of such space and/or ground area outside Terminal areas.

L. The installation of personal property, including furniture, furnishings, supplies, machinery and equipment, in AIRLINE's Preferential Use Premises as AIRLINE may deem necessary or prudent for the operation of its Air Transportation Business. Title to such personal property shall remain with AIRLINE, subject to the provisions of this Agreement. The provisions of this Section 5.1L shall not be construed to limit the AUTHORITY's right to approve the style and location of any Ticket Kiosks or check-in counters (including Ticket Counter Bays) to be installed by AIRLINE either in the Terminal or on the curb in front of the Terminal pursuant to this Agreement.

M. In connection with exercising its rights under Section 5.1L and otherwise in accordance with Section 9.4, the construction of modifications, finishes and improvements in AIRLINE's Preferential Use Premises as AIRLINE may deem necessary or prudent for the operation of its Air Transportation Business, subject to the prior written approval of the CEO.

N. Subject to all security measures as may be implemented from time to time at the Airport, ingress to and egress from the Airport and Airline Premises for AIRLINE's officers, employees, agents and invitees, including passengers, customers, suppliers of materials, providers of services, aircraft, equipment, vehicles, machinery and other property. Such right shall be subject to 49 CFR

Part 1542, applicable laws and the AUTHORITY's right to establish rules and regulations governing (i) the general public, including AIRLINE's passengers, and, (ii) access to non-public areas at the Airport by AIRLINE's employees, suppliers of materials and providers of services; provided, however, any such rules and regulations of AUTHORITY shall not unreasonably interfere with the operation of AIRLINE's Air Transportation Business. Further, AUTHORITY reserves the right to temporarily or permanently restrict the use of any roadway or other area at the Airport. In the event of such restrictions, upon reasonable notice and if necessary, AUTHORITY shall ensure the availability of a reasonably equivalent means of ingress and egress.

O. The provision of complimentary food and beverages, at AIRLINE's sole cost and expense, to AIRLINE's passengers in AIRLINE's Preferential Use Premises. Except as may be provided in a separate agreement, AIRLINE shall not maintain or operate in the Terminal or elsewhere at the Airport a cafeteria, restaurant, bar or cocktail lounge for the purpose of selling food and beverages to the public or to AIRLINE's employees and passengers. Nothing in this Section 5.10 shall prohibit AIRLINE from (i) installing or maintaining vending machines in its non-public Preferential Use Premises for the sole use of AIRLINE's employees, the type, kind and locations subject to the prior written approval of the CEO; (ii) providing its own in-flight kitchen for catering services to its passengers and crews, or to those of its Affiliates, for consumption aboard aircraft; or, (iii) from entering into a separate agreement with AUTHORITY for the sale of food and beverage in a "VIP room" or similar private club at the Airport.

P. The rights and privileges granted to AIRLINE pursuant to this Article 5 may be exercised on behalf of AIRLINE by other Signatory Airlines or contractors authorized by AUTHORITY to provide such services at the Airport, subject to the prior written approval of AUTHORITY, and further subject to all laws, rules, regulations and fees and charges as may be applicable to the activities undertaken.

Q. Subject to the provisions of Article 17 and subject to the prior written approval of the AUTHORITY, AIRLINE may, on behalf of its Affiliates or any other Air Transportation Company, exercise any of the rights granted AIRLINE herein, so long as AIRLINE is not in default of this Agreement and is concurrently exercising those same rights in the operation of AIRLINE's own Air Transportation Business at the Airport. This right is also subject to other provisions of this Agreement with respect to AUTHORITY rules and regulations and the payment of any fees and charges for such activities.

5.2 Preferential Use Gate Utilization Targets. AIRLINE acknowledges that AUTHORITY has established a Preferential Use Gate Utilization Target applicable to each Preferential Use Gate assigned to AIRLINE. The Preferential Use Gate Utilization Target applicable to each Preferential Use Gate assigned to AIRLINE shall be an Average Minimum Use Level of two (2) daily Turns at each such Preferential Use Gate.

5.3 AUTHORITY's Right to Recapture Underutilized Preferential Use Gates.

A. If AIRLINE fails to meet one or more of its Preferential Use Gate Utilization Targets for six (6) consecutive months (each, a "Utilization Deficiency"), AUTHORITY may, in its sole discretion and without any obligation

to do so, issue to AIRLINE a written notice stating AUTHORITY's intention to recapture one or more of AIRLINE's Preferential Use Gates (each, an "Initial Recapture"). The rights set out in this Section 5.3 are in addition to AUTHORITY's other rights under this Agreement.

B. Upon AUTHORITY's delivery of the Initial Recapture Notice, Airline shall have ninety (90) days, commencing on the date of AUTHORITY's delivery of the Initial Recapture Notice to AIRLINE ("Cure Period"), to cure the Utilization Deficiency described in the Initial Recapture Notice. If, during the Cure Period, AIRLINE consistently meets the applicable Preferential Use Gate Utilization Target for three (3) consecutive months, AIRLINE's Utilization Deficiency shall be deemed cured; provided, however, that AIRLINE shall continue to meet the applicable Preferential Use Gate Utilization Target for the immediately succeeding period of at least three (3) consecutive months.

C. If, following the expiration of the applicable Cure Period, AIRLINE has not cured the Utilization Deficiency, AUTHORITY may, in its sole discretion and without any obligation to do so, issue to AIRLINE a written notice stating AUTHORITY's election to recapture one or more of AIRLINE's Preferential Use Gates and designating the number of Preferential Use Gates that AUTHORITY intends to recapture ("Final Recapture Notice"). The Preferential Gates so recaptured will be that number of Gates needed to allow AIRLINE to meet the applicable Preferential Use Gate Utilization Target for three (3) consecutive months based on the data then available to AUTHORITY. In the case of AUTHORITY's recapture of less than all of the Preferential Use Gates in the

Airline Premises, AUTHORITY and AIRLINE shall, by mutual agreement, designate which Preferential Use Gate(s) shall be subject to such recapture and assignment.

D. AUTHORITY shall revise Exhibits “B” and “C” as needed to reflect the deletion of any Gate(s) from the Airline Premises as a result of AUTHORITY’s recapture thereof under this Section 5.3, and shall issue said revised Exhibits “B” and “C” to Airline promptly after AUTHORITY’s delivery of the Final Recapture Notice. Upon delivery of the Final Recapture Notice and said revised Exhibits “B” and “C”, this Agreement shall be deemed to have been amended to delete from the Airline Premises the portion of the Airline Premises designated in such notice, and AUTHORITY shall have the right, but not the obligation to occupy, reassign, lease or otherwise use all or a portion of the Airline Premises so recaptured. Promptly after receipt of any Final Recapture Notice, AIRLINE shall submit a revised Airfield parking plan to reflect such recapture, which plan will be in form and substance acceptable to AUTHORITY.

E. If the number of AIRLINE’s Preferential Use Gates is reduced as provided in this Section 5.3, AUTHORITY may terminate, upon thirty (30) days’ written notice to and after consultation with AIRLINE, Airline’s right to use those portions of the Airline Premises that are no longer proximate to Airline’s Preferential Use Gates or that are no longer necessary, in AUTHORITY’s discretion, to support AIRLINE’s operations at AIRLINE’s remaining Preferential Use Gates; provided, however, that if such Airline Premises includes AIRLINE’s office space, AUTHORITY shall use reasonable efforts to locate

other office space within the Terminal for lease to AIRLINE to the extent such office space is available, and to pay the reasonable direct costs incurred by AIRLINE for such relocation. In such a situation, AUTHORITY shall revise Exhibits “B” and “C” to reflect the deletion of any portion of the Airline Premises under this Section 5.3E, and shall issue said revised Exhibits “B” and “C” to Airline with or promptly after AUTHORITY’s delivery of the notice referenced in this Section 5.3E. Effective as of the termination date referenced in said notice, this Agreement shall be deemed to have been amended to delete from the Airline Premises the portion of the Airline Premises designated in such notice and Exhibits “B” and “C”, and AUTHORITY shall have the right, but not the obligation to occupy, reassign, lease or otherwise use all or a portion of the Airline Premises so deleted. AIRLINE’s surrender of any such Airline Premises shall be subject to the terms of Article 16 of this Agreement.

F. Neither AUTHORITY’s recapture of Preferential Use Gates nor AUTHORITY’s election not to recapture Preferential Use Gates shall affect AIRLINE’s obligations under this Agreement nor operate as a waiver by AUTHORITY of any provision of this Agreement, applicable federal, state or local laws, rules and regulations, AUTHORITY’s applicable, rules, regulations and policies, or of any right herein reserved to AUTHORITY, or of any right to damages herein provided to AUTHORITY, or of any right available to AUTHORITY at law or in equity.

5.4 Exclusion and Reservations.

A. Nothing in this Article 5 shall be construed as authorizing AIRLINE to conduct any business separate and apart from the conduct of its Air Transportation Business, including but not limited to any promotional or revenue-generating business in areas open to the public or in any area that is part of the Airline Premises or the Gates without the prior written approval of AUTHORITY.

B. AIRLINE shall not knowingly interfere or permit interference with the use, operation or maintenance of the Airport, including but not limited to, the effectiveness or accessibility of the drainage, sewerage, water, communications, fire protection, utility, electrical or other systems installed or located from time to time at the Airport. AIRLINE shall not engage in any activity prohibited by the AUTHORITY's approved Part 150 Plan, or existing Noise Abatement Procedures, as each may be lawfully amended from time to time provided that such Noise Abatement Procedures shall not unreasonably interfere with AIRLINE's operations.

C. As soon as possible after release from proper authorities, AIRLINE shall remove any of its disabled aircraft from the Landing Area, taxiways or Ramp Area, shall place any such disabled aircraft only in such storage areas as may be designated by the CEO, and shall store such disabled aircraft only upon such terms and conditions as may be established by AUTHORITY; provided, however, AIRLINE shall be requested to remove such disabled aircraft from AIRLINE's Aircraft Apron(s) only if deemed necessary in accordance with Article 4, Section 5.3, or Article 18. In the event AIRLINE shall fail to remove any of its disabled aircraft as expeditiously as possible, AUTHORITY may, but shall not be

obligated to, cause the removal of such disabled aircraft; provided, however, AUTHORITY shall give AIRLINE reasonable prior notice of its intent to do so and provided further that AUTHORITY shall use reasonable efforts and care to remove such aircraft. AIRLINE shall pay to AUTHORITY, upon receipt of invoice, the costs incurred for such removal plus an administrative charge equal to fifteen percent (15%) of such costs.

D. AIRLINE shall not do or permit its agents or employees to do anything, either by act or failure to act, that shall cause the cancellation or violation of the provisions, or any part thereof, of any policy of insurance for the Airport, or that shall cause a hazardous condition so as to increase the risks normally attendant upon operations permitted by this Agreement. If such AIRLINE's act, or failure to act, shall cause cancellation of any policy, then AIRLINE shall immediately, upon written notification by AUTHORITY, do whatever shall be necessary to cause reinstatement of said insurance. Furthermore, if AIRLINE shall do or permit to be done any act not permitted under this Agreement, or fail to do any act required under this Agreement, regardless of whether such act shall constitute a breach of this Agreement, which causes an increase in AUTHORITY's insurance premiums, AIRLINE shall immediately remedy such actions and pay any increase in premiums, upon written notice from AUTHORITY to do so; but in any event, AIRLINE will hold AUTHORITY harmless for any expenses and/or damage resulting from any action or failure to act as set forth in this Section 5.4D.

E. AUTHORITY may, at its sole option, install or cause to be installed advertising or revenue generating devices, including, without limitation, vending

machines or kiosks, in Joint Use Premises; provided, however, that such installations shall not unreasonably interfere with AIRLINE's operations authorized hereunder or substantially diminish the square footage contained in Airline Premises. Without limiting the generality of the foregoing, no advertising or revenue generating devices installed or authorized by AUTHORITY within the Joint Use Premises shall promote the AIRLINE's competitors in preference over AIRLINE. AUTHORITY may also, at its sole option, install pay telephones or any other advertising or revenue generating devices in any part of the Terminal; provided, however, installation of pay telephones or any other advertising or revenue generating devices in AIRLINE's Preferential Use Premises shall be with AIRLINE's prior consent, which consent shall not be unreasonably withheld or delayed. AUTHORITY shall be entitled to reasonable access upon Airline Premises to install or service such telephones or other advertising or revenue generating devices.

F. The rights and privileges granted AIRLINE pursuant to this Article 5 shall be subject to any and all reasonable and nondiscriminatory rules and regulations established by AUTHORITY, as such may be amended from time to time, and to the provisions of this Agreement; provided, however, that such rules and regulations shall not unreasonably interfere with AIRLINE's exercise of the rights granted hereunder.

G. Any and all rights and privileges not specifically granted to AIRLINE for its use of and operations at the Airport pursuant to this Agreement are hereby reserved for and to AUTHORITY.

ARTICLE 6 OPERATION AND MAINTENANCE OF THE AIRPORT6.1 AUTHORITY Obligations.

A. AUTHORITY shall with reasonable diligence, prudently develop, improve, and at all times maintain and operate the Airport with adequate qualified personnel and keep the Airport in good repair, unless such maintenance, operation or repair shall be AIRLINE's obligation pursuant to this Agreement.

B. AUTHORITY shall use reasonable efforts to keep the Airport and its aerial approaches free from ground obstruction for the safe and proper use thereof by AIRLINE.

C. AUTHORITY, its agents, employees, and contractors, shall not be liable to AIRLINE for temporary failure to furnish all or any of such services to be provided in accordance with this Agreement when due to mechanical breakdown or any other cause beyond the reasonable control of AUTHORITY.

D. AUTHORITY shall maintain in good and workable condition (i) any loading bridges provided by AUTHORITY located at Aircraft Aprons; (ii) any 400 Hertz and/or pre-conditioned air units provided by AUTHORITY located at Aircraft Aprons; and, (iii) the baggage conveyor systems and devices provided by AUTHORITY for use by AIRLINE(s). Associated expenses shall be included as part of Airport O&M Expenses for incorporation in the calculation of rates for rentals, fees and charges.

6.2 AIRLINE Obligations.

A. AIRLINE shall, at all times and at its own expense, preserve and keep Airline Premises in an orderly, clean, neat and sanitary condition; provided, however, this requirement shall not be construed to mean AIRLINE shall have

janitorial responsibilities designated to be those of AUTHORITY pursuant to Exhibit "D" attached hereto.

B. AIRLINE shall keep, at its own expense, its preferentially-leased Aircraft Aprons free of fuel, oil, debris, and other foreign objects arising from AIRLINE's operations or from any Air Transportation Company to which AIRLINE permits, or is required to permit, use of its Aircraft Aprons.

C. AIRLINE shall operate and maintain, at its own expense, any other improvements and/or equipment installed or owned by AIRLINE.

D. Should AIRLINE fail to perform its material obligations hereunder, AUTHORITY shall have the right to enter the Airline Premises and perform such activities; provided, however, other than in a case of emergency, AUTHORITY shall give to AIRLINE reasonable advance written notice of noncompliance, not less than seven (7) days, prior to the exercise of this right. If such right is exercised, AIRLINE shall pay to AUTHORITY, upon receipt of invoice, the cost of such services plus an administrative charge equal to fifteen percent (15%) of such cost. The cost charged AIRLINE will be treated as a reimbursement in the Cost Center incurred, and if applicable, credited towards the calculation of rates for rentals, fees and charges.

6.3 Designation of Operation and Maintenance Responsibilities. In addition to the obligations of AIRLINE and AUTHORITY set forth in Sections 6.1 and 6.2, responsibilities for maintenance, cleaning and operation of the Airport shall be as set forth in Exhibit "D" attached hereto.

ARTICLE 7 RENTALS, FEES AND CHARGES

AIRLINE shall pay AUTHORITY rentals for use of Airline Premises, and fees and charges for the other rights, licenses, and privileges granted hereunder during the Term of this Agreement at the rates calculated in accordance with Exhibit "G," and shall file periodic reports as specified herein.

7.1 Landing Fees. AIRLINE shall pay monthly to AUTHORITY fees for Chargeable Landings for the preceding month. AIRLINE's landing fees shall be determined as the product of the landing fee rate for the period, calculated in accordance with Exhibit "G," and AIRLINE's total landed weight for the month, based upon the Maximum Gross Landed Weight of each aircraft operated by AIRLINE at the Airport during the preceding month. AIRLINE's total landed weight for the month shall be determined as the sum of the products obtained by multiplying the Maximum Gross Landed Weight of each type of AIRLINE's aircraft by the number of Chargeable Landings of each said aircraft type during such month.

7.2 Terminal Rentals.

A. For the Term of this Agreement, AIRLINE's Terminal rentals shall be the sum of AIRLINE's rentals for Preferential Use and Joint Use Premises. AIRLINE's Terminal rental payment for Preferential Use Premises shall be determined as the sum of the products obtained by multiplying the appropriate Terminal rental rate for the period calculated in accordance with Exhibit "G," by the amount of the corresponding type of space leased by AIRLINE as Preferential Use Premises as set forth in Exhibits "B" and "C."

B. Total Terminal rentals for Joint Use Premises shall be calculated as the product of the Terminal rental rate for the period calculated in accordance with Exhibit "G," and the amount of each category of Joint Use Premises. AIRLINE's

share of the total Terminal rentals due each month for Joint Use Premises shall be determined as follows:

- (1) Twenty percent (20%) of total rentals due monthly (one-twelfth (1/12) of annual amount) for each category of Joint Use Premises shall be prorated equally among the Scheduled Air Carriers using said category of Joint Use Premises, excluding Low-Volume Air Carriers. Each Signatory Airline and its Affiliates shall be treated as a single entity for purposes of determining Signatory Airline's portion of the twenty percent (20%) share of Joint Use Premises rental.
- (2) The remaining eighty percent (80%) of total rentals due monthly for each category of Joint Use Premises shall be prorated among the Scheduled Air Carriers using said category of Joint Use Premises based upon each such Scheduled Air Carrier's Enplaned Passengers and, if not already included as a Scheduled Air Carrier, each Affiliate of any Signatory Airline's Enplaned Passengers during the month as a percentage of total Enplaned Passengers of all Scheduled Air Carriers using said category of Joint Use Premises during such month. Each Signatory Airline and its Affiliates shall be treated as a single entity for purposes of determining a Signatory Airline's portion of the eighty percent (80%) share of Joint Use Premises rental.

C. For purposes of the above calculations, unless an alternative reporting method has been approved by AUTHORITY at the time of AIRLINE's designation of its Affiliate(s), AIRLINE shall include in its report of monthly

Enplaned Passengers the total number of Enplaned Passengers handled or otherwise accommodated by AIRLINE for its Affiliates and other Air Transportation Companies not having an agreement with AUTHORITY that provides for the direct payment to AUTHORITY of appropriate charges for the use of Joint Use Premises.

7.3 Aircraft Apron Fees. As of the Effective Date, to the extent that AIRLINE and its Affiliate(s) share the use of Aircraft Apron(s), then AIRLINE's and its Affiliate(s)' fees for their Preferential Use Premises on the Ramp Area shall be determined as the product obtained by multiplying the square footage of AIRLINE's Aircraft Apron(s), as set forth in Exhibit "C," times the Aircraft Apron rate for the period calculated in accordance with Exhibit "G." If an Affiliate of AIRLINE uses Aircraft Apron(s) separately from AIRLINE, such Affiliate shall be required to pay Aircraft Apron fees to AUTHORITY pursuant to a separate agreement between Affiliate and AUTHORITY or as otherwise approved in writing by AUTHORITY.

7.4 Equipment Charges. AIRLINE's charges for equipment leased by AIRLINE from AUTHORITY, including but not limited to, passenger loading bridges and associated equipment and devices, shall be based on the annual Capital Charges, Capital Charge Coverage, any required reserves, and O&M Expenses incurred by AUTHORITY for any such equipment leased by AIRLINE from AUTHORITY.

7.5 Passenger Screening Charges. If DHS, TSA, FAA or another governmental agency elects to impose or levy a charge upon AUTHORITY for passenger screening activities at the Airport at any time during the Term of this Agreement, then AUTHORITY shall have the right to recover such passenger screening charges on a prorated basis from AIRLINE and every other Scheduled Air Carrier at the Airport, pursuant to a method of prorating such passenger

screening charges among the Scheduled Air Carriers, including AIRLINE, as may be approved by Signatory Airlines constituting an MII.

7.6 Per Use Terminal Fee. Each Low-Volume Air Carrier shall pay a Per Use Terminal Fee to AUTHORITY based on the aggregate costs for use of the Terminal, Aircraft Aprons and AUTHORITY-owned equipment, including without limitation passenger loading bridges, by Signatory Airlines and their Affiliates. The Per Use Terminal Fee shall be calculated by (a) dividing (i) the sum of the estimated total annual Aircraft Apron Fees, Terminal Rentals and Equipment Charges, by (ii) the total number of Enplaned Passengers at the Airport in the preceding year, and (b) multiplying that quotient by one hundred twenty-five percent (125%). The resulting Per Use Terminal Fee shall be due to AUTHORITY for each Enplaned Passenger enplaned at the Airport by the Low-Volume Air Carrier.

7.7 Other Fees and Charges.

A. AUTHORITY expressly reserves the right to assess and collect the following:

- (1) Reasonable and non-discriminatory fees for concessions and other services provided by AIRLINE for others, or for AIRLINE by others, pursuant to Sections 5.1E, 5.1P and 5.1Q of this Agreement, if such services or concessions would otherwise be available from a concessionaire or licensee of AUTHORITY.
- (2) Pro rata shares of any actual charges for the provision of any services or facilities which AUTHORITY is required to provide by any governmental entity (other than AUTHORITY acting within its proprietary capacity) having jurisdiction over the Airport.

B. AUTHORITY reserves the right to charge AIRLINE or such employees or personnel of AIRLINE as may be permitted to park at the Airport pursuant to Section 4.3, a reasonable fee for utilizing any employee parking area(s) which may be provided by AUTHORITY from time to time at the Airport.

C. AIRLINE shall pay charges for other services, equipment, facilities or other Terminal improvements not enumerated herein, but provided by AUTHORITY to AIRLINE at AIRLINE's request, or to meet the needs of AIRLINE. Such services, equipment, facilities or Terminal improvements may include, but are not limited to, special maintenance of Airline Premises, Federal Inspection Services (FIS) facility fees, loading bridges, or equipment/vehicle storage areas. Charges will be based on the actual cost of providing such services, equipment, facilities or Terminal improvements, including the actual cost of labor and materials, and all such costs will be assessed directly to AIRLINE and will not be included in the calculation of rates and charges.

D. AIRLINE shall pay the required fees for all permits and licenses necessary for the conduct of its Air Transportation Business at the Airport. AIRLINE shall also pay all taxes, assessments, and charges, including, but not limited to, water and sewerage fees and charges, if separately metered, which during the Term of this Agreement may become a lien or which may be levied by the State, County, City or any other tax levying body, upon any taxable interest by AIRLINE acquired in this Agreement, or any taxable possessory right which AIRLINE may have in or to the premises or facilities leased hereunder, or the improvements thereon, by reason of its occupancy thereof, or otherwise, as well as taxes,

assessments, and/or charges on property, real or personal, owned by AIRLINE in or about said premises. Upon any termination of tenancy, all taxes then levied or a lien on any of said property, or taxable interest therein, shall be paid in full by AIRLINE forthwith, or within thirty (30) days after a statement thereof has been issued by the tax collector, and provided to AIRLINE, if termination occurs during the interval between attachment of the lien and issuance of statement. However, AIRLINE shall not be deemed to be in default under this Agreement for failure to pay any charges or taxes pending the outcome of any proceedings instituted by AIRLINE to contest the validity or the amount of such taxes, provided that such failure to pay does not result in any forfeiture. Any requirements of this Section 7.7D will not conflict with any Federal grant assurances from the FAA as such may be applicable to the Airport.

7.8 Payments.

- A. Payments of one-twelfth (1/12) of the total annual Terminal, Aircraft Apron, and any and all types of equipment rentals for AIRLINE's Preferential Use Premises shall be due in advance, without demand or invoice, on the first (1st) day of each month. Said rentals and charges shall be deemed delinquent if payment is not received by the fifteenth (15th) calendar day of each month.
- B. Payment of AIRLINE's and its Affiliates' landing fees shall be due as of the date of AUTHORITY's invoice and shall be deemed delinquent if payment is not received within thirty (30) days of the date of such invoice.

C. Payment for Joint Use Premises shall be due as of the date of AUTHORITY's invoice and shall be deemed delinquent if not received within thirty (30) days of the date of such invoice.

D. Payment for all other fees and charges due hereunder shall be due as of the date of AUTHORITY's invoice. Said fees and charges shall be deemed delinquent if payment is not received within thirty (30) days of the date of such invoice.

E. AIRLINE shall be liable and responsible for ensuring that payments due to AUTHORITY from AIRLINE are paid pursuant to this Article 7. Notwithstanding the foregoing, if AIRLINE shall become insolvent, admit in writing its inability to pay its debts generally as they become due, file a petition in bankruptcy or a petition to take advantage of any insolvency statute, make an assignment for the benefit of creditors, make a transfer in fraud of creditors, apply for or consent to the appointment of a receiver of itself or of the whole or any substantial part of its property, file a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws, as now in effect or hereafter amended, or any other applicable law or statute of the United States or any state thereof or if a court of competent jurisdiction shall enter an order, judgment or decree adjudicating AIRLINE bankrupt, or appointing a receiver of AIRLINE, or of the whole or any substantial part of its property, without the consent of AIRLINE, or approving a petition filed against AIRLINE seeking reorganization or arrangement of AIRLINE under the bankruptcy laws of the United States, as now in effect or hereafter amended, or any state thereof, and such order, judgment

or decree shall not be vacated or set aside or stayed within thirty (30) days from the date of entry thereof, then AUTHORITY shall be entitled to enforce its right to obtain any funds due from AIRLINE.

F. AUTHORITY shall provide written notice of any and all payment delinquencies, including payments of any deficiencies which may be due as a result of AUTHORITY's estimates of activity pursuant to Section 7.8G below or due to an audit performed pursuant to Section 7.9C, herein; provided, however, interest at the lower of one and one-half percent (1½%) per month, or the highest rate allowable by applicable state law, shall accrue against any and all delinquent payment(s) from the date due until the date that such payments are received by AUTHORITY at the address set forth in Section 7.8I. This provision shall not preclude AUTHORITY from canceling this Agreement for default in the payment of rentals, fees or charges, as provided for in Section 14.1A herein, or from exercising any other rights contained herein or provided by law.

G. In the event AIRLINE fails to submit its monthly activity reports as required in Section 7.9A, AUTHORITY shall estimate the rentals, fees and charges based upon one hundred twenty-five percent (125%) of the highest of the previous twelve (12) month's activity reported by AIRLINE and any of AIRLINE's Affiliates and issue an invoice to AIRLINE for same. If no activity data is available, AUTHORITY shall reasonably estimate such activity and invoice AIRLINE for same. AIRLINE shall be liable for any deficiencies in payments based on estimates made under this provision; and payment for said deficiencies shall be deemed due as of the date such rental was due and payable.

If such estimated payments result in an overpayment by AIRLINE, AUTHORITY shall apply such overpayment as a credit against the subsequent amounts due for such rentals, fees and charges from AIRLINE; provided, however, AIRLINE shall not be entitled to any credit for interest on payments of such estimated amounts.

H. In the event AIRLINE's obligations with-respect to Airline Premises or rights, licenses or privileges granted hereunder shall commence or terminate on any date other than the first or last day of the month, AIRLINE's rentals, fees and charges shall be prorated on the basis of the number of days such premises, facilities, rights, licenses, services, or privileges were enjoyed during that month.

I. All payments due and payable hereunder shall be paid in lawful money of the United States of America, without set off, by check made payable to the Albany County Airport Authority and delivered to:

Albany County Airport Authority
Attn: Accounts Receivable
Albany International Airport
Administration Building, Suite 204
Albany, New York 12211-1057

Payments under this Agreement shall be deemed made by AIRLINE upon the date that such payments are received by AUTHORITY at the address set forth in this Section 7.8I.

7.9 Information to be Supplied by AIRLINE.

A. Not later than ten (10) days after the end of each month, AIRLINE shall file with AUTHORITY written reports on forms provided by AUTHORITY for activity conducted by AIRLINE and its Affiliates during said month, and for activity handled by AIRLINE for other Air Transportation Companies not having

an agreement with AUTHORITY providing for its own submission of activity data to AUTHORITY.

B. AUTHORITY shall have the right to rely on said activity reports in determining rentals and charges due hereunder; provided, however, AIRLINE shall have full responsibility for the accuracy of said reports. Payment deficiencies due to incomplete or inaccurate activity reports shall be subject to interest charges as set forth in Section 7.8F.

C. AIRLINE shall at all times maintain and keep books, ledgers, accounts or other records, wherein are accurately kept all entries reflecting the activity statistics to be reported pursuant to Section 7.9A. Such records shall be retained by AIRLINE three (3) years subsequent to the activities reported therein, or such other retention period as set forth in 14 CFR Part 249.7, and made available at Albany, New York for audit and/or examination by AUTHORITY or its duly authorized representative during all normal business hours. AIRLINE shall produce such books and records at Albany, New York within thirty (30) calendar days of AUTHORITY's written notice to do so or pay all reasonable expenses, including but not limited to transportation, food and lodging, necessary for an auditor selected by AUTHORITY to audit said books and records at a mutually agreeable alternate location.

D. The cost of such audit, with the exception of the aforementioned expenses, shall be paid by AUTHORITY from Airport Revenues; provided, however, the total cost of said audit shall be borne by AIRLINE if either or both of the following conditions exist:

- (1) The audit reveals an underpayment of more than five percent (5%) of rentals, fees and charges due hereunder, as determined by said audit; or
- (2) AIRLINE has failed to maintain true and complete books, records, accounts, and supportive source documents substantially in accordance with Section 7.9C.

7.10 Security for Payment.

A. Unless AIRLINE has provided regularly scheduled passenger flights to and from the Airport during the eighteen (18) months prior to the effective date of this Agreement, without the occurrence of any act or omission which would have been an Event of Default pursuant to this Agreement, AIRLINE shall provide AUTHORITY on the Effective Date of this Agreement with a contract bond, irrevocable letter of credit or other similar security acceptable to AUTHORITY (“Contract Security”) in an amount equal to the estimate of three (3) months’ rentals, fees and charges payable by AIRLINE pursuant to this Article 7, to guarantee the faithful performance by AIRLINE of its obligations under this Agreement and the payment of all rentals, fees and charges due hereunder. AIRLINE shall be obligated to maintain such Contract Security until the expiration of a consecutive eighteen (18) month period during which AIRLINE commits no Event of Default under this Agreement. Such Contract Security shall be in a form and with a company reasonably acceptable to AUTHORITY. In the event that any such Contract Security shall be for a period less than the full period required by this Section 7.10A or if the Contract Security shall be cancelled, AIRLINE shall provide a renewal or replacement Contract Security for the

remaining required period at least sixty (60) days prior to the date of such expiration or cancellation.

B. Notwithstanding the above Section 7.10A, AUTHORITY shall have the right to waive such Contract Security requirements for a Signatory Airline. Any such waiver by AUTHORITY shall be conditioned upon said Signatory Airline having provided regularly scheduled passenger flights at six (6) other airports with activity levels and characteristics similar to Airport during the most recent eighteen (18) month period, without committing any material default under the terms of the respective lease and use agreements at each of the six (6) facilities, and without any history of untimely payments for rentals, fees and charges. The burden shall be on AIRLINE to demonstrate to AUTHORITY its compliance with these requirements at the six (6) other airports.

C. Upon the occurrence of any AIRLINE act or omission that is an Event of Default pursuant to this Agreement, or upon AIRLINE's election to assume this Agreement under Federal Bankruptcy Rules and Regulations and Federal Judgeship Act of 1984, as such may be amended, supplemented, or replaced, AUTHORITY, by written notice to AIRLINE given at any time within ninety (90) days of the date such event becomes known to AUTHORITY, may impose or reimpose the requirements of Section 7.10A on AIRLINE. In such event, AIRLINE shall provide AUTHORITY with the required Contract Security within ten (10) days from its receipt of such written notice and shall thereafter maintain such Contract Security in effect until the expiration of a period of eighteen (18)

consecutive months during which AIRLINE commits no additional Event of Default.

If AIRLINE shall fail to obtain or keep in force such Contract Security required hereunder, such failure shall be grounds for immediate cancellation of this Agreement pursuant to Article 14. AUTHORITY's rights under this Section 7.10 shall be in addition to all other rights and remedies provided to AUTHORITY under this Agreement.

7.11 Capitalized Interest on Bonds. Bonds, Subordinated Indebtedness, and/or Other Indebtedness issued by AUTHORITY may provide for the capitalization of interest during the construction period for each project.

7.12 Passenger Facility Charges. AUTHORITY expressly reserves the right to impose PFCs on airline passengers for the use of the Airport in accordance with 49 U.S.C. § 40117 and applicable implementing regulations adopted by the FAA, 14 CFR Part 158, as they may be amended from time to time (the "PFC Regulations").

AIRLINE shall hold in trust for AUTHORITY the net principal amount of all PFCs that are collected by AIRLINE or its agents on behalf of AUTHORITY pursuant to 49 U.S.C. § 40117 and the PFC Regulations. For the purposes of this Section 7.12, net principal amount shall mean the total principal amount of all PFCs that are collected by AIRLINE or its agents on behalf of AUTHORITY, reduced by any amount that AIRLINE is permitted to retain pursuant to § 158.53(a) of the PFC Regulations. PFCs collected by AIRLINE shall be remitted to AUTHORITY at the address specified in Section 7.8I, or at such other place as AUTHORITY may, from time to time, designate in writing.

Nothing in this Agreement shall be interpreted to impair AUTHORITY's right to impose or use a PFC, or to impair AIRLINE's rights to consultation under 49 U.S.C. § 40117 and the PFC Regulations.

ARTICLE 8 CHANGES IN RATES FOR RENTALS, FEES AND CHARGES

8.1 Annual Rate Changes.

A. Not later than ninety (90) days prior to the end of each Fiscal Year, AUTHORITY shall, in writing, notify AIRLINE of the proposed budget and schedule of rates for rentals, fees and charges for the ensuing Fiscal Year. Said rates shall be based upon Airport budgeted Revenues, O&M Expenses, Capital Charges, Capital Charge Coverage, required reserves, and other rate components, all as determined and presented to AIRLINE in conformance with the methods and format set forth in Exhibit "G." AIRLINE understands that the final budget for certain County-provided services may not be available until the end of the then current Fiscal Year.

B. The Signatory Airlines through the AAC shall have the right to review and comment upon the proposed operating budget. No later than thirty (30) days after the forwarding of the proposed schedule of rates for rentals, fees and charges, AUTHORITY agrees to establish a meeting date with the AAC at a mutually convenient time for the purpose of discussing such rentals, fees and charges. In advance of said meeting, AUTHORITY shall make available to the AAC any reasonably requested additional information relating to the determination of the proposed rates. AUTHORITY agrees to fully consider the comments and recommendations of the Signatory Airlines prior to finalizing its schedule of rates for rentals, fees and charges for the ensuing Fiscal Year.

C. Following said meeting, and prior to the end of the then current Fiscal Year, AUTHORITY shall notify AIRLINE in writing of the rates for rentals, fees and charges to be established for the ensuing Fiscal Year.

D. If calculation of the new rates for rentals, fees and charges is not completed by AUTHORITY and the notice provided in Section 8.1C is not given on or prior to the end of the then current Fiscal Year, the rates for rentals, fees and charges then in effect shall continue to be paid by AIRLINE until such calculations are concluded and such notice is given. Upon the completion of such calculations and the giving of such notice, AUTHORITY shall determine the difference(s), if any, between the actual rentals, fees and charges paid by AIRLINE to date for the then current Fiscal Year and the rates for rentals, fees and charges that would have been paid by AIRLINE if the new rates had been in effect beginning on the first day of the Fiscal Year. Any such differences shall be applied to the particular rentals, fees or charges for which a difference(s) in rates resulted in an overpayment or underpayment, and shall be remitted by AIRLINE or credited or refunded by AUTHORITY in the month immediately following the calculation of the new Fiscal Year rates and the giving of notice to AIRLINE. AUTHORITY shall use its best efforts to finalize its budget on a timely basis.

8.2 Other Rate Changes. Rates for rentals, fees and charges may be changed at any other time that unaudited monthly Airport financial data indicates that total rentals, fees and charges payable pursuant to the then current rate schedules are estimated and anticipated by AUTHORITY to vary by more than ten percent (10%) from the total rentals, fees and charges that would be payable based upon the use of the monthly financial and statistical data then

available for said Fiscal Year or at any time when Revenues, less O&M Expenses, is projected to be less than one hundred twenty five percent (125%) of the amount of Debt Service. In the event such recalculated rates result in a reduction from the then-current rates payable by Signatory Airlines, AUTHORITY and Signatory Airlines constituting an MII may agree to maintain the then-current rates. Rates for rentals, fees and charges may also be changed whenever required by the terms and provisions of any Resolution(s) or other financing document(s) of the County or AUTHORITY; provided, however, that the Signatory Airlines' total rental, fees and charges payable to AUTHORITY shall be allocated to AIRLINE in accordance with this Agreement.

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

8.4 Annual Settlement.

A. Calculation. Within one hundred eighty (180) days following the close of each Fiscal Year, or as soon as audited financial data for said Fiscal Year is available, rates for rentals, fees and charges for the preceding Fiscal Year shall be recalculated using audited financial and actual statistical data and the methods set forth in Exhibit "G." AUTHORITY shall determine any difference(s) between the actual rentals, fees and charges paid by all Signatory Airlines during the preceding Fiscal Year and the rentals, fees and charges that would have been paid by Signatory Airlines using said recalculated rates.

B. Extraordinary Coverage Protection. AUTHORITY shall include Extraordinary Coverage Protection payments in the calculation of rates for rentals, fees and charges at the Airport in any Fiscal Year in which the amount of Revenues, less O&M Expenses, is projected to be less than one hundred twenty-five percent (125%) of the amount of Debt Service. Payments will be allocated to the Airfield and Terminal Cost Centers on the basis of Total Landing Fee Requirement and Total Terminal Requirement, each as determined in accordance with Exhibit "G."

C. Funds Remaining. AUTHORITY and AIRLINE estimate that certain Revenues not required for payments of O&M Expenses, Capital Charges, Capital Charge Coverage, Debt Service Reserve Requirement, Capital Expenditures, and deposits to reserves will be generated from Airport operations in each Fiscal Year ("Funds Remaining"), and deposited to reserves. Except as otherwise provided herein, such Funds Remaining shall be calculated in accordance with Exhibit "G." In accordance with Exhibit "G," fifty percent (50%) of such Funds Remaining shall be transferred to AUTHORITY's General Fund. The remaining fifty percent (50%) shall first be applied to offset any Capital Charge Coverage, and any remainder after such application shall then be applied as a credit to the Signatory Airlines, with eighty percent (80%) thereof allocated to the Signatory Airlines based on their respective share of total terminal rental for Preferential Use and Joint Use Premises, and twenty percent (20%) thereof allocated to the Signatory Airlines and Signatory Cargo Carriers based on their respective share of landed weight for such Fiscal Year; provided, however, that AUTHORITY shall not be

required to apply said remainder as a credit to the Signatory Airlines if AUTHORITY includes Extraordinary Coverage Protection payments in the calculation of rates for the then-current Fiscal Year in accordance with Section 8.4B.

D. Settlement with Signatory Airlines. AUTHORITY shall combine any amounts due to or from the Signatory Airlines under Section 8.4A above, with any credit due to the Signatory Airlines from Section 8.4C, above, to determine the net amount due to or from the Signatory Airlines. AUTHORITY shall, in the event of overpayment by AIRLINE, apply the amount of the overpayment to any outstanding balance due to AUTHORITY by AIRLINE, or if there is no outstanding balance, AUTHORITY shall promptly issue a credit memorandum to AIRLINE in the amount of such overpayment which can be applied towards future payments from AIRLINE as they become due. All unused credits issued by credit memorandum shall expire twelve (12) months from the date of the last invoice paid by AIRLINE; provided that, after said expiration, AUTHORITY shall issue a check to AIRLINE in the amount of any overpayment by AIRLINE or overbilled amount by AUTHORITY within thirty (30) days of AUTHORITY's discovery and confirmation thereof in accordance with and subject to applicable law. AUTHORITY shall, in the event of underpayment by AIRLINE, invoice AIRLINE for the amount of such underpayment. Said invoiced amount shall be due within thirty (30) days of the invoice mailing date.

E. General Fund. Funds credited to the General Fund may be used at the discretion of AUTHORITY for any lawful purpose related to the Airport,

including, but not limited to, the payment of Other Debt Service. MII may request that AUTHORITY pay the costs of requested or required capital improvements to the Airfield Cost Center or Terminal Cost Center from such funds. In the event AUTHORITY agrees to pay such costs from the General Fund, reimbursement, if any, will be subject to such terms and conditions as agreed to by the parties.

8.5 AUTHORITY Covenants.

A. AUTHORITY covenants that for purposes of assigning and allocating costs, it shall utilize generally accepted accounting practices utilized for airports operating as an enterprise fund, and include only those charges properly attributable to the Airport.

B. AUTHORITY shall operate the Airport in a manner so as to produce Revenues from concessionaires, tenants and other users of the Airport of a nature and amount which would be produced by a reasonably prudent operator of an airport of substantially similar size, use and activity, with due regard for the interests of the public, tenants, and other users, and subject to existing leases.

C. AUTHORITY shall use all Revenues of the Airport exclusively for the construction, maintenance, operation, development, promotion, financing and management of the Airport.

D. AUTHORITY covenants that it will take the differing commitments and obligations of Non-Signatory Airlines into consideration in establishing Non-Signatory Airline rates. As of January 1, 2016, it is the AUTHORITY's intent to establish Non-Signatory Airline Terminal and landing fee rates at the lesser of

fully compensatory rates calculated in accordance with Exhibit “G,” or one and one quarter (1.25) times the Signatory Airline rates. Notwithstanding the above, the AUTHORITY intends to also provide to Signatory Cargo Carriers rates for rentals, fees and charges that reflect signatory status.

ARTICLE 9 AIRLINE DISAPPROVALS; IMPROVEMENTS

9.1 Need for Capital Expenditures. The parties hereto recognize that Capital Expenditures to preserve, protect, enhance, expand, or otherwise improve the Airport, or part thereof, may be required during the Term of this Agreement. Any such Capital Expenditures to be paid for or financed using Airport Revenues shall be subject to the provisions of this Article 9.

9.2 Capital Expenditures Not Subject To MII. The following Capital Expenditures shall be permitted to be undertaken by AUTHORITY at any time and shall not be subject to MII consideration:

A. Beginning in Fiscal Year 2016, annual Capital Expenditures in the Airfield and/or Terminal Cost Centers of up to an aggregate of Three Million Dollars (\$3,000,000) in net costs (i.e., net of any PFCs and applicable federal and state assistance for such Capital Expenditures). AUTHORITY shall provide the Signatory Airlines written notice of and opportunity to comment on any Capital Expenditure under this Section 9.2A with a total estimated budget of more than One Million Dollars (\$1,000,000) in net costs. Capital Expenditures under this Section 9.2A shall be funded by the rentals, fees and charges payable by the Signatory Airlines and/or AUTHORITY funds available provided that to the extent AUTHORITY shall utilize less than Three Million Dollars (\$3,000,000) in any Fiscal Year, the difference between such Three Million Dollars (\$3,000,000) and the actual amount utilized shall be retained by Authority.

The Three Million Dollars (\$3,000,000) limitation set forth above for aggregate annual Capital Expenditures shall be adjusted annually as of January 1 of each year beginning in 2017 by the same percentage as the increase, or decrease, in non-airline revenues at the Airport in the prior Fiscal Year over the amount of non-airline revenues in the next preceding Fiscal Year.

B. Projects required by the Federal Aviation Administration (“FAA”), U.S. Transportation Security Administration (“TSA”), U.S. Department of Homeland Security (“DHS”), U.S. Department of Transportation (“DOT”) or similar governmental authority, other than AUTHORITY, having jurisdiction over the Airport, any Signatory Airline’s operations, or the issuance of federal or state grants to AUTHORITY.

C. Projects to repair casualty damage to Airport property, which must be rebuilt or replaced in order for AUTHORITY to meet its obligations pursuant to this Agreement or agreements with other lessees at the Airport; provided, however, that if such projects are undertaken pursuant to agreements with other lessees at the Airport, any costs, net of insurance proceeds, shall not be included in AIRLINE’s rentals, fees and charges.

D. Special Purpose Facilities for which, in all cases, the Scheduled Air Carrier(s) or other user(s) thereof shall be required to pay directly or reimburse AUTHORITY for all costs, including financing costs, associated with such facilities during the Term of this Agreement. In no event shall the obligations of any such Scheduled Air Carrier be included in AIRLINE’s rates for rentals, fees

and charges if such Scheduled Air Carrier defaults in making required payments unless approved by an MII.

E. Reasonable improvements or additions, including all costs therefor, necessary to settle claims, satisfy judgments, or comply with judicial orders against AUTHORITY by reason of its ownership, operation, maintenance, or use of the Airport.

F. Expenditures of an emergency nature which, if not made, would result in the closing of any portion of the Airport within forty-eight (48) hours.

G. Expansion of Airport facilities for the increased requirements of any Signatory Airline(s) if such Signatory Airline(s) shall agree in writing to pay increased rentals, fees and charges sufficient to cover the payment of O&M Expenses, Capital Charges, and Capital Charge Coverage applicable to the construction, including design and financing costs, and operation of any Preferential Use and Joint Use portions of the project during the Term of this Agreement. In the event said expansion necessitates the concurrent construction of related public or support systems, the costs and expenses of such facilities shall be treated under this Agreement in the same manner as the costs and expenses associated with other similar areas and/or support systems previously constructed. This exclusion shall also be applicable to projects to accommodate a Scheduled Air Carrier under the same terms and conditions; provided, however, such Scheduled Air Carrier shall be required to enter into an agreement with AUTHORITY substantially similar to this Agreement.

H. Capital Expenditures that do not increase the fees and charges to AIRLINE during the Basic Term.

I. Projects undertaken in Airport Cost Centers other than the Airfield and Terminal Cost Centers.

J. Projects, the cost of acquisition, purchase or construction of which, shall be paid from the General Fund; provided, however, that such costs shall not be charged to AIRLINE.

K. As provided by 49 U.S.C. § 40117(f), no Capital Expenditure shall be subject to MII voting or approval to the extent such Capital Expenditure is financed by PFCs or PFC-backed Bonds.

9.3 The Disapproval Process.

A. AUTHORITY shall notify the AAC in writing of its intent to undertake Capital Expenditures which are subject to MII consideration and shall provide the AAC with the following information associated therewith:

- (1) A description of the proposed Capital Expenditure(s), together with cost estimates, schedule, and any preliminary drawings, if applicable;
- (2) A statement of the need for the proposed Capital Expenditure(s), along with the planned benefits to be derived from such expenditures;
- (3) AUTHORITY's preferred means of financing or paying the costs of the proposed Capital Expenditure(s); and
- (4) The planned allocation of the costs thereof to the various Airport Cost Centers, and the projected impact on rates for rentals, fees and charges.

B. Within thirty (30) days after AUTHORITY's delivery of said notice, the AAC may request in writing a meeting with AUTHORITY for the purpose of discussing proposed Capital Expenditure(s). Should such a request be made, AUTHORITY shall meet with the AAC within forty-five (45) days of its original notice. AUTHORITY agrees to consider comments and recommendations of the AAC with respect to proposed Capital Expenditure(s).

C. Unless the AAC constituting an MII shall issue individual written disapprovals for any Capital Expenditure requiring MII consideration within thirty (30) days of the meeting held pursuant to Section 9.3B, or within (30) days of the delivery of AUTHORITY's notice of intent, if no meeting is requested, AUTHORITY may proceed with said Capital Expenditure.

D. In the event of disapproval by an MII of a proposed Capital Expenditure subject to MII consideration, AUTHORITY shall have the option to convene a second meeting with the AAC within sixty (60) days following the date the disapproval became effective for the purpose of providing additional information relative to the proposed Capital Expenditure and to request reconsideration. A disapproval of a Capital Expenditure may be reversed in writing by a MII at any time.

E. AUTHORITY may issue Subordinated Debt or Other Indebtedness in addition to Bonds, to finance any Capital Expenditure permitted by this Article 9, including to establish or maintain reserves and pay all related costs of financing. All costs associated with Capital Expenditures permitted by this Article 9, including but not limited to, O&M Expenses, O&M Reserve Requirement,

Capital Charges and Capital Charge Coverage, and any requirement for either establishing or replenishing of the Debt Service Reserve Requirement, shall be included in the calculation of rates for rentals, fees and charges in accordance with Exhibit “G.”

9.4 Alterations and Improvements by AIRLINE.

A. In accordance with Section 5.1M, AIRLINE may construct and install, at AIRLINE’s sole expense, improvements in its Preferential Use Premises as AIRLINE deems to be necessary for its operations; provided, however, that the plans and specifications, location, and construction schedule for such improvements shall be subject to approval by the CEO in writing prior to the commencement of any and all such construction or installation. Said approval shall not be unreasonably withheld, delayed or conditioned. No reduction or abatement of rentals, fees and charges shall be allowed for any interference with AIRLINE’s operations by such construction.

B. Prior to the commencement of any improvements greater than Two Hundred Fifty Thousand Dollars (\$250,000), AUTHORITY shall have the right to require that AIRLINE shall obtain, or cause to be obtained, a contract surety bond in a sum equal to the full amount of any construction contract awarded by AIRLINE for the improvements. Said bond (i) shall name AUTHORITY as an obligee thereunder; (ii) shall be drawn in a form and from such company acceptable to AUTHORITY and authorized to do business in the State of New York; (iii) shall guarantee the faithful performance of necessary construction and completion of improvements in accordance with final plans and detailed

specifications approved in writing by AUTHORITY; and (iv) shall protect AUTHORITY against any losses and liability, damages, expenses, claims and judgments caused by or resulting from any failure to perform completely the work as approved. AUTHORITY further reserves the right to require that AIRLINE acquire or cause to be acquired a payment bond with any contractor or contractors of AIRLINE as principal, in a sum equal to the full amount of the construction contract awarded by AIRLINE for the improvements. Said bond shall name AUTHORITY as an obligee thereunder and shall guarantee payment of all wages for labor and services engaged, and of all bills for materials, supplies and equipment used in the performance of said construction contract.

C. Any work associated with such construction or installation by AIRLINE shall be completed in a first class manner, and shall not unreasonably interfere with the operation of the Airport, or otherwise unreasonably interfere with the permitted activities of other Scheduled Air Carriers and users. Upon completion of approved construction, and within ninety (90) days of AIRLINE's receipt of a certificate of occupancy, a complete set of as-built print and CAD drawings shall be delivered to the CEO for the permanent record of AUTHORITY.

D. AIRLINE shall furnish or require contractors to furnish satisfactory evidence of statutory workers' compensation insurance, comprehensive general liability insurance, comprehensive automobile insurance and physical damage insurance, on a builder's risk form with the interest of AUTHORITY and County endorsed thereon as additional insureds, in such amounts and in such manner as AUTHORITY may reasonably require. AUTHORITY may require additional

insurance for any alterations or improvements approved hereunder, in such limits as AUTHORITY reasonably determines to be necessary.

E. Any construction or installation shall be at the sole risk of AIRLINE, shall be in accordance with all applicable state and local codes and laws (including without limitation the requirements of AUTHORITY's tenant alteration and improvement program, as such requirements may change from time to time) and subject to inspection by the CEO, and shall be undertaken and completed in accordance with the plans and specifications approved pursuant to Section 9.4A in a first class manner comparable to and consistent with similar facilities at the Airport and with the standards for construction maintained by AUTHORITY for improvements and alterations at the Airport.

F. All improvements made to Airline Premises and additions and alterations thereto made by AIRLINE shall be and remain the property of AUTHORITY until expiration of the Term of this Agreement. Upon termination or cancellation of this Agreement prior to its expiration, whether by AIRLINE or AUTHORITY, said additions and alterations shall be considered to be the property of AUTHORITY; provided, however, that any trade fixtures, signs, equipment, and other moveable personal property of AIRLINE not permanently affixed to Airline Premises shall remain the property of AIRLINE, subject to the terms of Article 14.

ARTICLE 10 AFFILIATE PRIVILEGES AND OBLIGATIONS

10.1 Designation As Affiliate. Subject to the provisions of this Article 10, AIRLINE may elect to designate an Affiliate of AIRLINE at the Airport. No Scheduled Air Carrier which is then in default of its Signatory Agreement or Non-Signatory Operating Agreement with

AUTHORITY, as applicable, may be designated as an Affiliate. In the event AIRLINE designates an Affiliate, the provisions of this Article 10 shall apply to AIRLINE and its Affiliate.

10.2 Obligations.

A. AIRLINE may not use an Affiliate at the Airport without first (i) designating the Affiliate on the “Designation of Affiliate” form which is Exhibit 1 to the form Affiliate Operating Agreement, attached as Exhibit “I”; (ii) ensuring that the Affiliate has either entered into an Affiliate Operating Agreement with AUTHORITY in the form attached as Exhibit “I” or is already a Signatory Airline; and (iii) confirming for AUTHORITY in writing, using the form it uses to designate the Affiliate pursuant to clause (i), whether AIRLINE will pay to AUTHORITY or guarantee the Affiliate’s payment of all Landing Fees, Terminal Rentals and all other charges due to AUTHORITY on account of the Affiliate’s use of any Airport facilities or services as an Affiliate of AIRLINE, as provided in Section 10.2B.

B. Each Affiliate of AIRLINE shall report and pay to AUTHORITY all PFCs that it collects as an Affiliate of AIRLINE on account of enplaning passengers at the Airport. AIRLINE shall either pay to AUTHORITY or guarantee payment to AUTHORITY (as provided in the Designation of Affiliate form and the Affiliate Operating Agreement) of all Landing Fees, Terminal Rentals and all other charges, and submit all activity reports, that are due to AUTHORITY on account of the Affiliate’s use of any Airport facilities or services as an Affiliate of AIRLINE; provided, however, that both AIRLINE and the Affiliate shall remain fully and jointly responsible and liable to AUTHORITY for the payment of all

Landing Fees, Terminal Rentals and all other charges (including PFCs), and the preparation of all activity reports, that are due to AUTHORITY on account of the Affiliate's use of any Airport facilities or services as an Affiliate of AIRLINE.

C. AIRLINE shall provide AUTHORITY thirty (30) days' prior written notice before designating a new Affiliate, or if thirty (30) days' prior written notice is not possible, AIRLINE shall provide AUTHORITY with written notice as soon as possible prior to the commencement of Affiliate's operations at the Airport as an Affiliate of AIRLINE. The preceding sentence shall not be construed to reduce, modify or limit any of AIRLINE's obligations (including, without limitation, payment obligations) with respect to its Affiliates as set forth elsewhere in this Agreement. Designation of any Affiliate by AIRLINE, including without limitation the allocation of all payment, reporting and performance obligations between AIRLINE and its Affiliate(s), shall be subject to the AUTHORITY's approval, which approval shall not be unreasonably withheld, provided that AIRLINE has notified AUTHORITY in the manner required above.

D. An Affiliate of AIRLINE shall not be required to provide AUTHORITY a security deposit pursuant to its Non-Signatory Operating Agreement, or an additional security deposit pursuant to its Signatory Agreement, as applicable, only if and for as long as AIRLINE's guaranty of its Affiliates' obligations under the Designation of Affiliate form and the Affiliate Operating Agreement remains in full force and effect and no Event of Default has occurred or is continuing under this Agreement.

10.3 Privileges of Affiliates. For so long as AIRLINE and its Affiliates have complied with the payment and reporting obligations of Section 10.2B, then:

A. Each Affiliate of AIRLINE shall have the same privileges as AIRLINE has under this Agreement to use the Airline Premises as an Affiliate of AIRLINE.

B. The Landing Fees, Terminal Rentals and all other charges due on account of each Affiliate's use of Airport facilities or services as an Affiliate of AIRLINE shall be calculated as if the Affiliate were a Signatory Airline; provided, however, that the Affiliate's activity as an Affiliate of AIRLINE shall be treated as activity of AIRLINE and not as activity of the Affiliate; and provided, further, that in calculating Terminal Rentals for Joint Use Premises under Section 7.2C, such Affiliate shall be treated as if it were AIRLINE, and shall not be counted as a separate Signatory Airline for purposes of proration applicable to AIRLINE.

C. AIRLINE and its Affiliates shall be treated as a single Signatory Airline for purposes of determining a MII, and the Maximum Gross Landed Weight of, and payments of Terminal Rentals and other charges due on account of each Affiliate's use of Airport facilities or services by, an Affiliate of AIRLINE shall be included with those of AIRLINE in determining or calculating any action by a MII as defined in 0.

D. Each Affiliate's activity at the Airport as an Affiliate of AIRLINE shall be treated as activity of AIRLINE at the Airport, and not as activity of the Affiliate, for purposes of reassignments of Airline Premises under Section 18.5.

10.4 Default by or Termination of Affiliate. In the event (a) an Affiliate of AIRLINE is subject to a written notice of default pursuant to the Affiliate Operating Agreement with

AUTHORITY, which default is not substantially cured within applicable notice and cure periods, or (b) AUTHORITY receives thirty (30) days' prior written notice from AIRLINE (or if thirty (30) days' prior written notice is not possible, AIRLINE shall provide AUTHORITY with written notice as soon as possible before the cancellation or modification of such designation), or (c) AUTHORITY otherwise determines, that the Affiliate designation by AIRLINE has been terminated, the privileges described in Section 10.3 hereof shall cease immediately upon the date set forth in such notice. Regardless of the timing of any such written notice, an Affiliate's status as an Affiliate of AIRLINE shall terminate automatically at such time as the Affiliate ceases to satisfy the criteria that allowed it to qualify as an Affiliate hereunder. AIRLINE's liability to AUTHORITY for the payment of all Landing Fees, Terminal Rentals and other charges (including PFCs), and the submission of all activity reports, that are due to AUTHORITY on account of the terminated Affiliate's use of any Airport facilities or services as an Affiliate of AIRLINE shall survive the termination of its Affiliate status; provided, however, that AIRLINE shall only be responsible for such payments and reports as relate to the terminated Affiliate's operations before its termination as an Affiliate of AIRLINE took effect if such termination is for reasons other than Affiliate's default.

10.5 Signatory Airline Operating as an Affiliate. An Air Transportation Company designated as an Affiliate by AIRLINE may only be a Signatory Airline if (and to the extent) it otherwise qualifies to be a Signatory Airline and operates a passenger Air Transportation Business at the Airport under its own trade name and livery and sells tickets in its own name.

10.6 Multiple Affiliates. More than one Signatory Airline may from time to time designate as its Affiliate the same Signatory Airline or Non-Signatory Airline, as the case may

be, and each such Signatory Airline shall only be responsible for such Signatory Airline's or Non-Signatory Airline's operations as its Affiliate.

ARTICLE 11 DAMAGE OR DESTRUCTION

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

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

11.3 Destruction.

A. If any part of Airline Premises, or adjacent facilities directly and substantially affecting the use of Airline Premises, shall be damaged by fire or

other casualty, and is so extensively damaged as to render any portion of said Airline Premises incapable of being repaired, as reasonably determined by AUTHORITY, AUTHORITY shall notify AIRLINE within a period of sixty (60) days after the date of such damage of its decision whether to reconstruct or replace said space; provided, however, AUTHORITY shall be under no obligation to replace or reconstruct such premises. The rentals payable hereunder with respect to affected Airline Premises shall be paid up to the time of such damage and thereafter shall be abated equitably in the same manner as set forth in Section 11.2 until such time as replacement or reconstructed space becomes available for use by AIRLINE.

B. In the event AUTHORITY elects to reconstruct or replace affected Airline Premises, AUTHORITY shall provide AIRLINE with reasonably comparable alternate facilities to the extent available for use by AIRLINE to continue its operation while reconstruction or replacement is being completed at a rental rate not to exceed that provided for in this Agreement for existing space of the same type.

C. In the event AUTHORITY elects to not reconstruct or replace affected Airline Premises, AUTHORITY shall meet and consult with AIRLINE on ways and means to permanently provide AIRLINE with adequate replacement space for affected Airline Premises. In such event, AUTHORITY agrees to amend this Agreement to reflect related additions and deletions to AIRLINE's Airline Premises.

11.4 Damage Caused By AIRLINE. Notwithstanding the provisions of this Article 11, in the event that due to the negligence or willful act or omission of AIRLINE, its employees, its agents, or licensees, the Airline Premises shall be damaged or destroyed by fire, other casualty or otherwise, there shall be no abatement of rent during the repair or replacement of said Airline Premises. To the extent that the costs of repairs shall exceed the amount of any insurance proceeds payable to AUTHORITY by reason of such damage or destruction, AIRLINE shall pay the amount of such additional costs to AUTHORITY.

11.5 AUTHORITY's Responsibilities. AUTHORITY shall maintain appropriate and adequate levels of insurance underwritten by insurance companies of generally recognized financial strength and responsibility; provided, however, that AUTHORITY's obligations to repair, reconstruct, or replace affected premises under the provisions of this Article 11 shall in any event be limited to restoring affected Airline Premises to substantially the same condition that existed at the date of damage or destruction, including any subsequent improvements made by AUTHORITY, and shall further be limited to the extent of insurance proceeds available to AUTHORITY for such repair, reconstruction or replacement; provided further that AUTHORITY shall in no way be responsible for the restoration or replacement of any equipment, furnishings, property, real improvements, signs, or other items installed and/or owned by AIRLINE in accordance with this Agreement, unless AIRLINE proves that damage is caused by the negligence or willful misconduct of AUTHORITY, its officials, agents, or employees acting within the course of their employment.

ARTICLE 12 INDEMNIFICATION AND INSURANCE

12.1 Indemnification.

A. Subject to the provisions for waiver of subrogation and mutual release of claims in Section 12.3, AIRLINE shall indemnify, save, hold harmless, and

defend AUTHORITY, its officials, agents and employees, and the successors and assigns of each, individually or collectively, from and against any claim, action, loss, damage, injury, liability, and the cost and expense of whatsoever kind or nature (including, but not limited to, reasonable attorney fees, disbursements, court costs, and expert fees) based upon injury to persons, including death, or damage to property arising out of or resulting from AIRLINE's use and occupancy of Airline Premises or use of the Airport pursuant to this Agreement, except to the extent that such injury, death or damage is caused by the negligence or willful misconduct of AUTHORITY, its officers, employees, or agents.

B. Subject to the provisions for waiver of subrogation and mutual release of claims in Section 12.3, AUTHORITY shall indemnify, save, hold harmless, and defend AIRLINE, its officials, agents and employees, its successors and assigns, individually or collectively, from and against any claim action, loss, damage, injury, liability, and the cost and expense of whatsoever kind or nature (including, but not limited to reasonable attorneys fees, disbursements, court costs, and expert fees) based upon injury to persons, including death, or damage to property arising out of or resulting from AUTHORITY's failure to perform its obligations under this Agreement, except to the extent that such injury, death or damage is caused by the negligence or willful misconduct of AIRLINE, its officers, employees or agents.

C. The provisions of this Section 12.1 shall survive the expiration, termination or early cancellation of this Agreement.

D. Notwithstanding anything contained in this Article 12, environmental indemnification shall be governed by Section 13.8.

12.2 Insurance.

A. Without limiting AIRLINE's obligation to indemnify AUTHORITY, as provided for in Section 12.1A, AIRLINE shall procure and maintain in force at all times during the Term of this Agreement a customary policy or policies of insurance insuring AIRLINE against bodily injury and property damage liability, subject to policy terms and conditions, for injuries to persons (including wrongful death) and damages to property caused by AIRLINE's use and occupancy of the Airline Premises or otherwise caused by AIRLINE's activities and operations on said Airline Premises or elsewhere at the Airport, the policy limits thereof to be in the minimum as set forth herein.

(1) **Comprehensive Airline Liability Insurance.** AIRLINE shall maintain comprehensive airline liability insurance.

a. The comprehensive airline liability insurance and, if necessary, commercial umbrella insurance shall be: (i) for aircraft containing over 100 seats, at a limit of not less than four hundred million dollars (\$400,000,000) for each occurrence and in the aggregate, (ii) for aircraft containing 76-100 seats, at a limit of not less than three hundred million dollars (\$300,000,000) for each occurrence and in the aggregate, (iii) for aircraft containing 51-75 seats, at a limit of not less than two hundred fifty million dollars (\$250,000,000) for each occurrence and in the aggregate, and (iv) for aircraft containing less than 20 seats, at a limit of not less than

one hundred million dollars (\$100,000,000) for each occurrence and in the aggregate, except that, for all aircraft described in clauses (i) through (iv), inclusive, required liability coverage for personal injury to third parties, excluding passengers, shall be not less than twenty-five million dollars (\$25,000,000).

- b. The comprehensive airline liability insurance shall include, with aggregates where applicable, but not be limited to, coverage for Commercial/Comprehensive General Liability, Bodily Injury and Property Damage to Third Parties, Passenger Liability, Personal Injury Liability, Contractual Liability, Passengers' Checked and Unchecked Baggage Liability, Premises, Operations, Independent Contractors, Products-Completed Operations Liabilities, and Cargo Legal Liabilities. Explosion, Collapse and Underground Property Damage Liability Coverage shall not be excluded.
- c. Mobile Equipment. The comprehensive airline liability insurance shall include coverage for mobile or other ground vehicle equipment operated on those parts of the Airport that are not accessible to the public and are designated as restricted areas with a limit of not less than twenty-five million dollars (\$25,000,000) for each occurrence. Mobile or other ground vehicle equipment shall include, but not be limited to, baggage tugs, aircraft pushback tugs, provisioning trucks, air stair trucks, belt loaders, deicing vehicles and any other automotive equipment. Such insurance shall cover liability arising out of any mobile or other ground

vehicle equipment owned or operated by AIRLINE, its employees, or any contractor servicing AIRLINE.

- d. The comprehensive airline liability insurance shall apply as primary insurance with respect to any other insurance afforded to AUTHORITY. There shall be no endorsement or modification of the policy to make it excess over other available insurance. If the policy states that it is excess or pro rata, the policy shall be endorsed to be primary with respect to AUTHORITY and COUNTY as additional insureds.

- (2) **Aircraft Liability Insurance**. AIRLINE shall maintain aircraft liability insurance. AIRLINE's aircraft liability insurance shall be: (i) for aircraft containing over 100 seats, at a limit of not less than four hundred million dollars (\$400,000,000) for each occurrence and in the aggregate, (ii) for aircraft containing 76-100 seats, at a limit of not less than three hundred million dollars (\$300,000,000) for each occurrence and in the aggregate, (iii) for aircraft containing 51-75 seats, at a limit of not less than two hundred fifty million dollars (\$250,000,000) for each occurrence and in the aggregate, and (iv) for aircraft containing less than 20 seats, at a limit of not less than one hundred million dollars (\$100,000,000) for each occurrence and in the aggregate, and, for all aircraft described in clauses (i) through (iv), inclusive, with aggregates where applicable, for bodily injury or death, personal injury, and property damage for all owned, operated, maintained, non-owned, leased, or hired aircraft, including

passenger coverage. The aircraft liability insurance may be included in the comprehensive airline liability insurance policy.

(3) **Commercial Automobile Liability Insurance (non-restricted areas).**

- a. AIRLINE shall maintain automobile liability insurance with a limit of not less than one million dollars (\$1,000,000) for each accident for vehicles operated in areas other than restricted areas. Such vehicles shall include all mobile or other ground vehicle equipment, such as, but not be limited to, baggage tugs, aircraft pushback tugs, provisioning trucks, air stair trucks, belt loaders, deicing vehicles and any other automotive equipment.
- b. Such insurance shall cover liability arising out of any automobile or vehicle, including all mobile or other ground vehicle equipment as described in subsection 3(a) above, owned or operated by AIRLINE, its employees, or any contractor servicing AIRLINE.

(4) **Workers' Compensation, Disability and Employer's Liability Insurance.** AIRLINE shall maintain workers' compensation and employer's liability insurance.

- a. Workers' Compensation and New York State Disability Coverage. Coverage shall be at statutory limits as required by the laws of the State of New York.
- b. Employer's Liability. The employer's liability limits shall not be less than One Million Dollars (\$1,000,000) each accident for bodily injury by accident or One Million Dollars (\$1,000,000) each employee for bodily injury by disease.

(5) **Commercial Property Insurance.** AIRLINE shall maintain all-risk property insurance covering the full value and full replacement cost of AIRLINE's property and AIRLINE's improvements and betterments. Such insurance shall name AIRLINE and AUTHORITY as loss payees, as their respective interests may appear.

B. The aforesaid amounts and types of insurance shall be reviewed from time to time by AUTHORITY and may be adjusted by AUTHORITY if AUTHORITY reasonably determines such adjustments are necessary to protect Authority's interests. AIRLINE shall furnish AUTHORITY, prior to the Effective Date hereof, a certificate or certificates of insurance as evidence that the required insurance is in force. AUTHORITY reserves the right and AIRLINE agrees to permit AUTHORITY to require a certified copy of each certificate, and for good cause to inspect each policy, including endorsements and riders, upon request. AIRLINE shall name AUTHORITY and COUNTY as additional insureds on such insurance policy or policies to the extent of the AIRLINE's obligations assumed under Section 12.1A, above, subject to policy terms, conditions, limitations and exclusions; provided, however, that this requirement shall not apply to the Worker's Compensation and Employer's Liability insurance policies described in Section 12.2A(4). Said policies shall be issued by insurance companies of nationally recognized financial responsibility with a Best's Guide rating of no less than A- (VII) or of internationally recognized and favorable reputation in the aviation marketplace, satisfactory to AUTHORITY. Said policies shall be in a form and content reasonably satisfactory to AUTHORITY and shall provide for

thirty (30) days advance written notice to AUTHORITY prior to the cancellation of or any adverse material change in such policies. AIRLINE's failure to provide or maintain the required insurance coverages as set forth herein shall be grounds for immediate cancellation of this Agreement, at AUTHORITY's option. AUTHORITY shall provide AIRLINE ten (10) days written notice before exercising its right of cancellation to provide an opportunity for AIRLINE to demonstrate that it has maintained the required insurance coverage.

C. No Representation of Coverage Adequacy. By requiring insurance herein, AUTHORITY does not represent that coverage and limits will necessarily be adequate to protect AIRLINE, and such coverage and limits shall not be deemed as a limitation on AIRLINE's liability under the indemnities granted to AUTHORITY in this Agreement.

D. Commercial Umbrella Liability Insurance. As indicated above, AIRLINE may use commercial umbrella liability insurance so that AIRLINE has the flexibility to select the best combination of primary and excess limits to meet the total insurance limits required by this Agreement, provided that the coverages provided under the umbrella policy meet the requirements for the primary policies as set forth in this Agreement.

E. Incidents. AIRLINE shall promptly notify AUTHORITY of any accident or event which occurs at the Airport as a result of or in connection with the performance of this Agreement, which results in or might have resulted in bodily injury, personal injury, property damage, or loss of any kind (an "Incident"); provided, however, that an Incident shall not be deemed to include claims for

damaged or lost baggage. AIRLINE shall send a written report of any Incident to AUTHORITY within twenty four (24) hours or as soon as possible, but no more than ten (10) days after the Incident. Initial notification of Incidents and written reports with respect to such Incidents shall be sent to the CEO.

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

ARTICLE 13 ENVIRONMENTAL STANDARDS

13.1 Definitions.

For purposes of this Article 13, the following terms shall have the following meanings:

A. “Environmental Law” means, collectively, applicable laws, ordinances, statutes, rules and regulations of local, state and federal entities, including any regulations of AUTHORITY (whether now existing or hereinafter enacted or promulgated, as they may be amended from time to time, and provided that such rules and regulations of AUTHORITY are consistent with those of federal, state and other local entities) pertaining to environmental matters, spill prevention, contamination, clean-up or disclosures, and any permits issued pursuant thereto (including, without limitation, State Pollutant Discharge Elimination System

(“SPDES”) Permit Number NY 021 2245, effective as of March 13, 2013, issued to AUTHORITY, including all modifications and supplements that have been or may be made to such SPDES Permit), and any legally binding judicial or administrative interpretations thereof, including any judicial or administrative order or judgments, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§ 9601 et seq., (“CERCLA” or “Superfund”); the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq. (“RCRA”); the Clean Water Act, 33 U.S.C. §§ 1251 et seq. (“CWA”); the Safe Drinking Water Act (14 U.S.C. § 401 et seq.); the Clean Air Act, 42 U.S.C. §§ 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq. (“TSCA”); the Hazardous Materials Transportation Act, 49 U.S.C. §§ 100 et seq. (“HMTA”), or any other applicable federal or state statute or municipal ordinance regulating the generation, storage, use, containment, release or disposal of any Hazardous Substances, or providing for the protection, preservation or enhancement of the natural environment; any rules or regulations promulgated pursuant to any of the foregoing statutes or ordinances, including but not limited to laws relating to groundwater and surface water pollution, air pollution, transportation, storage and disposal of any Hazardous Substances, stormwater drainage and underground and above ground storage tanks, and any amendments, modifications or supplements of any such statutes, ordinances, rules and regulations.

B. “Hazardous Substances” means any substance or material defined or designated as a hazardous waste, hazardous material, toxic substance, or a

pollutant or contaminant by any applicable Environmental Law, including, but not limited to, oil, jet fuel and other petroleum products.

C. “Release” means any spilling, leaking, pumping, pouring, emitting, discharging, leaching, dumping or disposing of Hazardous Substances into or on any property or the environment to the extent not authorized under applicable Environmental Law. Petroleum spills of less than five (5) gallons are excluded unless water or soil are affected.

13.2 Restrictions on Hazardous Substances. In conducting operations pursuant to this Agreement, AIRLINE shall not permit or cause the Release on the Airport of any Hazardous Substance that is in violation of any Environmental Law. AIRLINE shall not allow any Hazardous Substances it first Released during the Term on the Airport to migrate off the Airport or beyond the Airline Premises, as applicable, or allow the Release by AIRLINE of any Hazardous Substances into adjacent surface water, soils, underground waters or air in violation of any Environmental Law. At the reasonable written request of AUTHORITY, AIRLINE shall provide AUTHORITY with AIRLINE’s USEPA Waste Generator Number (unless AIRLINE is a Conditionally Exempt Small Quantity Generator (“CESQG”)) and any other information reasonably requested by AUTHORITY with respect to AIRLINE’s use of Hazardous Substances at the Airport or a Release by AIRLINE of Hazardous Substances at the Airport. AIRLINE shall promptly notify AUTHORITY in writing and orally should AIRLINE become aware of: (1) any Release by AIRLINE of any Hazardous Substances attributable to AIRLINE’s actions during the Term or any holdover period; (2) any notice given to AIRLINE from any third party with respect to any Release or threat of Release of any Hazardous Substances with respect to the Airport; (3) the commencement of any litigation or any information relating to any threat of litigation relating

to any alleged Release by Airline of any Hazardous Substances at the Airport or other environmental contamination, liability or problem arising out of or relating to AIRLINE's operations at the Airport; or (4) any enforcement notice related to AIRLINE's operations at the Airport provided to AIRLINE from any regulatory agency and any related correspondence from AIRLINE to any regulatory agency. In the event that any notice or correspondence is received or issued by AIRLINE pursuant to Section 13.2, AIRLINE shall provide AUTHORITY with a copy of such notice or correspondence as soon as possible and in any event within ten (10) days of such receipt or issuance.

13.3 Compliance and Remediation. AIRLINE shall at all times conduct its business at the Airport in compliance with all applicable Environmental Law. In the event that AIRLINE or the Airline Premises, because of AIRLINE's actions that occur during the Term, is in violation of any Environmental Law concerning the presence, use, Release or threat of Release of Hazardous Substances or any other Environmental Law (whether or not pertaining to Hazardous Substances), AIRLINE shall promptly take such action as is reasonably necessary to remedy and cure the violation.

13.4 Remedies. If AIRLINE or the Airline Premises, because of AIRLINE's actions that occur during the Term, is in violation of any applicable Environmental Law, and AIRLINE does not act promptly to take such action as is reasonably necessary to remedy and cure the violation, AUTHORITY has the right, but not the obligation, after providing written notice to AIRLINE and an opportunity to cure, to take such action as is reasonably necessary to remedy and cure the violation. If AUTHORITY has a reasonable belief that AIRLINE's actions or inactions present a threat of violation of applicable Environmental Law or a threat of damage to the Airport or the Airline Premises or harm to the public, AUTHORITY has the right, but not the

obligation, to take such corrective or mitigating action as AUTHORITY deems reasonably necessary (and reserves the right to enter onto the Airline Premises for such purposes). All reasonable costs and expenses incurred by AUTHORITY in connection with any such actions, to the extent caused by AIRLINE's violation of Environmental Law, shall become due and payable by AIRLINE thirty (30) days after presentation of an invoice.

13.5 Access to Airline Premises. Upon advance written request of AUTHORITY, AIRLINE shall grant access to the Airline Premises to conduct periodic environmental inspections and testing. Prior to conducting environmental inspections and testing, AUTHORITY shall provide written notice to AIRLINE concerning the planned inspection and testing procedures and locations. AIRLINE shall have the right to obtain the results of such inspections and testing and split samples of such testing, at AIRLINE's own expense and at no additional cost to AUTHORITY, upon AIRLINE's written request to AUTHORITY. In the event of an emergency, AIRLINE shall be deemed to have given AUTHORITY access to the Airline Premises for any necessary environmental response activities, including environmental inspections and testing needed in response to the emergency. AUTHORITY shall conduct each inspection or testing in a manner that does not unreasonably interfere with AIRLINE's operations.

13.6 Environmental Audit. For reasonable cause (e.g., AUTHORITY's reasonable belief that AIRLINE is in violation of any Environmental Law, or that AIRLINE's actions or inactions present a threat of violation of any Environmental Law or a threat of damage to the Airport or the Airline Premises or harm to the public) and upon reasonable written notice: (a) AUTHORITY shall have the right, but not the obligation, to conduct or cause to be conducted by a firm acceptable to AUTHORITY, an environmental audit (e.g., a Phase I Environmental Site

Assessment), or any other appropriate investigation of AIRLINE's fuel facilities or operations at the Airport, for compliance with Environmental Law (collectively, "audit"), or (b) AUTHORITY may elect to require AIRLINE to conduct its own audit, substantially similar in scope to AUTHORITY's proposed audit, by an outside third party to be approved by AUTHORITY, such approval not to be unreasonably withheld. In the event that AUTHORITY conducts such audit, AIRLINE shall have a reasonable opportunity to provide comments to AUTHORITY before the audit is completed. If any audit determines that further testing or analysis is needed, then it shall be reasonable for AUTHORITY to perform, or to require AIRLINE to perform, further testing or analysis, including, without limitation, a Phase 2 Environmental Site Assessment. AIRLINE shall pay all costs associated with any and all audits requested by AUTHORITY hereunder, and shall promptly correct any non-compliance with any Environmental Law related to or arising out of AIRLINE's fuel facilities or operations as identified in the audit, including, without limitation, removing and/or remediating as required by applicable Environmental Law any Hazardous Substances contamination for which AIRLINE is liable hereunder.

13.7 Vacating of Airline Premises. Prior to vacating the Airline Premises, in addition to all other requirements under this Agreement and without limiting AIRLINE's indemnification obligations under Section 13.8, AIRLINE shall remove any Hazardous Substances placed on the Airline Premises during the Term by AIRLINE or as a result of AIRLINE's use or occupancy of the Airline Premises during the Term and shall demonstrate to AUTHORITY's reasonable satisfaction that such removal is in compliance with all applicable Environmental Law, including, without limitation, conducting any environmental audits as may be required by AUTHORITY under Section 13.6. This removal and demonstration shall be a condition

precedent to AUTHORITY's return of any portion of the Contract Security, if any, to AIRLINE upon termination or expiration of this Agreement.

13.8 Environmental Indemnity. Without limiting any indemnities provided in this Agreement for matters other than environmental matters, except for Excluded Environmental Claims, as hereinafter defined, AIRLINE agrees to defend, indemnify and hold harmless AUTHORITY from and against any and all claims, causes of action, regulatory demands, liabilities, fines, penalties, losses, and expenses, including without limitation clean-up or other remedial costs (and including reasonable attorneys' fees, costs and all other reasonable litigation expenses when incurred and whether incurred in defense of actual litigation or in reasonable anticipation of litigation), arising from the Release by AIRLINE of any Hazardous Substance from the Airline Premises to other properties or into the surrounding environment or from any other violation of Environmental Law by AIRLINE, whether made, commenced or incurred during the Term, or made, commenced or incurred after the expiration or termination of this Agreement, attributable to AIRLINE's actions during the Term or any holdover period. For purposes of this Section 13.8, "Excluded Environmental Claims" shall mean any claims, causes or action, demands, liabilities, fines, penalties, costs, expenses or any other liabilities, to the extent caused by or arising from (A) the migration or presence of Hazardous Substances Released prior to, during or after the commencement of the Term that AIRLINE demonstrates is not attributable to AIRLINE or AIRLINE's activities on the Airline Premises; or (B) the movement of Hazardous Substances onto or under the Airline Premises from other premises due to leaching or the flow of groundwater, provided that AIRLINE is not otherwise responsible for the off-Airline Premises Release that introduced the migrating Hazardous Substances into the environment, or (C) the negligence or willful misconduct of AUTHORITY, its officials, agents

and employees. The provisions of this Section 13.8 shall survive the expiration, termination or early cancellation of this Agreement. Notwithstanding anything contained in this Article 13, indemnification for matters other than environmental matters shall be governed by Section 12.1.

ARTICLE 14 CANCELLATION BY AUTHORITY

14.1 Events of Default. The events described below shall be deemed events of default (“Events of Default”) by AIRLINE hereunder:

A. Upon the occurrence of any one of the following Events of Default, AUTHORITY may issue a written notice of default after providing AIRLINE the cure period noted:

- (1) The conduct of any business or performance of any acts at the Airport not specifically authorized herein or by other agreements between AUTHORITY and AIRLINE, and said business or acts do not cease within thirty (30) days of receipt of AUTHORITY’s written notice to cease said business or acts.
- (2) The failure to cure a default in the performance of any of the terms, covenants and conditions required herein (except for those terms, covenants and conditions set forth in Section 14.1B) within thirty (30) days of receipt of written notice by AUTHORITY to do so; or if by reason of the nature of such default, the same cannot be remedied within thirty (30) days following receipt by AIRLINE of written demand from AUTHORITY, and AIRLINE fails to commence the remedying of such default, or having so commenced, shall fail thereafter to continue with diligence the curing thereof; provided, however, AIRLINE’s required performance under this Section 14.1A(2) shall be conditioned by the Force

Majeure provisions of Section 20.29. AIRLINE shall have the burden of proof to demonstrate (i) that the default cannot be cured within thirty (30) days, (ii) that it is proceeding with diligence to cure said default, and (iii) that such default will be cured within a reasonable period of time.

- (3) The failure by AIRLINE to pay any part of the rentals, fees and charges due hereunder and the continued failure to pay said amounts in full within ten (10) days of AUTHORITY's written notice of payments past due; provided, however, if a dispute arises between AUTHORITY and AIRLINE with respect to any obligation or alleged obligation of AIRLINE to make payments to AUTHORITY, payments under protest by AIRLINE of the amount due shall not waive any of AIRLINE's rights to contest the validity or amount of such payment; and, provided further, that if any court or other body having jurisdiction determines all or any part of the protested payment shall not be due, then AUTHORITY shall promptly reimburse AIRLINE any amount determined as not due plus interest on such amount at the lower of one and one-half percent (1½%) or the highest rate allowable under applicable state law.

B. Upon the occurrence of any one of the following Events of Default, AUTHORITY may immediately issue written notice of default:

- (1) The failure by AIRLINE to provide and keep in force, if required, the Contract Security in accordance with Section 7.10.
- (2) The failure by AIRLINE to provide and keep in force insurance coverage in accordance with Section 12.2.

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

14.2 Continuing Responsibilities of AIRLINE. Notwithstanding the occurrence of any Event of Default, AIRLINE shall remain liable to AUTHORITY for all rentals, fees and charges payable hereunder and for all preceding breaches of any covenant of this Agreement. Furthermore, unless AUTHORITY elects to cancel this Agreement, AIRLINE shall remain liable for and promptly pay all rentals, fees and charges accruing hereunder until the expiration of this Agreement as set forth in Article 3, or until this Agreement is cancelled by AIRLINE pursuant to Article 15.

14.3 AUTHORITY's Remedies. Upon the occurrence of any event enumerated in Section 14.1A or 14.1B, the following remedies shall be available to AUTHORITY:

- A. AUTHORITY may cancel this Agreement and revoke AIRLINE's status as a Signatory Airline at the Airport, effective upon the date specified in the

notice of cancellation. For events enumerated in Section 14.1A, such date shall be not less than thirty (30) days from said notice. Upon such date, AIRLINE shall have no further rights hereunder and AUTHORITY shall have the right to take immediate possession of AIRLINE's Premises, the condition of which shall be subject to the requirements of Section 16.1.

B. AUTHORITY may reenter the Airline Premises and may remove all AIRLINE persons and property from same in accordance with Section 16.2 upon the date of reentry specified in AUTHORITY's written notice of reentry to AIRLINE. For events enumerated in Section 14.1A, reentry shall be not less than thirty (30) days from the date of notice of reentry. Upon any removal of AIRLINE property by AUTHORITY hereunder, AIRLINE property may be stored or sold by AUTHORITY in accordance with Section 16.2.

C. AUTHORITY may relet Airline Premises and any improvements thereon or any part thereof at such rentals, fees and charges and upon such other terms and conditions as AUTHORITY, in its reasonable judgment, may deem advisable, with the right to make alterations, repairs or improvements on said Airline Premises. In reletting the Airline Premises, AUTHORITY shall be obligated to make a good faith effort to obtain terms no less favorable to AUTHORITY than those contained herein and otherwise seek to mitigate any damages it may suffer as a result of AIRLINE's Event of Default.

D. In the event that AUTHORITY relets Airline Premises, rentals, fees and charges received by AUTHORITY from such reletting shall be applied: (i) to the payment of any indebtedness other than rentals, fees and charges due hereunder

from AIRLINE to AUTHORITY; (ii) to the payment of any cost of such reletting; and (iii) to the payment of rentals, fees and charges due and unpaid hereunder. The residue, if any, shall be held by AUTHORITY and applied in payment of future rentals, fees and charges as the same may become due and payable hereunder. If that portion of such rentals, fees and charges received from such reletting and applied to the payment of rentals, fees and charges hereunder is less than the rentals, fees and charges payable during applicable periods by AIRLINE hereunder, then AIRLINE shall pay such deficiency to AUTHORITY. AIRLINE shall also pay to AUTHORITY, as soon as ascertained, any costs and expenses incurred by AUTHORITY in such reletting not covered by the rentals, fees and charges received from such reletting.

E. No reentry or reletting of Airline Premises by AUTHORITY shall be construed as an election on AUTHORITY's part to cancel this Agreement unless a written notice of cancellation is given to AIRLINE.

F. AIRLINE shall pay to AUTHORITY all other costs incurred by AUTHORITY in the exercise of any remedy in this Article 14, including, but not limited to, reasonable attorney's fees, disbursements, court costs, and expert fees.

G. AUTHORITY may exercise any other legal or equitable remedy, including but not limited to the remedies hereinafter specified.

14.4 Remedies Under Federal Bankruptcy Laws. Notwithstanding the foregoing, upon the filing by or against AIRLINE of any proceeding under Federal bankruptcy laws, if AIRLINE has defaulted in the performance of any provision of this Agreement within the six (6) months preceding such filing, AUTHORITY shall have the right to cancel this Agreement, in addition to

other remedies provided under provisions of the Federal Bankruptcy Rules and Regulations and Federal Judgeship Act of 1984, or any successor statute, as such may be subsequently amended, supplemented, or replaced. Such cancellation shall be by written notice to AIRLINE within sixty (60) days from the date of AIRLINE's initial filing in bankruptcy court.

ARTICLE 15 CANCELLATION BY AIRLINE

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

A. AUTHORITY fails to keep, perform or observe any material term, covenant or condition herein contained to be kept, performed, or observed by AUTHORITY and such failure continues for thirty (30) days after receipt of written notice from AIRLINE; or if by its nature such default cannot be cured within such thirty (30) day period, AUTHORITY shall not commence to cure or remove such default within said thirty (30) days and to cure or remove the same promptly as reasonably practicable; provided, however, AUTHORITY's performance under this Section 15.1A shall be conditioned by the Force Majeure provisions of Section 20.29 of this Agreement.

B. Airport is closed to flights in general or to the flights of AIRLINE, for reasons other than those circumstances within AIRLINE's control, and Airport fails to be reopened to such flights within sixty (60) consecutive days from such closure.

C. The Airport is permanently closed as an air carrier airport by act of any Federal, state, or local government agency having competent jurisdiction; or AIRLINE is unable to use Airport for a period of at least thirty (30) consecutive days due to any law or any order, rule or regulation of any governmental authority

having jurisdiction over the operations of the Airport; or any court of competent jurisdiction issues an injunction preventing AUTHORITY or AIRLINE from using Airport for airport purposes, for reasons other than those circumstances within AIRLINE's control, and such injunction remains in force for a period of at least thirty (30) consecutive days.

D. The United States Government or any authorized agency of the same (by executive order or otherwise) assumes the operation, control or use of the Airport in such a manner as to substantially restrict AIRLINE from conducting its operations, if such restriction be continued for a period of thirty (30) consecutive days or more.

15.2 AIRLINE's Remedy. So long as AIRLINE is not in default as set forth in Section 14.1 of this Agreement, including but not limited to payments due to AUTHORITY hereunder, AIRLINE may cancel this Agreement upon the occurrence of an Event of Default, as set forth in Section 15.1. In such event, AIRLINE shall provide a thirty (30) day advance written notice of cancellation to AUTHORITY. All rentals, fees and charges payable by AIRLINE shall cease as of the date of such cancellation and AIRLINE shall surrender the Airline Premises in accordance with Article 16 hereof.

ARTICLE 16 SURRENDER OF AIRLINE PREMISES

16.1 Surrender and Delivery. Upon termination or cancellation of this Agreement, AIRLINE shall promptly and peaceably surrender to AUTHORITY its Airline Premises and all improvements thereon to which AUTHORITY is entitled in the same condition received, reasonable wear and tear and damage due to structural or pre-existing defects excepted, unless caused by AIRLINE; provided, however, nothing in this Section 16.1 shall be construed to modify the obligations of the parties set forth in Article 9, Article 11, Article 12 and Article 13.

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

16.3 Holding Over. In the event AIRLINE uses its Airline Premises without the written consent of AUTHORITY after this Agreement has been cancelled or expires, AIRLINE shall be deemed a tenant at sufferance during the period of such use and shall pay rates equal to the Compensatory Rates as calculated in accordance with Exhibit "G" for rentals, fees and charges established by AUTHORITY for Air Transportation Companies which are not Signatory Airlines during such period. In such event, AUTHORITY shall have the right to all remedies

provided under applicable laws; provided, however, AUTHORITY's consent shall not be unreasonably withheld during any period of good faith lease negotiations between AIRLINE and AUTHORITY.

ARTICLE 17 ASSIGNMENT, SUBLETTING, AND HANDLING AGREEMENTS

17.1 Assignment and Subletting by AIRLINE.

A. AIRLINE shall not, directly or indirectly, assign, sell, hypothecate or otherwise transfer this Agreement, or any portion of Airline Premises, without the prior written consent of the AUTHORITY, which consent shall not be unreasonably withheld. The foregoing shall not prevent the assignment of this Agreement or any portion thereof to any corporation with which AIRLINE may merge or consolidate, or to which AIRLINE may transfer all or substantially all of its assets; provided however, (i) that any successor or transferee entity shall have a substantially similar or greater net asset value as AIRLINE; (ii) that such successor shall provide financial information as reasonably requested by AUTHORITY; and (iii) that such successor corporation, no later than sixty (60) days after the date of such merger, consolidation, succession or transfer shall provide written acknowledgement by a duly authorized corporate officer to AUTHORITY that it has assumed all obligations of AIRLINE and will fully honor all the terms and conditions set forth in this Agreement.

B. AIRLINE shall not sublease Airline Premises without the prior written consent of AUTHORITY, which consent may be withheld if AUTHORITY has substantially similar space available, but unleased, or if AUTHORITY can make such space available for lease within thirty (30) days. Preferential use of

AIRLINE's Preferential Use Premises or any part thereof; by anyone other than AIRLINE or AIRLINE's Affiliates, shall be deemed a sublease.

C. AIRLINE shall include with its written request for permission to assign or sublease, a copy of the proposed assignment or sublease agreement, if prepared. In the event such proposed agreement has not been prepared, a written summary of the material terms and conditions to be contained in such agreement shall be included with AIRLINE's written request for tentative approval by the AUTHORITY. The assignment or sublease agreement or written summary submitted with AIRLINE's request shall include the following information: (i) the term; (ii) the area or space to be assigned or subleased; (iii) the sublease rentals to be charged; (iv) financial data for the successor entity in the event of an assignment as reasonably requested by AUTHORITY; and (v) the provision that assignee or sublessee must execute a separate operating agreement with AUTHORITY. Any other information reasonably requested by AUTHORITY pertaining to said sublease or assignment shall be promptly provided by AIRLINE. A fully executed copy of such sublease or assignment shall be submitted to AUTHORITY for final approval within ninety (90) days after the occupancy of Airline Premises, or any portion thereof, by the assignee or sublessee.

D. In the event the rentals, fees and charges for subleased premises exceed the rentals, fees and charges payable by AIRLINE for said premises pursuant to this Agreement, AIRLINE shall pay to AUTHORITY the excess of the rentals, fees and charges received from the sublessee over that specified to be paid by

AIRLINE herein; provided, however, AIRLINE may charge a reasonable fee for administrative costs, not to exceed fifteen percent (15%) of the specified sublease rental and such fee shall not be considered part of excess rentals, fees and charges. AIRLINE may also charge a reasonable fee to others, not to exceed fifteen percent (15%) of the actual, documentable costs to AIRLINE, for the use of AIRLINE's capital equipment, tenant finishes and furnishings, and to charge for use of utilities and other services being paid for by AIRLINE.

E. Nothing in this Article 17 shall be construed to release AIRLINE from its obligations under this Agreement, including but not limited to, the payment of rentals, fees and charges provided for herein.

17.2 Handling Agreements. In the event AIRLINE agrees to ground handle any portion of the operations of another Air Transportation Company, even if such other Air Transportation Company is an Affiliate of AIRLINE, AIRLINE shall provide AUTHORITY advance written notice of such proposed activities, including a description of the type and extent of services to be provided. Notwithstanding the foregoing, AIRLINE shall not ground handle any Air Transportation Company, including its Affiliates, that does not have in force an agreement with AUTHORITY for the operation of its Air Transportation Business at the Airport. In the event AIRLINE ground handles any Air Transportation Company that does not have in force an agreement with AUTHORITY, then AIRLINE will be responsible for so notifying AUTHORITY and for collecting the appropriate fees and charges and reporting and remitting same to AUTHORITY.

ARTICLE 18 ACCOMMODATION AND REASSIGNMENT

18.1 Declaration of Intent. AIRLINE and AUTHORITY acknowledge that the objective of AUTHORITY is to offer Air Transportation Companies desiring to serve the Airport

access to the Airport, and to provide adequate Gate positions and space in its facilities. In furthering the objectives of providing access to the Airport, including the accommodation of new entrants, AUTHORITY seeks to (1) provide Signatory Airlines with predictability and stability regarding the use of operational space at the Airport, and (2) provide reasonable accommodation to Air Transportation Companies seeking to serve the Airport and requesting Gates and other Terminal space at the Airport (each a “Requesting Airline”).

18.2 AUTHORITY’s Scheduling Rights at Preferential Use Gates.

A. AUTHORITY shall have the right, upon reasonable notice to and in consultation with AIRLINE, to schedule at a Preferential Use Gate arrivals and departures by a Requesting Airline at all periods of time other than AIRLINE’s Periods of Use of that Preferential Use Gate if and only if no unleased Gate is available to accommodate the Requesting Airline. AUTHORITY shall allow AIRLINE to select the specific Preferential Use Gate at which such accommodation will occur; provided, however, that the Preferential Use Gate selected by AIRLINE shall be able to accommodate the size of the Requesting Airline’s aircraft; and provided, further, that AUTHORITY shall have the right to select a Preferential Use Gate other than that selected by AIRLINE to be used for any accommodation if AUTHORITY determines, in its reasonable discretion, that a different selection is warranted under the circumstances based upon utilization and proximity to AIRLINE’s other Preferential Use Gates. In accommodating AUTHORITY in its right to schedule such operations, AIRLINE shall allow and provide for use of its facilities at the Preferential Use Gate (other than AIRLINE’s ground service equipment and its proprietary equipment installed at the expense

of AIRLINE, if any), or permit use of AUTHORITY's podiums and equipment as may be required for the Requesting Airline's efficient use of the Preferential Use Gate. If AIRLINE's off-schedule arrival or off-schedule departure interferes with a Requesting Airline's use of any Preferential Use Gate assigned to AIRLINE, AIRLINE shall retain scheduling priority in that particular instance, but shall work with and use reasonable efforts to accommodate the Requesting Airline at another Gate.

B. Notwithstanding the foregoing and any other provision of this Section 18.2, AUTHORITY shall have the right, upon reasonable notice to AIRLINE, to schedule at a Preferential Use Gate arrivals and departures by a Requesting Airline during AIRLINE's Periods of Use of that Preferential Use Gate, if AIRLINE does not actually utilize that Preferential Use Gate during its Period of Use for a Scheduled Operation.

C. Notwithstanding the foregoing and any other provision of this Section 18.2, AIRLINE shall have a scheduling priority for a Period of Use under this Section 18.2 with respect to any Scheduled Operation. AIRLINE may revise one or more Scheduled Operations at any time after their publication in the OAG (or any successor publication) by submitting a written amendment of AIRLINE's published schedule to AUTHORITY detailing and highlighting each such revision. AIRLINE agrees that its amendments to its published schedule shall be accurate, submitted to AUTHORITY in a timely manner and made in good faith, and that AUTHORITY shall be able to rely and act on AIRLINE's published schedule and all written amendments thereto submitted to AUTHORITY when

accommodating one or more Requesting Airlines at AIRLINE's Preferential Use Gates. If AUTHORITY has actually relied and acted upon AIRLINE's published schedule (as may then have been most recently amended by AIRLINE in accordance with this Section 18.2C) by directing AIRLINE to accommodate the Requesting Airline at AIRLINE's Preferential Use Gate at a particular time, and AIRLINE subsequently amends its published schedule in a manner that conflicts with the operation of the Requesting Airline so accommodated, AUTHORITY will use best efforts under the circumstances to relocate the Requesting Airline so accommodated at AIRLINE's Preferential Use Gate to another Gate (if available) consistent with this Article 18. If AUTHORITY determines, in its reasonable judgment, that AIRLINE's persistent revisions of its Scheduled Operations are unwritten, inaccurate, and not made in good faith (for example, if AIRLINE routinely submits to AUTHORITY one or more amendments to its published schedule without actually completing an arrival or departure based on AIRLINE's last such amendment), AUTHORITY may, after consultation with AIRLINE, and in addition to any other remedies available under this Agreement, suspend AIRLINE's right under this Section 18.2C to have AUTHORITY relocate a Requesting Airline accommodated at AIRLINE's Preferential Use Gate after AIRLINE's publication of its schedule in the OAG (or any successor publication) for up to ninety (90) days, which suspension AUTHORITY shall elect in its sole discretion, and which decision of AUTHORITY shall be final.

D. Any Requesting Airline that is accommodated at any of AIRLINE's Preferential Use Gates shall be required to pay AIRLINE: (1) the same charges

for use of the Preferential Use Gate that it would have been required to pay AUTHORITY for use of a Gate other than a Preferential Use Gate, plus (2) any additional charges imposed by AUTHORITY that AIRLINE actually incurs as a result of its accommodation of the Requesting Airline, plus a fifteen percent (15%) administrative fee, plus (3) AIRLINE's pro rata share of the amortized costs of capital improvements that AIRLINE makes to any of AIRLINE's Preferential Use Gates, with its own funds and in accordance with Section 9.4, as a direct result of accommodating a Requesting Airline in accordance with this Section 18.2, plus a 15% administrative fee. AIRLINE may not demand any additional payments from the Requesting Airline on account of its use of the Gate. As a condition of accommodation on any of AIRLINE's Preferential Use Gates, the Requesting Airline shall have executed an agreement that is substantially in the form of this Agreement, the Affiliate Operating Agreement attached hereto as Exhibit "I," or the Non-Affiliate Non-Signatory Operating Agreement attached hereto as Exhibit "J," as applicable, through which the Requesting Airline is bound by insurance and indemnification obligations that are substantially similar to the obligations set forth herein. These insurance and indemnification obligations shall inure to the benefit of AIRLINE as a third-party beneficiary for any period of accommodation, and AIRLINE shall not be required to accommodate a Requesting Airline at its Preferential Use Gates if the Requesting Airline's insurance and indemnification obligations are not satisfied. As a further condition to any such accommodation, AIRLINE may require a deposit from the Requesting Airline as is reasonable and necessary to secure payment of the

charges to AIRLINE; provided, however, that AIRLINE may not require a security deposit that is greater than the Contract Security, if any, that AIRLINE has given to AUTHORITY under Section 7.10.

- 18.3 Priorities for Accommodation in Space Other than Gates. If AUTHORITY receives a request for access to space in the Terminal (other than Gates, which are subject to the provisions of Section 18.2 of this Agreement) from a Requesting Airline, AUTHORITY shall, whenever possible, accommodate such a request by providing access to existing common use space under AUTHORITY's control. If such common use space is unavailable or inadequate to meet the reasonable requirements of the Requesting Airline, as determined by AUTHORITY, AUTHORITY shall encourage Signatory Airlines voluntarily to accommodate the Requesting Airline, by subletting or otherwise making available for use by the Requesting Airline space within the Terminal that is subject to their exclusive use (if any) or preferential use. AUTHORITY shall notify the Signatory Airlines in writing when AUTHORITY has determined that a Requesting Airline cannot be accommodated in common use space, and the Signatory Airlines shall have thirty (30) calendar days from the Signatory Airlines' receipt of such notice to voluntarily agree to accommodate the Requesting Airline. Any such agreements to accommodate a Requesting Airline must be in writing and mutually agreed to by the parties, and are subject to AUTHORITY's approval under Article 17 hereof. If a Requesting Airline is unable to meet its reasonable requirements, as determined by AUTHORITY, by using common use space made available by AUTHORITY, or by using space voluntarily made available by Signatory

Airlines, AUTHORITY shall have the right, upon thirty (30) calendar days' notice to AIRLINE, to require AIRLINE to accommodate the Requesting Airline in space designated by AUTHORITY by allowing the Requesting Airline to use AIRLINE's Preferential Use Premises, subject to Section 18.3B; provided, however, that if the Requesting Airline is a Signatory Airline, the Requesting Airline must show, to AUTHORITY's satisfaction, that it cannot reasonably accommodate its own expanded service within the Terminal space already subject to its exclusive use or preferential use. If AUTHORITY is unable to meet the reasonable requirements of the Requesting Airline, as determined by AUTHORITY, after requiring the Signatory Airlines, including AIRLINE, to accommodate the Requesting Airline in their preferential use space, AUTHORITY shall consider whether the reasonable requirements of the Requesting Airline could be met in a reasonable, cost-effective way by constructing temporary or permanent new facilities. Only if all of these measures are inadequate to meet the reasonable requirements of the Requesting Airline, as determined by AUTHORITY, AUTHORITY may exercise its right to consolidate AIRLINE's operations under Section 18.4.

B. AUTHORITY may not require AIRLINE to accommodate a Requesting Airline in AIRLINE's Preferential Use Premises if such accommodation would require AIRLINE to reschedule one or more Scheduled Operations during AIRLINE's Periods of Use. AIRLINE shall otherwise, consistent with its rights to preferential use, accommodate such Requesting Airline as directed by AUTHORITY by providing access to and use of its Preferential Use Premises;

provided, however, that as a condition of accommodation in any of AIRLINE's Preferential Use Premises, the Requesting Airline shall have executed an agreement that is substantially in the form of this Agreement, the Affiliate Operating Agreement attached hereto as Exhibit "I", or the Non-Affiliate Non-Signatory Operating Agreement attached hereto as Exhibit "J", as applicable, through which the Requesting Airline is bound by insurance and indemnification obligations that are substantially similar to the obligations set forth herein. These insurance and indemnification obligations shall inure to the benefit of the AIRLINE as a third-party beneficiary for any period of accommodation, and AIRLINE shall not be required to accommodate a Requesting Airline in its Preferential Use Premises if the Requesting Airline's insurance and indemnification obligations are not satisfied. As a further condition to any such accommodation, AIRLINE may require a deposit from Requesting Airline as is reasonable and necessary to secure payment of the charges to AIRLINE; provided, however, that AIRLINE may not require a security deposit that is greater than the Contract Security, if any, that AIRLINE has given to AUTHORITY under Section 7.10.

C. Any Requesting Airline that is accommodated at any facilities (other than Gates) used by AIRLINE on an exclusive use or preferential use basis shall, in the absence of an agreement to the contrary with AIRLINE, be required (1) to pay AIRLINE the same charges for use of the space that it would have been required to pay AUTHORITY for use of such a facility, (2) to reimburse AIRLINE for any additional AUTHORITY charges that AIRLINE actually incurs as a result of its

accommodation of the Requesting Airline, plus a fifteen percent (15%) administrative fee, and (3) to reimburse AIRLINE for its pro rata share of the amortized costs of capital improvements that AIRLINE makes to any of AIRLINE's Preferential Use Premises (other than Gates), with its own funds and in accordance with Section 9.4, as a direct result of accommodating a Requesting Airline in accordance with this Section 18.3, plus a 15% administrative fee. AIRLINE shall not demand any additional payments from the Requesting Airline on account of its use of such space.

D. Subject to the provisions of Section 17.1 and 17.2, nothing contained in this Article 18 shall prevent or prohibit AIRLINE from electing to enter into an agreement with other Air Transportation Companies authorized to operate into and out of the Airport and desiring the joint use of Airline Premises.

18.4 Consolidation of Operations.

A. If AUTHORITY is unable otherwise to meet the reasonable requirements of a Requesting Airline in accordance with the priorities established in Section 18.3A, and AUTHORITY determines that AIRLINE is under-utilizing its Preferential Use Premises (other than Gates), AUTHORITY may, upon not less than sixty (60) days' written notice to AIRLINE, require AIRLINE to vacate its under-utilized Preferential Use Premises and consolidate its operations in its remaining Preferential Use Premises. AUTHORITY's determination of AIRLINE's utilization of Preferential Use Premises (other than Gates) shall be made after consultation with AIRLINE, and may take into account, among other things, the following factors: (a) AIRLINE's historical, current and reasonably

projected frequency of operations; (b) AIRLINE's historical, current and reasonably projected number of boarding and deplaning passengers; (c) AIRLINE's number and use of Preferential Use Gates; (d) AIRLINE's square footage of other Preferential Use Premises; (e) the need for AUTHORITY to manage aircraft and passenger activity at the Airport; and (f) the need to accommodate Non-Signatory Airlines.

B. AIRLINE may request that AUTHORITY reconsider its determination of under-utilization within fifteen (15) calendar days of receipt of AUTHORITY's notice to consolidate and, if it does so, AIRLINE shall provide reasonable documentation of its need for the Preferential Use Premises that are the subject of the notice. If AUTHORITY, after reconsidering its determination, elects to proceed with the consolidation, AUTHORITY shall give AIRLINE not less than thirty (30) calendar days' notice to vacate such Preferential Use Premises. AUTHORITY may either assign the vacated premises to the Requesting Airline on a preferential use basis, if the Requesting Airline is or becomes a Signatory Airline, or deem the vacated premises to be available for common use subject to AUTHORITY's exclusive control.

C. AUTHORITY shall pay to AIRLINE its reasonable costs of relocating AIRLINE's furniture, equipment and signage in connection with the consolidation of AIRLINE's operations, if required by AUTHORITY under this Section 18.4, plus the reasonable costs of AIRLINE's unamortized capital improvements (if any) originally constructed with AUTHORITY's consent that cannot be relocated.

18.5 Periodic Reassignment.

A. In addition to the obligation of the AIRLINE to accommodate the needs of Requesting Airlines as described in Sections 18.2 and 18.3, AUTHORITY may, at its sole discretion, conduct periodic reassignment of Preferential Use Premises if AUTHORITY determines that such reassignment would be necessary to: (i) reduce the congestion in the Terminal or on the Aircraft Ramp; (ii) promote the efficient use of the Terminal and the Airport; (iii) to consolidate operations due to merger or code-sharing agreements between AIRLINE and other Air Transportation Companies; (iv) meet the applicable laws, ordinances of local, state and federal entities; (v) accommodate a new entrant airline; or (vi) address other operational concerns of AUTHORITY. Such reassignments may result in a reduction in the AIRLINE's Preferential Use Premises or may cause the AIRLINE to vacate its Preferential Use Premises to relocate to other Preferential Use Premises.

B. AUTHORITY, if it determines to reassign Preferential Use Premises, shall provide a written statement of intent to AAC about proposed reassignments together with the reasons for such reassignment and the proposed effective date. The notice of intent shall be sent not less than ninety (90) days before the proposed effective date. AIRLINE through the AAC shall have the right to review and comment upon the proposed reassignments. After taking into account the comments of the AAC, AUTHORITY in its sole discretion shall make the final determination about reassignments. Final reassignments shall be evidenced by written notice from the CEO transmitting revised Exhibits "B" and "C," sent to

each AIRLINE at least thirty (30) days prior to the effective date of the reassignments.

C. Reassignments will be guided by the pertinent factors detailed in Section 18.4 and by measures of utilization of Preferential Use Premises that AUTHORITY deems appropriate under the circumstances. AUTHORITY will seek to accomplish the purpose(s) of the reassignment based on the respective utilization of the Preferential Use Premises made by each Air Transportation Company, from least intense to most intense, and to balance the interests of the affected parties.

D. If, as a result of a reassignment under this Section 18.5, AIRLINE is required to relocate all or a portion of its operations, or to consolidate its operations in its remaining Preferential Use Premises, then AUTHORITY shall determine the reasonable cost of such reassignment or consolidation, including the unamortized cost of vacated improvements and facilities that had been financed by the AIRLINE. Said costs shall be the responsibility of the Air Transportation Company gaining use of the Preferential Use Premises and shall be paid to AIRLINE.

ARTICLE 19 GOVERNMENT INCLUSION

19.1 Government Agreements. This Agreement shall be subordinate to the provisions of any existing or future agreements between AUTHORITY and the United States or the State of New York or any other governmental authority, relative to the operation or maintenance of the Airport, the execution of which has been or will be required as a condition precedent to the granting of Federal or other governmental funds for the development of the Airport, to the extent that the provisions of any such existing or future agreements are generally required by the United

States or other governmental authority of other civil airports receiving such funds. AUTHORITY agrees to provide AIRLINE written advance notice of any provisions which would adversely modify the material terms of this Agreement. In addition, this Agreement shall be subordinate to the Airport Lease.

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

19.3 Nondiscrimination and Affirmative Action.

A. Non-Discrimination. AIRLINE acknowledges that the AUTHORITY has given to the United States of America, acting by and through the FAA, certain assurances with respect to non-discrimination required by Title VI of the Civil Rights Act 1964 (42 U.S.C. § 2000d *et seq.*, 78 Stat. 252), 49 CFR Part 21, 49 CFR § 47123, 28 CFR § 50.3 and other acts and regulations relative to non-discrimination in Federally-assisted programs of DOT (collectively, and including all amendments thereto, the "Acts and Regulations") as a condition precedent to receiving Federal financial assistance from FAA for certain Airport programs and activities. The AUTHORITY is required under the Acts and Regulations to include in this Agreement, and AIRLINE agrees to be bound by, the following covenants and requirements:

- (1) AIRLINE, for itself, its assignees and successors in interest, covenants and agrees that it shall assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability, be excluded from

participating in any program or activity conducted with or benefitting from Federal financial assistance received by the AUTHORITY from the FAA. In the event of AIRLINE's breach of any of the above Non-discrimination covenants, the AUTHORITY shall have the right to terminate this Agreement.

- (2) AIRLINE, for itself, its personal representatives, successors in interest and assigns, as part of the consideration hereof, hereby covenants and agrees, as a covenant running with the land, that in the event facilities are constructed, maintained, or otherwise operated on the Airline Premises for a purpose for which a DOT activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, AIRLINE shall maintain and operate such facilities and services in compliance with all requirements imposed by the Acts and Regulations such that no person on the ground of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said facilities.
- (3) In the event of AIRLINE's breach of any of the Non-discrimination covenants described in subsection (2), above, the AUTHORITY shall have the right to terminate this Agreement, and to enter, re-enter and repossess the Airline Premises and the facilities thereon, and hold the same as if this Agreement had never been made or issued. This subsection (3) shall not become effective until the procedures of 49 CFR Part 21 are followed and completed, including the expiration of appeal rights.

- (4) AIRLINE, for itself, its personal representatives, successors in interest and assigns, as part of the consideration hereof, hereby covenants and agrees, as a covenant running with the land, that (A) no person on the ground of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said facilities, (B) in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (C) AIRLINE shall use the Airline Premises in compliance with all other requirements imposed by or pursuant to the Acts and Regulations.
- (5) In the event of AIRLINE's breach of any of the Non-discrimination covenants described in subsection (4), above, the AUTHORITY shall have the right to terminate this Agreement, and to enter or re-enter and repossess the Airline Premises and the facilities thereon, and hold the same as if this Agreement had never been made or issued. This subsection (5) shall not become effective until the applicable procedures of 49 CFR Part 21 are followed and completed, including the expiration of appeal rights.
- (6) AIRLINE shall include these subsections (1) through (6), inclusive, in AIRLINE's licenses, permits and other instruments relating to the Airline Premises, and shall require that its licensees, permittees and others

similarly include these statements in their licenses, permits and other instruments relating to the Airline Premises.

B. Affirmative Action. AIRLINE assures that: (1) it shall undertake an affirmative action program as required by the AUTHORITY, and by all federal and state laws, rules and regulations pertaining to Civil Rights (and any and all amendments thereto), including, without limitation, 49 CFR Part 21 and 49 U.S.C. § 47123, to assure that no person shall, on the grounds of race, creed, color, national origin, sex, or age be excluded from participation in or denied the benefits of the program or activity conducted with or benefitting from Federal financial assistance received by the AUTHORITY from the FAA; (2) it shall not engage in employment practices that result in excluding persons on the grounds of race, creed, color, national origin, sex, or age, from participating in or receiving the benefits of any program or activity conducted with or benefitting from Federal financial assistance received by the AUTHORITY from the FAA, or in subjecting them to discrimination or another violation of the regulations under any program covered by 49 CFR Part 21 and 49 U.S.C. § 47123; and (3) it shall include the preceding statements of this Section 19.3B in AIRLINE's contracts and other applicable documents under this Agreement, and shall require that its contractors and others similarly include these statements in their subcontracts and applicable documents.

19.4 Security. AIRLINE, its officers, employees, agents, and those under its control, shall comply with security measures required of AIRLINE by the FAA, DHS, TSA or contained in any Airport master security plan approved by the Federal Aviation Administration. If

AIRLINE, its officers, employees, agents, or those under its control shall fail or refuse to comply with said measures and such noncompliance results in a monetary penalty being assessed against AUTHORITY, then, in addition to the provisions of Section 14.3, AIRLINE shall be responsible and shall reimburse AUTHORITY in the full amount of any such monetary penalty or other damages. Nothing contained herein shall prohibit AIRLINE from contesting with the FAA or other appropriate governmental agency the validity or amount of such penalty.

ARTICLE 20 GENERAL PROVISIONS

20.1 Subordination to Resolution.

A. This Agreement and all rights granted to AIRLINE hereunder are expressly subordinated and subject to the lien and provisions of the pledges, transfer, hypothecation or assignment made by AUTHORITY in any Resolution, or any proceedings authorizing and providing security for Other Indebtedness. AUTHORITY and AIRLINE agree that to the extent required by any Resolution(s) or other financing document(s) of the County or AUTHORITY, or law, the holders of the Bonds, Subordinated Indebtedness, or Other Indebtedness, or their designated representatives, shall have the right to exercise any and all rights of AUTHORITY hereunder.

B. AUTHORITY shall notify AIRLINE in advance of any amendments or supplements to the Resolution, or any proceedings authorizing and providing security for Other Indebtedness that would materially alter the terms and provisions of this Agreement. AUTHORITY and AIRLINE shall use their best efforts to agree on the implementation of any such material amendments or supplements desired solely by AUTHORITY for its own purposes.

C. With respect to facilities and/or property leased by AUTHORITY to AIRLINE hereunder which was or is to be acquired by AUTHORITY with proceeds of Bonds, Subordinated Indebtedness, or Other Indebtedness the interest on which is, or is intended to be, excludable from the gross income of the holders of such Bonds for federal income tax purposes, the parties hereby covenant to protect the tax-exempt status of the Bonds and in furtherance of such purpose:

- (1) AIRLINE hereby acknowledges that title to the properties and facilities leased hereunder is solely in the AUTHORITY and/or County. AIRLINE hereby elects, pursuant to Section 142(b)(1)(B)(i) of the Internal Revenue Code of 1986, as amended, that it will not claim depreciation or investment tax credit for federal income tax purposes with respect to any portion of the properties and facilities now or hereafter leased hereby and with respect to any future property financed with Bonds, Subordinated Indebtedness or Other Indebtedness, the interest on which is excludable from gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended, unless a written opinion of counsel nationally recognized in matters relating to the issuance of state and local obligations and satisfactory to AUTHORITY is received by AUTHORITY to the effect that such election is not necessary in order to maintain the tax-exempt status of such Bonds, Subordinated Indebtedness or Other Indebtedness.
- (2) Said election shall be irrevocable and binding upon AIRLINE and any successors in interest to AIRLINE, and any agreement and any publicly

recorded documents in lieu of such agreement shall state that neither the AIRLINE nor any successor in interest under such agreement may claim depreciation or investment tax credit with respect to the properties and facilities now or hereafter leased hereunder and financed with Bonds, Subordinated Indebtedness or Other Indebtedness, the interest on which is excludable from gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended, unless a written opinion of counsel nationally recognized in matters relating to the issuance of state and local obligations and satisfactory to AUTHORITY is received by AUTHORITY to the effect that such election is not necessary in order to maintain the tax-exempt status of such Bonds, Subordinated Indebtedness or Other Indebtedness. This election shall be retained in the records of the AIRLINE and AUTHORITY for the entire Term of this Agreement.

- (3) AIRLINE further agrees that with respect to any properties and facilities financed with Bonds, Subordinated Indebtedness or Other Indebtedness, issued after January 1, 1996 and leased hereunder, the Term hereof shall not be for a period longer than eighty percent (80%) of the reasonably expected economic life of the facilities and properties financed from the proceeds of Bonds, Subordinated Indebtedness or Other Indebtedness, the interest on which is excluded from gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended, unless a written opinion of counsel nationally recognized in matters relating to the issuance

of state and local obligations and satisfactory to AUTHORITY is received by AUTHORITY to the effect such term may be greater.

- (4) AIRLINE hereby acknowledges that it has no option or right, nor will it acquire any option or right to acquire, directly or indirectly, the properties or facilities financed with Bonds, Subordinated Indebtedness or Other Indebtedness issued after January 1, 1996, now or hereafter leased hereunder and financed from the proceeds of Bonds, Subordinated Indebtedness or Other Indebtedness, the interest on which is excludable from gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended, other than at the fair market value thereof determined as of the date such option or right is exercised unless a written opinion of counsel nationally recognized in matters relating to the issuance of state and local obligations and satisfactory to AUTHORITY is received by AUTHORITY to the effect that such an option will not affect the tax exempt status of such Bonds, Subordinated Indebtedness or Other Indebtedness.

20.2 Nonwaiver. No waiver of default by either party of any of the terms, covenants, or conditions hereof to be performed, kept and observed by the other party shall be construed to be or act as a waiver of any subsequent default of any of the terms, covenants and conditions to be performed, kept and observed by the other party and shall not be deemed a waiver of any right on the part of the other party to cancel this Agreement as provided herein, or to exercise any other right(s) available at law or in equity.

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

20.4 SEC Rule 15c2-12. AIRLINE, upon written request by AUTHORITY, shall provide AUTHORITY with such information as AUTHORITY may reasonably request in writing to comply with AUTHORITY’s continuing disclosure requirements under SEC Rule 15c2-12, as it may be amended from time to time; provided, however, that AIRLINE may, in lieu of providing the requested information, direct AUTHORITY to an AIRLINE or SEC website where the requested information is then currently available.

20.5 Quiet Enjoyment.

A. AUTHORITY agrees that, so long as AIRLINE’s payment of rentals, fees and charges is timely and AIRLINE keeps all covenants and agreements contained herein, AIRLINE shall peaceably have and enjoy its Airline Premises and all rights, privileges and licenses of the Airport, its appurtenances and facilities granted herein, subject to the terms and conditions herein contained.

B. Consistent with the nature of AIRLINE’s business, AIRLINE agrees that occupancy of its Airline Premises will be lawful and quiet and that it will not knowingly use or permit the use of Airline Premises in any way that would violate the terms of this Agreement, create a nuisance, or disturb other tenants or the general public. AIRLINE shall be responsible for the activity of its officers, employees, agents, and others under its control with respect to this provision.

20.6 Performance. The parties expressly agree that time is of the essence in this Agreement. Failure by a party to complete performance within the time specified, or within a

reasonable time if no time is specified herein, shall relieve the other party, without liability, of any obligation to accept such performance.

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

20.8 Rules and Regulations.

A. AIRLINE, its officers, employees, agents and others under its control shall observe and obey all laws, regulations and orders of the Federal, state, county and local governments which may be applicable to AIRLINE's operations at the Airport.

B. AUTHORITY, in accordance with the Act, may from time to time adopt, amend or revise reasonable and non-discriminatory rules and regulations for the conduct of operations at the Airport, for reasons of safety, health, preservation of the property or for the maintenance of the good and orderly appearance of the Airport. AIRLINE, its officers, employees, agents, and others under its control shall faithfully comply with and observe such rules and regulations, except as they may conflict with the terms and provisions of this Agreement, or the regulations of another governmental authority having appropriate jurisdiction. AUTHORITY shall notify AIRLINE in writing in advance of any proposed amendments or supplements to such rules and regulations that would adversely materially alter the terms of this Agreement, and shall provide AIRLINE a reasonable opportunity to comment on any such amendments or supplements.

C. AIRLINE shall be liable and responsible for obtaining, maintaining current, and fully complying with, any and all permits, licenses, and other governmental authorizations, however designated, as may be required at any time throughout the entire Term of this Agreement by any Federal, state, or local governmental entity or any court of law having jurisdiction over AIRLINE or AIRLINE's operations and activities.

20.9 Waiver of Visual Artists Rights. AIRLINE shall not install any object in the Airline Premises that constitutes a work of visual art under the Visual Artists Rights Act of 1990 ("VARA"), unless and until AIRLINE has provided AUTHORITY with a written waiver from the author of such work of visual art, in form and substance reasonably satisfactory to AUTHORITY, which identifies specifically the work of visual art and the uses of that work to which the waiver applies in accordance with 17 U.S.C. § 106A(e)(1).

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

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

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

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

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

20.15 Successors and Assigns Bound. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto, where permitted by this Agreement.

20.16 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.

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

Agreement and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

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

20.19 Amendments. This Agreement constitutes the entire agreement between the parties. Except as provided in Sections 4.1, 5.3 and 18.5, no amendment, modification or alteration of the terms of this Agreement shall be binding unless the same is in writing, dated subsequent to the date hereof, and duly executed by the parties hereto.

20.20 Agreement Not to Grant More Favorable Terms. During the Basic Term and (if applicable) the Renewal Term, AUTHORITY agrees not to enter into any lease, contract, or other agreement with any other Air Transportation Company conducting operations at the Airport that contains fees and charges or terms more favorable to such Air Transportation Company than the terms of, or the fees and charges payable by AIRLINE under, this Agreement, unless AUTHORITY also makes those more favorable terms available to AIRLINE. The provisions of this Section 20.20 shall in no way limit, impair, or interfere with AUTHORITY'S ability to charge or establish such fees and charges as AUTHORITY may deem applicable or necessary when entering into any lease, contract, or other agreement with any party that is not an Air Transportation Company.

20.21 No Exclusive Remedy. No remedy provided by this Agreement shall be deemed to be exclusive.

20.22 Subordination to Sponsor's Assurance Agreement. This Agreement shall be subordinate and subject to the terms of any "Sponsor's Assurance Agreement" or like agreement that has been or may be furnished to the FAA by AUTHORITY or required by law.

20.23 Exclusiveness of AIRLINE's Rights. Nothing contained in this Agreement shall be deemed to grant to AIRLINE any exclusive right or privilege within the meaning of 49 U.S.C. § 40103(e) with respect to activity on the Airport.

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

20.25 Approvals.

A. Unless otherwise stated, whenever this Agreement calls for approval by AUTHORITY, such approval shall be evidenced by the written approval of the CEO.

B. Any approval required by either party to this Agreement shall not be unreasonably withheld or delayed.

20.26 Notice.

A. All notices, requests, consents and approvals served or given under this Agreement shall be served or given in writing by certified or registered mail or by a recognized national overnight express mail delivery service. If intended for AUTHORITY, notices, requests, consents and approvals shall be delivered to:

Chief Executive Officer
Albany County Airport Authority
Albany International Airport
Administration Building, Suite 200
Albany, New York 12211-1057

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

B. Notices, requests, consents and approvals to AIRLINE shall be delivered to:

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

C. All notices, requests, consents and approvals sent by certified or registered mail shall be deemed to have been given on the third business day following the date of mailing, if properly mailed and addressed. All notices, requests, consents and approvals sent by overnight express mail delivery shall be deemed to have been given when received at the address listed in this Section 20.26, or to such other address as may have been designated by written notice in accordance with this Section 20.26.

20.27 Agent For Service. It is expressly understood and agreed that if AIRLINE is not a resident of the State of New York, or is an association or partnership without a member or partner resident of said state, or is a foreign corporation not licensed to do business in New York, then in any such event, AIRLINE shall appoint an agent for the purpose of service of process in any court action between it and AUTHORITY arising out of or based upon this Agreement. AIRLINE shall immediately, within ten (10) days of execution of this Agreement, notify

AUTHORITY, in writing, of the name and address of said agent. Such service shall be made as provided by the laws of the State of New York for service upon a non-resident engaging in business in the State. It is further expressly agreed, covenanted and stipulated that, if for any reason, such service of process is not possible, as an alternative method of service of process, AIRLINE may be served out of the State of New York by the registered mailing of such service at the address set forth in Section 20.26.

20.28 Governing Law. This Agreement is to be read and construed in accordance with the laws of the State of New York. The parties hereto agree the Supreme Court - State of New York, County of Albany or United States District Court - Northern District of New York shall be the forum for any actions brought hereunder.

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

20.30 Entire Agreement. It is understood and agreed that this instrument contains the entire agreement between the parties hereto. It is further understood and agreed by AIRLINE that AUTHORITY and AUTHORITY's agents have made no representations or promises with respect to this Agreement or the making or entry into this Agreement, except as in this Agreement expressly set forth, and that no claim or liability or cause for termination shall be

asserted by AIRLINE against AUTHORITY for, and AUTHORITY shall not be liable by reason of, the breach of any representations or promises not expressly stated in this Agreement. Any other written or parol agreement with AUTHORITY is expressly waived by AIRLINE, except as may be included herein by reference in Exhibit "H."

IN WITNESS WHEREOF, the Parties hereto have caused these presents to be executed on the day and year first above written.

WITNESS:

ALBANY COUNTY AIRPORT AUTHORITY

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Approved as to Form and Legality
Authority Attorney

WITNESS:

[AIRLINE]

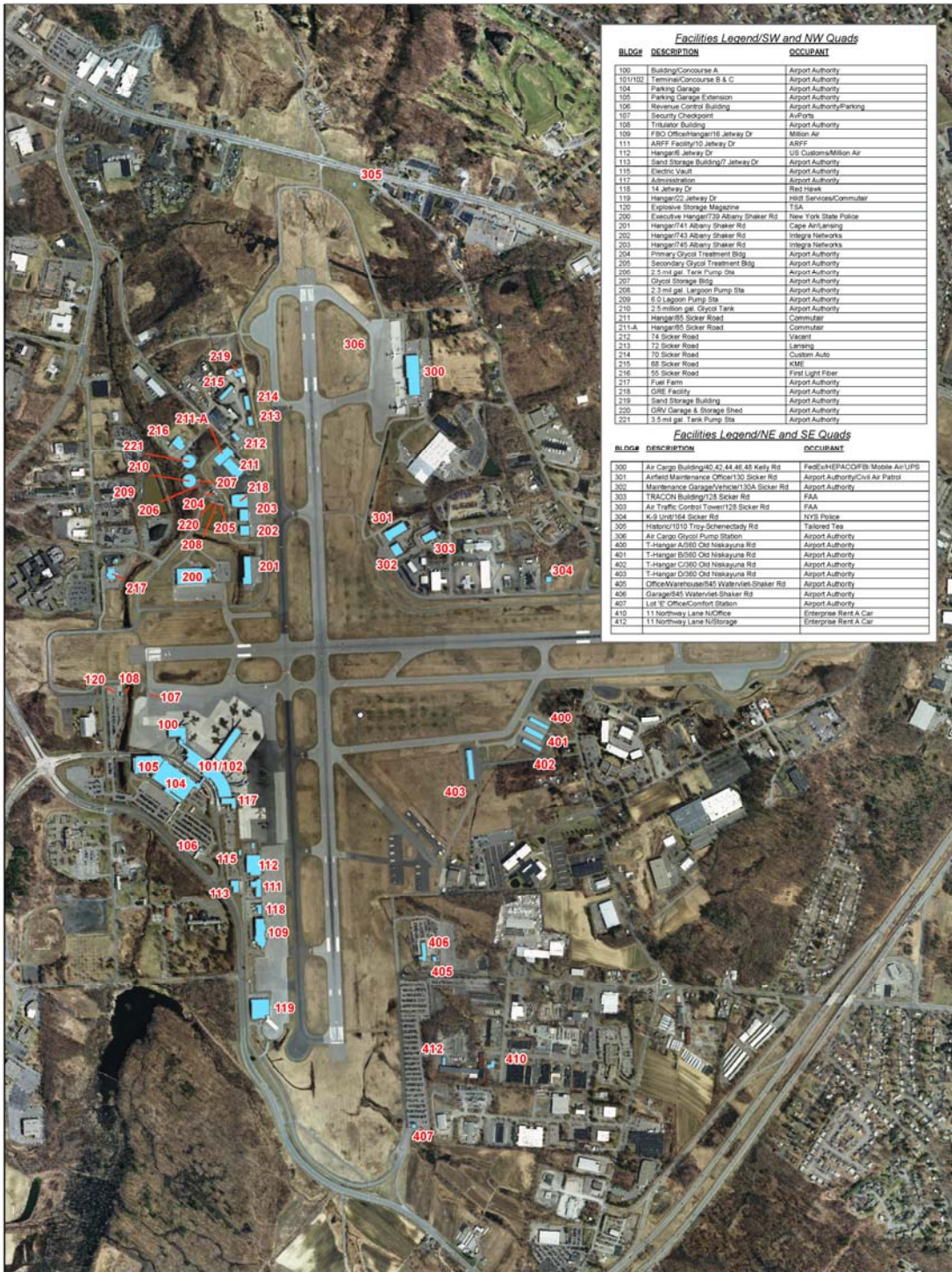
By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT A
AIRPORT BOUNDARIES

SEE MAP ATTACHED

Albany International Airport Property Inventory



Facilities Legend/SW and NW Quads

BLDG#	DESCRIPTION	OCCUPANT
100	Building/Concourse A	Airport Authority
101/102	Terminal/Concourse B & C	Airport Authority
104	Parking Garage	Airport Authority
105	Parking Garage Extension	Airport Authority
106	Revenue Control Building	Airport Authority/Parking
107	Security Checkpoint	AirPort
108	Treasure Building	Airport Authority
109	FBO Office/Hanger/16 Jetway Dr	Milton Air
111	ANFF Facility/10 Jetway Dr	ANFF
112	Hanger/ Jetway Dr	US Customs/Milton Air
113	Sand Storage Building/7 Jetway Dr	Airport Authority
115	Electric Vault	Airport Authority
117	Administration	Airport Authority
118	14 Jetway Dr	Red Hawk
119	Hanger/2 Jetway Dr	Host Services/Commuter
120	Explosive Storage Magazine	TSA
200	Executive Hanger/730 Albany Shaker Rd	New York State Police
201	Hanger/41 Albany Shaker Rd	Cable Air/Landing
202	Hanger/743 Albany Shaker Rd	Integra Networks
203	Hanger/745 Albany Shaker Rd	Integra Networks
204	Primary Glycol Treatment Bldg	Airport Authority
205	Secondary Glycol Treatment Bldg	Airport Authority
206	2.5 mil gal. Tank Pump Sta	Airport Authority
207	Glycol Storage Bldg	Airport Authority
208	2.2 mil gal. Lagoon Pump Sta	Airport Authority
209	6.0 Lagoon Pump Sta	Airport Authority
210	1.2 million gal. Glycol Tank	Airport Authority
211	Hanger/65 Sicker Road	Commuter
211-A	Hanger/65 Sicker Road	Commuter
212	74 Sicker Road	Westair
213	72 Sicker Road	Lansing
214	70 Sicker Road	Custom Auto
215	68 Sicker Road	FME
216	55 Sicker Road	First Light Fiber
217	Fuel Farm	Airport Authority
218	CGI Facility	Airport Authority
219	Sand Storage Building	Airport Authority
220	OHV Garage & Storage Bldg	Airport Authority
221	3.5 mil gal. Tank Pump Sta	Airport Authority

Facilities Legend/NE and SE Quads

BLDG#	DESCRIPTION	OCCUPANT
300	Air Cargo Building/40, 42, 44, 46, 48, Kelly Rd	FedEx/HEPACOP/B Mobile Air/UPS
301	Airport Maintenance Office/30 Sicker Rd	Airport Authority/Civil Air Patrol
302	Maintenance Garage/Vehicle/130A Sicker Rd	Airport Authority
303	TRACON Building/128 Sicker Rd	FAA
303	Air Traffic Control Tower/128 Sicker Rd	FAA
304	K-9 Unit/64 Sicker Rd	NYS Police
305	Historic/1910 Troy Schenectady Rd	Tailored Tea
306	Air Cargo Glycol Pump Station	Airport Authority
400	T-Hanger A/550 Old Nakayama Rd	Airport Authority
401	T-Hanger B/550 Old Nakayama Rd	Airport Authority
402	T-Hanger C/550 Old Nakayama Rd	Airport Authority
403	T-Hanger D/550 Old Nakayama Rd	Airport Authority
405	Office/Warehouse/745 Water/et-Shaker Rd	Airport Authority
406	Garage/745 Water/et-Shaker Rd	Airport Authority
407	Lot 10 Connection Station	Airport Authority
410	11 Northway Lane N/Office	Enterprise Rent A Car
412	11 Northway Lane N/Storage	Enterprise Rent A Car





Albany County Airport Authority Owned Property/As of Oct 21, 2015



C.C. MAISE ASSOCIATES
160 CANTONMENT L. DRIVE - LAFAYETTE, NEW YORK 12155
(518) 786-7400 - FAX (518) 786-7299 - WWW.CCMAISE.COM
Architectural - Building Systems Engineering - Civil Engineering
Environmental Services - Geospatial - Infrastructure Services (GIS) -
Land Development - Land Use Planning

Scale: **1 inch = 1,000 feet**

Project Number: 05.8026
Data Source: AIA GIS
Projection: NYS Plane, NAD83, East, Feet
Image: ESR/ Bing/2012/12" GSD True Color

File: S:\NYE23-GIS_Data\AcvGIS_Projects\Bavel\Property_Inventory_08thc_101115.mxd

EXHIBIT B
AIRLINE PREMISES

Information included in separate Booklet on file with Authority

EXHIBIT C

SUMMARY OF TERMINAL AND AIRCRAFT APRON AREAS

Information included in separate Booklet on file with Authority

EXHIBIT D

AUTHORITY AND AIRLINE RESPONSIBILITIES
FOR TERMINAL OPERATIONS AND MAINTENANCE

SEE FOLLOWING TWO PAGES

EXHIBIT D

Albany County Airport Authority
Albany International Airport

RESPONSIBILITY OF AUTHORITY AND AIRLINE FOR OPERATION AND MAINTENANCE OF THE TERMINAL
(Page 1 of 2)

	PREFERENTIAL USE										JOINT USE	
	Ticket Counter & Queuing	ATO & Baggage Make-Up	Upper Level Service Offices	Operations Areas	Baggage Service	Holdrooms	Aircraft Aprons	Loading Bridges ***	Security	Inbound/Outbound Baggage	Tug Drives	
1. Air Conditioning *												
a. Maintenance	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	N/A	ACAA	ACAA	ACAA	ACAA	N/A
b. Operation	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	N/A	ACAA	ACAA	ACAA	ACAA	N/A
c. Chilled Air Distribution	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	N/A	ACAA	ACAA	ACAA	ACAA	N/A
2. Heating *												
a. Maintenance	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	N/A	ACAA	ACAA	ACAA	ACAA	N/A
b. Operation	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	N/A	ACAA	ACAA	ACAA	ACAA	N/A
c. Warm Air Distribution	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	N/A	ACAA	ACAA	ACAA	ACAA	N/A
3. Lighting												
a. Bulb Replacement **	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA
b. Maintenance **	ACAA	A	A	A	A	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA
4. Electrical Service												
a. Maintenance *	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA
b. FIDS/BIDS	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	N/A	N/A	N/A	ACAA	ACAA	ACAA
c. Telephone System *	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	N/A	N/A	N/A	ACAA	ACAA	ACAA
d. Data Cable *	A	A	A	A	A	A	A	N/A	ACAA	ACAA	ACAA	ACAA
5. Water *												
a. Distribution	N/A	N/A	ACAA	ACAA	ACAA	N/A	ACAA	N/A	ACAA	ACAA	ACAA	ACAA
b. Fixtures	N/A	N/A	A	A	A	N/A	A	N/A	ACAA	ACAA	ACAA	ACAA

A - Airline
ACAA - Albany County Airport Authority

* - Airline shall be responsible for any connecting fixtures or services installed by Airline; otherwise, the ACAA is responsible

** - Airline shall be responsible for any light fixtures installed by Airline; otherwise, the ACAA is responsible

*** - Excludes preconditioned air

NOTE: All areas not part of Airline Premises shall be the Authority's responsibility; provided, however, Authority shall not be responsible for any systems or services installed by the Airline, or systems and services installed by Authority, but modified by Airline, unless otherwise agreed to by the parties hereto. Airlines reserve the right to request work by ACAA

EXHIBIT D

Albany County Airport Authority
Albany International Airport

RESPONSIBILITY OF AUTHORITY AND AIRLINE FOR OPERATION AND MAINTENANCE OF THE TERMINAL
(Page 2 of 2)

	PREFERENTIAL USE										JOINT USE	
	Ticket Counter & Queuing	ATO & Baggage Make-Up	Upper Level Service Offices	Operations Areas	Baggage Service	Holdrooms	Aircraft Aprons	Loading Bridges	Security	Inbound/Outbound Baggage	Tug Drives	
6. Sewage *												
a. Distribution	N/A	N/A	ACAA	ACAA	ACAA	N/A	ACAA	N/A	ACAA	ACAA	ACAA	ACAA
b. Fixtures	N/A	N/A	A	A	A	N/A	A	N/A	ACAA	ACAA	ACAA	ACAA
7. Maintenance												
a. Other than Structure	A	A	A	A	A	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA
b. Structure	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA
c. Exterior	ACAA **	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA
d. Markings	N/A	N/A	N/A	N/A	N/A	N/A	ACAA	A	N/A	ACAA	ACAA	ACAA
8. Custodial Services												
a. Cleaning	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA
b. Waste Disposal	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA	ACAA
9. Window Cleaning												
a. Exterior	N/A	ACAA	ACAA	ACAA	N/A	ACAA	N/A	ACAA	ACAA	ACAA	ACAA	ACAA
b. Interior	N/A	ACAA ***	ACAA ***	A	ACAA	ACAA	N/A	ACAA	ACAA	ACAA	ACAA	ACAA
10. Gate Seating	N/A	N/A	N/A	N/A	N/A	ACAA	N/A	N/A	ACAA	ACAA	ACAA	N/A

A - Airline
ACAA - Albany County Airport Authority

* - Airline shall be responsible for any connecting fixtures or services installed by Airline; otherwise, the ACAA is responsible
** - Includes ticket counter, skycap podium, gate podium, and backwall shells. Airline is responsible for inserts.
*** - Airline shall be responsible for any interior windows in ticket counter, ticket offices, and bag makeup area.

NOTE: All areas not part of Airline Premises shall be the Authority's responsibility; provided, however, Authority shall not be responsible for any systems or services installed by the Airline, or systems and services installed by Authority, but modified by Airline, unless otherwise agreed to by the parties hereto. Airlines reserve the right to request work by ACAA.

EXHIBIT E
CAPITAL IMPROVEMENT PLAN 2015-2019

SEE CAPITAL IMPROVEMENT PLAN ATTACHED

ALBANY COUNTY AIRPORT AUTHORITY



FIVE-YEAR CAPITAL PROGRAM

YEARS 2015 TO 2019

Approved _____

COUNTY OF ALBANY LEGISLATURE

Approved _____

Resolution # _____

ALBANY COUNTY AIRPORT AUTHORITY FIVE-YEAR CAPITAL PLAN YEARS 2015-2019

TABLE OF CONTENTS

INTRODUCTION.....	PAGE 2
GOALS AND OBJECTIVES	PAGE 4
HISTORY OF AIRPORT DEVELOPMENT	PAGE 5
CAPITAL DEVELOPMENTS BY THE AUTHORITY.....	PAGE 6
CAPITAL PROGRAM FOR 2015-2019.....	PAGE 10
2015-2019 CAPITAL PROJECTS SUMMARY AND SOURCES OF FUNDING.....	PAGE 17

ALBANY COUNTY AIRPORT AUTHORITY
FIVE-YEAR CAPITAL PLAN
YEARS 2015-2019

INTRODUCTION

The enabling legislation creating the Authority (Chapter 686 of the Laws of 1993) sets forth in section 2784.3. (a) The following:

“On or before September first, nineteen hundred ninety-five, and on or before September first on every fifth year thereafter, the authority shall submit to the county legislature a capital projects plan for the five-year period commencing January first of the following year. The plan shall set goals and objectives for capital spending and describe each capital project proposed to be initiated in each of the years covered by the plan. Each plan shall also set forth an estimate of the amount of capital funding required each year and the expected sources of such funding required.”

The first-five-year capital program covering the years 1996 through 2000 totaling \$49,571,843 was approved by the Albany County Legislature in Resolution 280 adopted on September 11, 1995. There was one amendment to the five-year capital plan for \$6,605,319 approved in Resolution 251 adopted on July 13, 1998 which increased the total approved capital program to \$56,177,162.

The five-year capital plan for years 2000 through 2004 totaling \$232,400,000 was approved by the Authority on February 7, 2000 and the Albany County Legislature in Resolution No. 39-00, adopted on February 14, 2000. There was one amendment to the five-year capital plan for \$26,000,000, approved in Resolution No. 180, adopted on April 14, 2003, increasing the total amount to \$258,400,000.

The five-year capital plan for the years 2005 through 2009 totaling \$264,900,000 was approved by the Authority May 3, 2004 and the Albany County Legislature Resolution No. 400, adopted August 9, 2004.

The five-year capital plan for the years 2010 through 2014 totaling \$139,300,000 was approved by the Authority September 14, 2009 and the Albany County Legislature Resolution No. 477, adopted December 7, 2009.

The five-year capital plan presented for the years 2015-2019 provides for potential projects totaling \$120,520,000. The projects included represent the Authority's estimate of the numerous potential airport developments which could occur during the next five years. The estimates are based upon the best case scenario for variable economic and aviation industry conditions during the five-year plan period. A description of each project is included herein. Some of these projects are contingent upon the future realization of currently potential increases in airport passenger traffic and/or airport tenant activities. Therefore, the actual initiation and projected timing for each project could be altered and the project may not actually be initiated during the five-year plan. Factors that could cause increases in activities at the Airport include introduction of one or more new commercial carriers, leasing property to new aeronautical tenants, and improvements in the regional and national economies.

Any project in the 2015 through 2019 capital program not initiated as of July 2014 was either included in the 2015 through 2019 five-year program or was deemed no longer necessary.

The potential funding sources represents the Authority's current estimate of those projects which are eligible for federal funding and the related New York State share thereof and funding from State only grants. As of this date it is not known what the total amount of Federal entitlement or discretionary funding will be made available to the Authority during this five-year period. The remaining projects, if they are initiated, will be funded by Authority resources, either from airport capital funds or from the issuance of Authority debt.

Many of the projects are dependent on future growth in passengers, cargo and general aviation usage of the Airport and the related support facilities and equipment needed to meet that growth. Also, many of these projects are dependent on their eligibility for available Federal and State funding, or on the ability of the Authority to issue debt. The actual timing for starting each project is dependent upon this growth and availability of funding.

The total effect any Capital Program will have on future operating budgets is evaluated at the time a specific project is authorized by the Authority to be started unless a project is mandated for safety or health purposes. All other projects are undertaken based on a cost-benefit analysis.

ALBANY COUNTY AIRPORT AUTHORITY

FIVE-YEAR CAPITAL PLAN

YEARS 2015-2019

GOALS AND OBJECTIVES

The legislation creating the Authority set forth the following for its creation:

GOAL:

To provide adequate, safe, secure and efficient aviation and transportation facilities at a reasonable cost to the people.

OBJECTIVES:

To promote safe, secure, efficient and economic air transportation by preserving and enhancing airport capacity.

To acquire, construct, reconstruct, continue, develop, equip, expand, improve, maintain, finance and operate aviation and other related facilities and services.

To stimulate and promote economic development, trade and tourism.

To form an integral part of a safe and effective nationwide system of airports to meet the present and future needs of civil aeronautics and national defense and to assure inclusion of the Authority's facilities in state, national and international programs for air transportation and for airport or airway capital improvements.

To ensure that aviation facilities shall provide for the protection and enhancement of the natural resources and the quality of the environment of the State and the Capital District area.

ACTIVITIES:

All the projects included in the five-year capital plan for the years 2015 through 2019 are designed to meet the above objectives as set forth in the Airport's Master Plan and Airport's Safety Improvement Program. All projects have or will be subject to a Federal Environmental Assessment (EA) pursuant to the National Environmental Policy Act of 1969 (NEPA), as amended, and a New York State Environmental Impact Statement (EIS) under the New York State Environmental Quality Review Act (SEQRA). Specific airfield related projects eligible for Federal or State funding support will also be subject to Federal Aviation Administration and New York State Department of Transportation review and approval.

HISTORY OF AIRPORT DEVELOPMENT

Albany Airport, *America's First Municipal Airport* consisted of an airfield developed in 1909 along the Hudson River on what is now known as Westerlo Island, in the southeastern portion of the City of Albany. At one time, the airport was named Quenton Roosevelt Field in memory of President Theodore Roosevelt's son, Quenton, who was killed while flying in France in World War One.

The airport played an integral role in the early history of American aviation when Glenn H. Curtiss flew from Albany to New York City on May 29, 1910. This achievement, which was the first sustained flight between two major American cities, opened the way to airmail and passenger flights, and thus the establishment of commercial aviation in this country. It is noteworthy that Charles Lindbergh landed his *Spirit of St. Louis* at Quenton Roosevelt Field on July 27, 1927 following his completion of the first nonstop solo flight from New York to Paris.

Shortly before Lindbergh's landing at Albany, plans were being considered to relocate the airfield to land owned by the Watervliet Shakers in what is now the Town of Colonie. Eventually, the Airport was moved to its current location and officially opened as Albany Municipal Airport on October 1, 1928, giving it the distinction of being America's first municipal airport.

Albany Municipal Airport was owned and operated by the City of Albany until 1960. At that time, the city determined that it could no longer afford to finance the airport, and ultimately sold the facility to Albany County for \$4,437,000. The County embarked on the construction of a terminal building in 1959. The terminal opened in 1962 and was regarded as the beginning of a new era for the airport.

Construction of a second terminal building, offering the first enclosed jet ways at the Airport, was started in 1979 and completed in 1982, as was the last of several runway extensions which lengthened the original 3,000 foot and 4,000 foot runways to 6,000 and 7,200 feet, respectively. The airport then was able to routinely handle large aircraft including 727s, 737s, and DC-9s. Through the years many presidents, either as candidates or in office, have visited Albany Airport. These include Franklin D. Roosevelt, Richard Nixon, and John F. Kennedy. In November 1994, President Bill Clinton visited Albany traveling on Air Force One, a 747 aircraft.

The progressive growth and development of Albany County Airport has also been evidenced by the number of airlines operating out of Albany. When the main terminal opened in the early 1960s, the airport was served by only four carriers. Over the next 35 years, passenger levels increased from 400,000 in 1964 to over 2.1 million in 1994. In 1994, Albany was served by eight commercial airlines and six commuter carriers.

ALBANY COUNTY AIRPORT AUTHORITY CREATED

The Authority was created in 1993 pursuant to the Albany County Airport Authority Act, Title 8, as amended, of the State of New York Public Authorities Law (Act). The County of Albany (County) and the Authority entered into a permanent Airport Lease Agreement dated December 5, 1995, which became effective May 16, 1996 following approval by the Federal Aviation Administration (FAA) for the transfer of the sponsorship of the Airport from the County to the Authority. Under the lease agreement, that expires forty (40) years after the effective date, the County leases to the Authority the Airport, including all lands, buildings, structures, and easements, right of access, and all other

privileges and appurtenances pertaining to the Airport.

The Airport is a body corporate and politic constituting a public benefit corporation established and existing pursuant to the Act. The State created the Authority in order to promote the strengthening and improvements of the Airport and to facilitate the financing and construction of the initial Terminal Improvement Project (TIP), other subsequent capital improvement plans and gave the Authority the power to operate, maintain and improve the Airport.

On March 15, 1994, the County transferred net assets equal to \$46,824,500 from the County to the Authority.

In March 1998 the airport was renamed the Albany International Airport in recognition of past and projected increased international activity at the airport.

Under a subsequent amendment to the Agreement dated June 29, 2005, the Authority leases two additional parcels totaling approximately 3.4 acres that the Authority developed for additional parking. The Authority paid the County as of that date \$478,500 as consideration.

CAPITAL DEVELOPMENTS BY THE AUTHORITY

On July 17, 1996, ground was broken for construction of a new air-cargo building in the northeast quadrant of the airport as the first step in consolidating the present and developing the future air-cargo capacity for the Airport. The \$11 million cargo facility and related airfield and landside improvements were financed by Airport Revenue Bonds. This facility opened in October 1998 and is under a long-term lease agreement with Aviation Facilities Company, Inc. (AFCO).

On October 3, 1996, ground was broken for the Terminal Improvement Project (TIP). The TIP consisted of a new terminal and other facilities to replace the 1959 terminal and was designed to accommodate future demands for approximately 1.5 million annual enplanements. The TIP was substantially complete on October 1, 1998.

In February 1997, the Authority issued \$96,305,000 of Airport Revenue Bonds to finance the TIP and certain capital improvement projects initiated by the County prior to the creation of the Authority.

In December 1997, the Dormitory Authority of the State of New York issued \$41,395,000 of State Service Contract Revenue Bonds for the purposes of financing, construction, reconstruction, improvements, reconditioning and preservation of the Airport or aviation capital projects at the Airport. The Revenue Bonds were secured by a service contract under which the State of New York agreed to pay the annual principal and interest payments. The Revenue Bonds are not debt of the Airport Authority nor is the Airport Authority liable thereon.

Proceeds totaling \$40 million were used by the Authority toward the cost of constructing the new terminal building, a connecting bridge and a parking garage at the Airport. The Authority allocated \$20 million each towards the cost of the terminal and the garage.

The Authority maintains a Federal Inspection Station to process regularly scheduled international flights together with other general aviation and international cargo flights.

On June 7, 1998, airline operations began in the new terminal facility and demolition began on the 1959 structure.

In July 1998, the Authority, through the New York State Environmental Facilities Corporation (EFC) received \$7.5 million Series A bonds to finance the total construction of a new glycol wastewater treatment system. In July 1999, the loan was replaced by \$7,895,303 bonds issued by the EFC with interest on the first \$3 million 100% subsidized and the remaining \$4.5 million 50% subsidized by the New York State Water Pollution Control Revolving Fund.

On December 1, 1998, the Authority sold two Airport Revenue Bond issues totaling \$30,695,000 to finance two capital projects:

1. The 1998 B (non-AMT) issue totaling \$18,455,000 was sold to finance in part the construction of a new 1,600-space parking garage. The garage partially opened in December 1998 for use by short-term visitors to the Airport and the balance used for long-term parking was opened in February 1999.
2. The 1998 C (AMT) issue totaling \$12,240,000 was sold to finance the construction of the new 50,500 square foot air cargo building which was opened during October 1998 for use by Airborne Express, Federal Express and United Parcel Service.

In March 1999, operations began in the newly constructed air traffic control tower located in the northeast quadrant of the airport. Demolition also began on the old control tower to provide additional apron area for use by the airlines.

In April 2000, construction was completed for the addition of approximately 16,000 square feet of terminal space including ticketing, baggage make up and hold rooms to accommodate the arrival of Southwest Airlines which began service May 7, 2000. This addition was principally financed through the receipt of a \$6 million grant from the State of New York.

In May 2000, construction of 874 space remote surface parking lot was completed at the southeast quadrant of airport property to accommodate the additional parking required by the increase in enplanements as a result of the addition of Southwest Airlines.

In July 2000, the Authority, through the EFC, entered into a 10-year \$2,374,936 Series B loan agreement with the New York State Water Pollution Control Revolving Fund to finance the construction of a glycol filtration polishing facility. The interest thereon is fifty percent subsidized by the New York State Water Pollution Control Revolving Fund.

In November 2000, a parking garage expansion was opened to accommodate 307 parking spaces for the rental car operators and 400 additional spaces for public parking.

In December 2000, The Authority issued \$14,500,000 of Airport Revenue Bonds to finance the construction that began in 2001 of a New York State Police Executive Hangar to consolidate the State's current aircraft and maintenance support facilities which were located in two widely separated hangars on the airfield. The new facility completed in 2002 consists of approximately 84,630 square feet of hangar, maintenance support office space and includes all the necessary mechanical, electrical, plumbing, fire, security and energy management systems; crane and hoist equipment and other support equipment for aircraft maintenance; and office furnishings. Landscaping, parking lot, and security fence to secure the leased area also were provided. The Authority and the Division of New York State Police entered into a thirty (30) year Land and Facility Lease Agreement effective April 1, 2000. These Airport revenue payments are sufficient to amortize the debt service payments for this Bond issue plus any other related costs incurred by the Authority.

In 2001, the Authority began construction of a new ARFF facility and general aviation T-Hangars. In 2001, the Authority also obtained final FAA and all other required approvals for the extension of Runway 10-28 from 6,000 to 7,200 feet. Construction began in 2002. This project also included extending taxiway "C" and related hold apron and service road improvements. The runway was completed and opened in August 2003.

In July 2001, the Authority acquired a 9½ acre Industrial Park with four warehouse type buildings totaling 27,500 square feet. In 2002, renovations were completed and the ground support facilities for American Airlines, US Airways plus Lansing Flight Support were relocated from the old belly-freight building. In addition, KME Fire Apparatus leased one building to which an addition was added to support their requirements.

In 2002, construction was completed on a 10-bay T-Hangar facility, a self-service fueling facility, and a neighboring tie-down area for use by the general aviation community. Construction began on a second T-Hangar building to provide 10 more T-Hangar units. This construction was completed in 2003. All units are leased.

An extension to the remote parking lot "E" began in 2002 which nearly doubled the capacity to 2,000 plus public parking spaces. As a result of several adjoining land acquisitions, expansion work continued into 2004.

During 2003, the Airport Authority received Federal support for the complete rehabilitation of the primary runway 1-19 including the complete replacement of centerline lighting. The work was completed in 2003. Also during 2003, the Airport Authority received all necessary approvals to begin extension of the primary runway from 7,200 to 8,500 feet. The work was completed in 2006.

During 2003, the Authority was granted \$2.3 million of State funds through the support of State Senator Joseph Bruno to acquire and install two over-the-wing loading bridges for Southwest Airlines. Albany International Airport was the first airport in the United States to have two such bridges in operation.

In June 2003, the Authority sold \$8,855,000 of Series 2003A Airport Revenue Bonds to pay the costs of various land, hangars, and equipment acquisitions, apron and runway expansions, taxiway, runway and hangar rehabilitations, certain terminal expansions and leasehold improvements.

In March 2004, the Authority, through the NYS EFC, issued \$388,316 of Airport Revenue Bonds to finance the construction of sanitary sewer and water improvements in the Airport Industrial Park.

Other major projects completed in 2004 included finalizing renovations to the terminal to accommodate TSA security personnel and to provide space for their passenger screening and baggage inspection operations. Construction started in 2004 on the main runway extension from 7,200 to 8,500 feet and was completed in 2006 together with related navigation aids and taxiways. Remote parking was expanded by approximately 700 additional spaces to accommodate an ever-increasing demand for on-airport parking. Also a new US Postal facility was opened.

In 2005, the Authority acquired the on-airport assets of the former FBO (\$3.0 million). With this acquisition the Authority assumed responsibility for managing and operating the FBO. The Authority operates the FBO under the trade name "Million Air - ALB". The Authority also acquired an office building and two warehouses for future lease opportunity, and to provide 400 additional remote surface parking spaces (\$2.4 million). In 2005, the Authority also completed a \$2.8 million aircraft engine run-up attenuation facility to enhance the containment of noise from the Airport.

In June 2006, the Authority issued \$14,230,000 of bonds to provide funds for various land, hangar, equipment acquisitions, hangar rehabilitations, certain terminal renovations, utility improvements, and parking expansions.

In December 2006, the Authority issued \$6,330,000 of bonds to provide funds for construction of the 42,800 square foot Aviation Service and Maintenance Facility which was completed in late 2007.

In 2008 the Authority completed construction of two general aviation T-Hangars, installation of two additional escalators in the terminal and installation of new touch down lighting improvements that preserve and enhance aeronautical safety during nighttime, low-visibility, winter and other inclement weather conditions for all aircraft operations by allowing landing with half-mile rather than three-quarter mile visibility conditions.

During 2009 the Authority continued the Latham Water Towers Runway 10/28 obstruction relocation. The Authority also undertook a rehabilitation of an existing hangar, lighting energy upgrades in the parking garage and several smaller projects involving roof replacement, terminal improvements and improvements in landside buildings.

In 2010 major renovations of six terminal food and beverage concession areas that began in 2009 were completed at a cost of approximately \$3.0 million which was fully funded by the concessionaire, replacement of all parking garage lighting with more energy efficient lights at a cost of \$156,000 was completed with the aid of a \$54,300 grant. Rehabilitation of the Taxiways and ramps for \$2,826,000; construction of a new entry and exit to the remote parking lot providing for additional and interstate highway access at a cost of \$363,300; expansion of glycol storage and replacement of the Type I glycol proportioning system at an estimated total design and construction cost of \$339,000.

Projects completed in 2011 include a parking garage rehabilitation project at a cost of \$896,000, a passenger jet bridge replacement project with a cost of \$581,000, an automated entry and exit station in the economy parking lot at a cost of \$336,274 the relocation and upgrade of the Authority operated retail store (DepArtures) in the Terminal at a cost of \$281,000.

The completion of the Runway 28 obstruction removal, which involved relocation of a municipal water tank at a cost of \$11,187,000 was completed in 2012. Other projects completed in 2012 included the Terminal Floor replacement with at a cost of \$821,400 and a Semi-inline Baggage Screening Project with a cost of \$1.1 million.

During 2013 projects completed included Glycol Storage & Processing Improvements to add a new 2.5 million gallon storage tank. During 2013 project to upgrade of the Electrical Vault at a cost of \$1.3 million was advanced along with the rehabilitation of the Administration Building (\$1.7 million).

In 2014 construction began on projects to add a new Runway Friction Material Building at a cost of \$2.4 million, upgrade of an existing commercial Aircraft Maintenance, Repair and Overhaul Facility and construct a new hangar at a cost of \$4.2 million, and Rehabilitate Runway 1/19 at a cost of \$4.72 million. These projects will be completed by the close of 2015.

During the 2009-2014 Capital Plan the Authority also purchased approximately \$5 million in major equipment including items such as two fire trucks, runway snow blowers, runway brooms, shuttle busses, street sweepers and other heavy equipment.

As of December 31, 2013, the Authority maintained \$468.7 million in capital assets for which \$201.3 million in accumulated depreciation was recorded resulting in \$267.4 Million in capital assets net of depreciation. Also at December 31, 2013 the Authority had approximately \$116.85 million of outstanding debt related to these capital assets, which resulted in the Authority reporting \$166 million of capital assets net of related debt.

CAPITAL PROGRAM FOR 2015 - 2019

A description of each of the projects included in the 2015-2019 Capital Program, together with the potential funding source is provided in the following schedule. A schedule of all the projects is included on page 16 showing for each project included in the plan, the year the project is planned for, and the specific funding sources initially identified for that project.

I Airfield

A. Noise Mitigation

Property Acquisitions - \$2.00 Million

The Authority completed a Noise Compatibility Study in 2003 which will provide Federal funds to acquire properties that have been deemed non-compatible Airport uses and are eligible for grant funding.

B. Runway Improvements

Runway 10/28 Pavement & Lighting Renovations - \$3.90 Million

Condition assessments indicate that during the next five years Runway 28 may require pavement rehabilitation and other lighting renovations.

Runway 01/19 Pavement & Lighting Renovations - \$4.72 Million

Asphalt pavement rehabilitation for the full length of Primary Runway 01-19 is in progress in 2015 as AIP grant project 126-2014. This runway surface measures 8,500 feet long by 150 feet wide for mill and fill rehabilitation including replacement of centerline lighting power and markings.

Runway 10, 28 Obstruction Removal - \$2.10 Million

This project involves funding for removal of vegetative obstructions that penetrate the approach surface of Runways, 10, and 28 as may be required to meet Federal airspace and aircraft manufacturer requirements. Work areas may include the area north of the Runway 19 Approach Protection

Zone, as well as south of the Runway 01 Protection Zone.

Runway 01/19 Improvement & Obstruction Removal - \$1.00 Million

This project provides funding for improvements to runway 01/19 with possible additional obstruction removal as may be required to meet Federal airspace and aircraft manufacturer requirements. Work areas may include the vicinity of extended runway center-line approximately one-mile from each runway end.

Runway Fencing, Drainage, & Wetland Management Improvements - \$0.55 Million

Along the Runway 01/19 primary runway pavement surface, there are structures that require repair and replacement to facilitate the proper drainage of water from improved areas. This project can also entail funding of wildlife hazard and wetland management.

C. Taxiway Renovations - \$5.0 Million

This project entails the ongoing annual rehabilitation of all primary and secondary taxiways as warranted by the Pavement Condition Index and required to meet Federal pavement condition standards for aircraft movement areas. Work areas include Taxiway "D" which is limited to light aircraft <12,500 pounds gross landed weight.

D. Apron/Ramp Improvements

Apron Rehabilitations - \$2.50 Million

There are areas of the apron that require concrete surfaces to be replaced and repaved. In addition, the underground glycol drainage system needs repair and improvement.

Ramp Rehabilitation - \$4.00 Million

Periodically, there is a need to improve the paved and concrete surfaces that comprise the apron, taxiways and runways. This entails asphalt milling

and repaving or concrete resurfacing to keep the infrastructure up to standards.

E. Air Traffic Control, TRACON & Navigational Aids - \$3.0 Million

The Air Traffic Control Facility and TRACON Building was constructed in 1998 and may warrant new roofing and structural improvement to meet FAA standards. The crosswind Runway 10/28 is a visual approach runway. The FAA supports the addition of Navigational Aids on the crosswind runway and related facilities as warranted to meet current building and energy standards.

F. Security Service Access Roads and Gate Improvements- \$.75 Million

The Airport has advanced the installation of service roads around the entire perimeter of the Airport. There are certain areas that still require the placement of a service access road which would also provide necessary patrol and surveillance capabilities. Work areas include the southeast airfield quadrant to mitigate potential emergency vehicle conflicts with parking patrons in Economy Lot "E".

G. Aircraft Deicing Glycol Storage & Improvements - \$4.50 Million

Glycol is currently held in a six-million gallon lagoon and two large storage tanks for bio-treatment processing and direct discharge on-airport. Pump and processing equipment improvements or replacement may be warranted to assure continuous cost-effective operations and ongoing water quality permit compliance.

H. Master Plan Update/Environmental Review - \$.50 Million

The Airport is required, under Federal and State regulations, to maintain an updated Master Plan and Airport Layout Plan to support project programming and environmental project review.

II Terminal

A. 1979 and 1998 Terminal Retrofit - \$8.00 Million

The terminal will require roofing and structural renovations to accommodate passenger volume as well as new uses, as dictated by the airlines, Transportation Security Administration and other tenants.

B. **Loading Bridges - New & Retrofit - \$4.00 Million**

Currently, there are two jet bridges that are over 25 years old and the new terminal jet bridges have now been used for 12 years. This project will allow for reconditioning, replacement and new installations.

C. **Green Initiatives - New & Retrofit - \$2.00 Million**

Electric and Natural Gas utility charges for the airport are approximately \$2.7 million per year. The projects proposed will include, but will not be limited to, energy equipment fixture retrofits, and alternative energy initiatives to reduce energy consumption and airport operating costs.

III **Landside**

A. **Property Acquisitions - \$5.00 Million**

The Airport is short of land to provide for runway approach protection and future expansion and development. All properties shall be acquired for a specific use.

B. **Parking Development**

Surface Lot Extension - \$5.00 Million

Currently, the Airport is at capacity regarding parking facilities and any growth in enplanements will require comparable growth in parking facilities. In addition, there are a number of gravel lots that need to be converted to paved lots with appropriate lighting and security devices for safety reasons.

Garage Improvements - \$2.00 Million

The Parking Garage will be approaching 20 years of service by the end of the current 2014-2019 plan and will benefit from major preservation and maintenance.

Garage Extensions - \$15.00 Million

An addition is planned for the parking garage to address capacity limitation needed and anticipated. Expansion of parking will be based upon demonstrated activity based need.

C. T-Hangar Alterations - \$1.00 Million

Existing T-Hangars may need alterations for new tenants. The rental income from these facilities would offset the cost of alterations.

D. Hangar Road Access/Parking Redevelopment - \$2.00 Million

In the northwest quadrant, there are a number of maintenance and aircraft storage facilities. Access to these facilities is difficult due to the number of gates that the maintenance personnel must encounter to get to their destination. Reconfiguration and realignment of the roads are necessary. The rental income from the hangar and maintenance facilities should cover the cost of redevelopment.

F. Security and Life-Safety Alarm System Improvements - \$1.00 Million

Extension of fiber-optic network cables is proposed to improve communications and emergency response by ARFF and EMS personnel to reduce life-critical response times in the event of security and medical emergencies.

G. Economic Development Projects

Air Cargo Facilities NE Quadrant - \$2.00 Million

Currently, one building exists with 85,000 s.f. providing adequate space to all air cargo operators at the Airport. Additional Air Cargo space is not anticipated to be needed before 2019. It is possible the facility could require retrofit or rehabilitation to facilitate full occupancy through 2019 and major tenant renewals.

Hangar Maintenance/Storage Northwest and Southwest Quad - \$8.00 Million

Currently, there are five aircraft maintenance hangars located on the Airport with one new hangar being constructed and will be completed in 2015. The existing hangar will need upgrades to roofing, HVAC, doors, exterior and interior finishes over the next five years. Tenant leases support investment in these assets.

Airport Industrial Park - \$4.00 Million

Aviation-related tenants require a location within close proximity to the airfield. New buildings or rehabilitation of existing would be supported through lease payments by tenants that may offer services to the Airport.

Property Utility Improvements - \$5.00 Million

A host of underground utilities that include water, sewer, electric, gas and fiber optic cable require upgrading and updating due to their condition and age. Funds should be allocated to keep our primary utilities in good working condition due to the nature of the Airport business.

Other Economic Opportunities - \$10.00 Million

Over the course of the five-year capital plan there will be economic development opportunities at the airport that will benefit both the airport and the capital region community. Projects that have a high feasibility of being financially self-supporting will be advanced.

IV Major Equipment & Vehicles - \$12.00 Million

Major Airport equipment has a useful life in the range of 10 years. Therefore, funds need to be allocated to provide the continual upgrade of the fleet mix for all divisions of the Airport.

POTENTIAL FUNDING SOURCES

Federal - Represents Federal entitlement and potential discretionary dollars available to fund eligible airfield capacity and safety related projects. Eligible projects generally are funded at 90% of the eligible project costs.

NY State - Represents New York State share of eligible Federal Projects (generally 5%) plus any State discretionary dollars that may be appropriated for the Airport.

ACAA - Represents the Authority's share of eligible Federal Projects (5% to 10%). In addition, the costs of other projects will be funded by Airport generated operating funds or by the issuance of indebtedness.

Generally facilities to be funded by the issuance of Authority indebtedness will be initiated only when the project is projected to generate sufficient revenues or cost savings to meet the annual debt service payments. For example, construction of hangars, freight buildings or private use facilities would only be initiated when tenants have been identified and have committed to leasehold payments sufficient to cover the debt service payments and any operating costs to be borne by the Authority

Before the issuance of bonds is considered for any project, the Authority will evaluate whether any funds are available from its operating budget to cover any or a portion of the ACAA's share of the costs. This will include monies available under the Airline Use and Lease Agreement and any monies available in reserve funds held by the Authority.

ALBANY INTERNATIONAL AIRPORT
FIVE YEAR CAPITAL PLAN 2015-2019
(\$ in Millions)

APPROVED ACAA -
County -

POTENTIAL PROJECTS	TOTAL ESTIMATED DOLLARS	ESTIMATED EXPENDITURES & DATES					POTENTIAL FUNDING SOURCES			
		2015	2016	2017	2018	2019	FED	NYS	ACAA CASH	ACAA Debt
AIRFIELD										
<i>Noise Mitigation:</i>										
Property Acquisitions	\$2.00		\$0.60	\$0.40	\$1.00		\$1.80	\$0.10	\$0.10	
<i>Runway Improvements:</i>										
#10/28 Pvmnt & Lightg Renovations	\$3.90				\$3.00	\$0.90	\$3.51	\$0.20	\$0.20	
#1/19 Pvmnt & Lightg Renovations	\$4.72	\$4.72					\$4.25	\$0.24	\$0.24	
#10,28 Obstruction Removal	\$2.10	\$0.20	\$0.50	\$0.40	\$0.50	\$0.50	\$1.89	\$0.11	\$0.11	
#1/19 Imprvmts & Obstr. Remvts	\$1.00	\$0.50	\$0.50				\$0.90	\$0.05	\$0.05	
Fencing, Drainage, Wetland Mgmt	\$0.55	\$0.55					\$0.50	\$0.03	\$0.03	
<i>Taxiways Renovations</i>										
Apron/Ramp Improvements:	\$5.00	\$1.00	\$1.00	\$2.40	\$0.60		\$4.75	\$0.13	\$0.13	
Apron Rehab	\$2.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$2.25	\$0.13	\$0.13	
Ramp Rehab	\$4.00	\$0.50	\$0.50	\$1.00	\$1.00	\$1.00	\$3.60	\$0.20	\$0.20	
<i>Navigation Aids</i>										
NavAids Impvts & Energy Impvts	\$3.00				\$1.50	\$1.50	\$2.70	\$0.15	\$0.15	
Service Access Roads	\$0.75			\$0.75			\$0.68	\$0.04	\$0.04	
Glycol Storage & Processing Impvts	\$4.50	\$0.00	\$1.00	\$1.00	\$1.25	\$1.25	\$4.05	\$0.23	\$0.23	
Master Plan Update/Envir Rev	\$0.50	\$0.10	\$0.10	\$0.30			\$0.45	\$0.03	\$0.03	
	\$34.52	\$8.07	\$4.70	\$6.75	\$9.35	\$5.65	\$31.32	\$1.60	\$1.60	\$0.00
TERMINAL										
Terminal & Administration Retrofit	\$8.00	\$1.00	\$4.20	\$1.50	\$0.70	\$0.60	\$7.20	\$0.40	\$0.40	
Loading Bridges - New & Retrofit	\$4.00		\$1.00	\$1.00	\$1.00	\$1.00	\$3.60	\$0.20	\$0.20	
Green Initiatives	\$2.00	\$1.00	\$1.00				\$1.80	\$0.10	\$0.10	
	\$14.00	\$2.00	\$6.20	\$2.50	\$1.70	\$1.60	\$12.60	\$0.70	\$0.70	\$0.00
LANDSIDE										
Property Acquisitions	\$5.00	\$2.00	\$1.00	\$1.00		\$1.00	\$4.50	\$0.25	\$0.25	
<i>Parking Development:</i>										
Surface Lot & Roadways Extension	\$5.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$0.00	\$0.00	\$5.00	
Garage Improvements	\$2.00	\$1.00	\$1.00						\$2.00	
Garage Extensions	\$15.00					\$15.00	\$0.00	\$0.00	\$0.00	\$15.00
T-Hangars Alterations	\$1.00				\$0.50	\$0.50	\$0.00	\$0.00	\$1.00	
Hangar Road Access/Parking Redvmt	\$2.00				\$1.00	\$1.00	\$0.00	\$0.00	\$2.00	
Security and Life-Safety Alarm Imprvt	\$1.00		\$1.00				\$0.90	\$0.05	\$0.05	
<i>Economic Development Opportunities</i>										
Air Cargo FacilitiesNE Quad	\$2.00				\$1.00	\$1.00	\$0.00	\$0.00	\$0.00	\$2.00
Hangar Maintenance/Storage NW,SW Quad	\$8.00		\$2.00	\$2.00	\$2.00	\$2.00	\$0.00	\$3.00	\$1.50	\$3.50
Airport Industrial Park Impvts	\$4.00			\$1.00	\$1.00	\$2.00	\$0.00	\$0.00	\$0.00	\$4.00
Property Utility Improvements	\$5.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$4.50	\$0.25	\$0.25	
Other Economic Opportunities	\$10.00			\$2.00	\$4.00	\$4.00				\$10.00
	\$60.00	\$5.00	\$7.00	\$8.00	\$11.50	\$28.50	\$9.90	\$3.55	\$12.05	\$34.50
MAJOR EQUIPMENT & VEHICLES (>\$50K)	\$12.00	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$7.20	\$0.40	\$0.40	
Airfield, Snow Removal, ARFF										
Parking, Terminal, Landside, FBO										
TOTALS	\$120.52	\$17.47	\$20.30	\$19.65	\$24.95	\$38.15	\$61.02	\$6.25	\$18.75	\$34.50

NOTES:

- A. Any funding requirements to be supported by increased passenger and tenant activity
- B. Project potentially eligible for specific State Funding in lieu of ACAA issued Debt or ACAA Cash

ALBANY INTERNATIONAL AIRPORT
FIVE YEAR CAPITAL PLAN 2010-2014
(\$ in Millions)

APPROVED ACAA - 9/14/2009
County - 12/7/2009

POTENTIAL PROJECTS	TOTAL ESTIMATED DOLLARS	ACTUAL EXPENDITURES & DATES THROUGH AUGUST 31, 2013					FUNDING SOURCES				NOTES
		2010	2011	2012	2013	2014	FED	NYS	ACAA CASH	ACAA Debt	
AIRFIELD											
<i>Noise Mitigation:</i>											
Property Acquisitions - Phase 6	\$4.00	\$0.17	\$1.09	\$0.09	\$0.02	\$0.00	\$1.30	\$0.04	\$0.04		
<i>Runway Improvements:</i>											
#28 Water Tank Relocation	\$6.00	\$2.74	\$0.87	\$0.00	\$0.00	\$0.00	\$3.43	\$0.09	\$0.09		
#10/28 Pvmnt & Lightg Renovations	\$3.90	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
#1/19 Pvmnt & Lightg Renovations	\$4.30	\$0.00	\$0.03	\$0.00	\$0.00	\$0.18	\$0.03	\$0.00	\$0.00		
#1,10,28 Obstruction Removal	\$2.10	\$0.59	\$0.63	\$0.02	\$0.00	\$0.00	\$1.18	\$0.03	\$0.03		
#1/19 Imprvmts & Obstr. Remvs	\$1.00	\$0.14	\$0.05	\$0.13	\$0.08	\$0.00	\$0.37	\$0.02	\$0.02		
# 1/19 RPZ Property Acquisitions	\$5.00	\$0.01	\$0.06	\$0.03	\$0.00	\$0.01	\$0.09	\$0.00	\$0.00		
Fencing, Drainage, Wetland Mgmt	\$0.55	\$0.04	\$0.02	\$0.41	\$0.02	\$0.27	\$0.44	\$0.02	\$0.02		
Taxiways Renovations	\$5.00	\$1.68	\$4.24	\$0.31	\$0.00	\$0.00	\$5.90	\$0.16	\$0.16		
<i>Apron/Ramp Improvements:</i>											
Apron Rehab	\$2.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
Ramp Expansion SW, NW Quads	\$2.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
Ramp Rehab	\$4.00	\$0.00	\$0.00	\$1.16	\$0.41	\$0.00	\$1.42	\$0.08	\$0.08		
<i>Navigation Aids</i>											
NavAids Impvts & Energy Impvts	\$3.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
Service Access Roads	\$1.20	\$0.00	\$0.00	\$0.00	\$0.69	\$0.06	\$0.62	\$0.03	\$0.03		
Glycol Storage & Processing Impvts	\$6.00	\$0.00	\$0.00	\$0.29	\$2.55	\$0.07	\$2.56	\$0.14	\$0.14		
Master Plan Update/Envir Rev	\$0.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
	\$51.05	\$5.37	\$6.98	\$2.44	\$3.78	\$0.59	\$17.33	\$0.62	\$0.62	\$0.00	
TERMINAL											
<i>Terminal & Administration Retrofit</i>											
Loading Bridges - New & Retrofit	\$4.00	\$0.01	\$0.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4.04		
Green Initiatives	\$2.00	\$0.00	\$0.00	\$0.07	\$0.22	\$0.05	\$0.00	\$0.00	\$0.29		
	\$14.00	\$0.18	\$0.79	\$1.88	\$2.06	\$0.69	\$0.00	\$0.00	\$4.91	\$0.00	
LANDSIDE											
<i>Property Acquisitions</i>											
Property Acquisitions	\$5.00	\$0.01	\$0.00	\$0.00	\$0.16	\$0.00	\$0.00	0	\$0.16		A
<i>Parking Development:</i>											
Surface Lot & Roadways Extension	\$5.00	\$0.30	\$0.04	\$0.48	\$0.46	\$0.28	\$0.00	0	\$1.28	\$0.30	
Garage Improvements	\$2.00	\$0.47	\$0.37	\$0.01	\$0.00	\$0.00	\$0.00	0	\$0.85		
Garage Extensions	\$10.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00		B
T-Hangars Alterations	\$1.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00		
Hangar Road Access/Parking Redvmt	\$2.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00		
Roundabout Watervliet Shaker Rd	\$0.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00		
Rwy Friction Material & Equip Storage	\$2.00	\$0.00	\$0.00	\$0.12	\$0.02	\$0.99	\$0.00	0	\$0.15		
<i>Economic Development Opportunities</i>											
Air Cargo Development NE Quad.	\$10.00	\$0.01	\$0.17	\$0.21	\$0.00	\$0.00	\$0.00	0	\$0.40		B
Hangar Maintenance/Storage NW,SW Quad.	\$8.00	\$0.12	\$0.07	\$0.29	\$0.24	\$0.55	\$0.00	0	\$0.71		B
Airport Industrial Park Impvts	\$4.00	\$0.00	\$0.14	\$0.01	\$0.00	\$0.00	\$0.00	0	\$0.14		B
Property Utility Improvements	\$5.00	\$0.00	\$0.00	\$0.16	\$0.63	\$0.08	\$0.00	0	\$0.79		
Other Economic Opportunities	\$10.00	\$0.01	\$0.03	\$0.00	\$0.01	\$0.04	\$0.00	0	\$0.05		C
	\$64.25	\$0.92	\$0.81	\$1.28	\$1.52	\$1.93	\$0.00	\$0.00	\$4.53	\$0.30	
MAJOR EQUIPMENT & VEHICLES (>\$50K)											
Airfield, Snow Removal, ARFF Parking, Terminal, Landside, FBO	\$10.00	\$2.61	\$1.53	\$0.11	\$0.71	\$0.00	\$2.54	\$0.04	\$2.38		
TOTALS	\$139.30	\$9.08	\$10.11	\$5.71	\$8.07	\$3.21	\$19.88	\$0.66	\$12.43	\$0.30	

NOTES:

- A. Funding to be from existing unspent bond proceeds
- B. Any funding requirements to be supported by increased passenger and tenant activity
- C. Project potentially eligible for specific State Funding in lieu of ACAA issued Debt

EXHIBIT F
EQUIPMENT

Information included in separate Booklet on file with Authority

EXHIBIT G

**FORMAT FOR RATES AND CHARGES AND REVENUE SHARING
CALCULATIONS**

Exhibit G-1

Albany County Airport Authority
Albany International Airport

CALCULATION OF TERMINAL RENTAL RATE

- A. Direct & Indirect Terminal O&M Expenses
- B. Terminal O&M Reserve Requirement
- C. Terminal Capital Charges
- D. Terminal Capital Charge Coverage
- E. Terminal Debt Service Reserve Requirement
- F. Terminal Extraordinary Coverage Protection
- G. TOTAL TERMINAL REQUIREMENT

DIVIDED BY:

H. Rentable Terminal Space

EQUALS:

I. Compensatory Terminal Rental Rate

G. TOTAL TERMINAL REQUIREMENT

LESS:

J. Non-airline Terminal Space Rentals

K. TSA Space Rental

L. Utility Reimbursement

M. Terminal Tenant Maintenance

N. Investment Earning Credit Allocable to Terminal

EQUALS:

O. NET TERMINAL REQUIREMENT

DIVIDED BY:

H. Rentable Terminal Space

EQUALS:

P. Signatory Terminal Rental Rate

Exhibit G-2

Albany County Airport Authority
Albany International Airport

CALCULATION OF LANDING FEE RATE

- A. Direct & Indirect Airfield O&M Expenses
 - B. Direct & Indirect FBO Commercial O&M Expenses
 - C. Airfield O&M Reserve Requirement
 - D. FBO Commercial O&M Reserve Requirement
 - E. Airfield Capital Charges
 - F. FBO Commercial Capital Charges
 - G. Airfield Capital Charge Coverage
 - H. FBO Commercial Capital Charge Coverage
 - I. Airfield Debt Service Reserve Requirement
 - J. FBO Commercial Debt Service Reserve Requirement
 - K. Airfield Extraordinary Coverage Protection
 - L. FBO Commercial Revenues Credit
 - M. TOTAL LANDING FEE REQUIREMENT
 - DIVIDED BY:
 - N. Total Landed Weight (000 lbs)
 - EQUAL:
 - O. Compensatory Landing Fee Rate
-
- M. TOTAL LANDING FEE REQUIREMENT
 - LESS:
 - P. Investment Earning Credit Allocable to Airfield
 - Q. Aircraft Aprons Fee Credit
 - R. Airfield Tenant Maintenance
 - S. Non-signatory Airline Landing Fee Credit
 - EQUALS:
 - T. NET LANDING FEE REQUIREMENT
 - DIVIDED BY:
 - U. Signatory Airline & Signatory Cargo Carrier Landed Weight (000 lbs)
 - EQUALS:
 - V. Signatory Landing Fee Rate

Exhibit G-3

Albany County Airport Authority
Albany International Airport

CALCULATION AND ALLOCATION OF FUNDS REMAINING

Airport Revenues (before Revenue Sharing Transfers)

LESS:

Operating and Maintenance Expenses

EQUALS:

NET REVENUES

LESS:

Capital Charges

Capital Charge Coverage

Debt Service Reserve Requirement

Capital Expenditures

Operating & Maintenance Reserve

Renewal and Replacement Reserve

EQUALS:

FUNDS REMAINING

AUTHORITY Share (50%)

Airline Share (50%)*

ALLOCATION OF AIRLINE SHARE*

Terminal (80%)

Airfield (20%)

* AIRLINE's share of Funds Remaining shall be allocated in accordance with Section 8.4C.

Exhibit G-4: CHANGES IN RATES FOR RENTALS, FEES AND CHARGES

G.01 *Changes in Rates.* The Aircraft Aprons Fee, equipment charge, terminal rental rate, and landing fee rate shall be calculated in accordance with this Exhibit “G.”

G.02 *Aircraft Aprons Fee.* The Aircraft Aprons rate in each period shall be equal to ten percent (10%) of the Total Landing Fee Requirement, divided by the total number of square feet contained within all Aircraft Aprons, as set forth in Exhibit “C”.

G.03 *Equipment Charges.* Any equipment leased to AIRLINE by AUTHORITY, as listed in Exhibit “F,” shall bear an annual rental payment based on Capital Charges, Capital Charge Coverage, any required reserves, and O&M Expenses incurred by AUTHORITY for any such equipment. Currently the only equipment that AUTHORITY leases to AIRLINE are the Loading Bridges. If additional equipment is added during the Term of this agreement, a revised Exhibit F will be issued.

G.04 *Explanation of Exhibit “G-1” Line Items (Calculation of Terminal Rental Rate)*

A. Direct & Indirect Terminal O&M Expenses - O&M Expenses allocable to the Terminal Cost Center.

B. Terminal O&M Reserve Requirement - Amounts required to establish or maintain the O&M Reserve Requirement, allocable to the Terminal Cost Center based on O&M Expenses.

C. Terminal Capital Charges - Capital Charges allocable to the Terminal Cost Center.

D. Terminal Capital Charge Coverage - Capital Charge Coverage allocable to the Terminal Cost Center.

E. Terminal Debt Service Reserve Requirement - Amounts required to establish or maintain Debt Service Reserve Requirement allocable to the Terminal Cost Center.

F. Terminal Extraordinary Coverage Protection – Extraordinary Coverage Protection allocable to the Terminal Cost Center.

G. Total Terminal Requirement - Sum of A through F, above.

H. Rentable Terminal Space - Total Terminal space less Airport administrative, public, and mechanical/utility space.

I. Compensatory Terminal Rental Rate – G divided by H, above.

J. Non-airline Terminal Space Rentals – Terminal rents received from non-airline tenants including car rental companies, baggage delivery companies and others.

K. TSA Space Rental – Terminal rents received from Transportation Security Administration, if any.

L. Utility Reimbursement – Reimbursement for utilities incurred by the AUTHORITY and included in Total Terminal Requirement.

M. Terminal Tenant Maintenance - Reimbursement for costs incurred by the AUTHORITY and included in Total Terminal Requirement.

N. Investment Earnings Credit - Investment earnings allocable to the Terminal and includable as Revenues pursuant to any Resolution(s) or other financing document(s) of the County or AUTHORITY.

O. Net Terminal Requirement - G less J through N, above.

P. Signatory Terminal Rental Rate - O divided by H, above.

G.05 Explanation of Exhibit "G-2" Line Items (Calculation of Landing Fee Rate)

A. Direct & Indirect Airfield O&M Expenses - O&M Expenses allocable to the Airfield Cost Center.

B. Direct & Indirect FBO Commercial O&M Expenses - O&M Expenses allocable to the FBO Commercial Cost Center.

C. Airfield O&M Reserve Requirement - Amounts required to establish or maintain the O&M Reserve Requirement, allocable to the Airfield Cost Center based on O&M Expenses.

D. FBO Commercial O&M Reserve Requirement - Amounts required to establish or maintain the O&M Reserve Requirement, allocable to the FBO Commercial Cost Center based on O&M Expenses.

E. Airfield Capital Charges - Capital Charges allocable to the Airfield Cost Center.

F. FBO Commercial Capital Charges – Capital Charges allocable to the FBO Commercial Cost Center.

G. Airfield Capital Charge Coverage - Capital Charge Coverage allocable to the Airfield Cost Center.

H. FBO Commercial Capital Charge Coverage – Capital Charge Coverage allocable to the FBO Commercial Cost Center.

I. Airfield Debt Service Reserve Requirement - Amounts required to establish or maintain Debt Service Reserve Requirement allocable to the Airfield Cost Center.

J. FBO Commercial Debt Service Reserve Requirement - Amounts required to establish or maintain Debt Service Reserve Requirement allocable to the FBO Commercial Cost Center.

K. Airfield Extraordinary Coverage Protection – Extraordinary Coverage Protection allocable to the Airfield Cost Center.

L. FBO Commercial Revenues Credit – Amounts received from FBO Commercial operations.

M. Total Landing Fee Requirement - Sum of A through L, above.

N. Total Landed Weight – Applicable landed weight for Chargeable Landings of Signatory Airline, Signatory Cargo Carrier and Non-Signatory Airline.

O. Compensatory Landing Fee Rate – M divided by N, above.

P. Investment Earnings Credit - Investment earnings allocable to the Airfield and includable as Revenues pursuant to any Resolution(s) or other financing document(s) of the County or AUTHORITY.

Q. Aircraft Aprons Fee Credit - Ten percent (10%) of the Total Landing Fee Requirement as set forth in G.02.

R. Airfield Tenant Maintenance - Reimbursement for costs incurred by AUTHORITY and included in Total Landing Fee Requirement.

S. Non-signatory Airline Landing Fee Credit – Amounts equal to landing fees received from Non-signatory Airline sources.

T. Net Landing Fee Requirement - M less P through S, above.

U. Signatory Airline & Signatory Cargo Carrier Landed Weight - Total landed weight for all Signatory Airlines and Signatory Cargo Carriers, as determined in accordance with Section 7.1.

V. Signatory Landing Fee Rate - T divided by U, above.

G.06 Airport Direct Cost Centers.

A. Terminal - Includes items associated with the Terminal building, concourses, and related facilities.

B. Airfield - Consists of runways, taxiways, and other facilities supporting the activity of military, general aviation, and commercial aircraft, and shall include, but not be limited to, Landing Area and Ramp Area.

C. Loading Bridges - Includes items associated with the loading bridges.

D. FBO Commercial - Includes fixed base operator facilities servicing commercial operations.

E. FBO General Aviation - Includes fixed base operator facilities servicing general aviation activities.

F. Parking - Includes long-term, short-term and employee parking and any parking garages.

G. Landside - Includes all other areas not included in the above Cost Centers including terminal access roadways and those areas servicing and supporting activities not related to aviation that are not in other Cost Centers.

G.07 Indirect Cost Center Allocation

The table below illustrates the cost allocation process used to support the calculation of rents, fees and charges.

AvPorts Direct Cost Centers					Indirect Cost Centers				Admin	MA Direct Cost Centers		Admin	Admin
Airfield	Terminal	Loading Bridges	Parking	Landside	PUBLIC SAFETY/OPERATIONS			Vehicles & Equipment	AvPorts Admin	Comm Aviation	Gen Avia & Facilities	MA Admin	ACAA Admin
10	20	21	30	32	ARFF	Operations	Security	50	59	60	61	69	71
X	X		X	X	1					X	X		
X	X	X	X	X		1				X	X		
X	X	X	X	X			1			X	X		
X	X		X	X				1		X	X		
X	X	X	X	X					2	X	X		
										X	X	3	
X	X	X	X	X						X	X		4

1. Allocate indirect cost centers to AvPorts and FBO direct cost centers based on the percentages derived by the AUTHORITY in the annual budget process.
2. Allocate a portion of AvPorts Admin to FBO cost centers based on the indirect costs allocated in 1 above, and the remaining portion to AvPorts direct cost centers based on total actual direct and indirect costs for each of AvPorts direct cost centers.
3. Allocate FBO Admin to FBO direct cost centers based on total actual direct plus total indirect cost allocated in 1 and 2 above.
4. Allocate ACAA Admin to all direct cost centers based on total actual direct cost plus the indirect costs allocated in 1, 2 and 3 above.

G.08 Calculation and Allocation of Funds Remaining. The calculation and allocation of Funds Remaining shall be made in accordance with Exhibit “G-3”.

EXHIBIT H
SURVIVING AGREEMENTS

1. The 2006 Agreement, but only as to Section 12.1, Section 13.8 and Section 16.3, all to the extent of occurrences, events or circumstances arising prior to the Effective Date of this Agreement.
2. Airport Use and Lease Agreement for Albany County Airport, originally effective January 1, 1996, but only as to Articles 11.01 and 14.03, both to the extent of occurrences, events or circumstances arising prior to the effective date of such Airport Use and Lease Agreement.

EXHIBIT I

ALBANY INTERNATIONAL AIRPORT

FORM OF AFFILIATE OPERATING AGREEMENT

ARTICLE 1- SCOPE OF AGREEMENT

This Agreement between the Albany County Airport Authority (the “Authority”) and _____ (the “Affiliate”) grants to the Affiliate certain rights to use facilities to conduct its Air Transportation Business as an Affiliate of [SIGNATORY AIRLINE] (the “Signatory Airline”) at Albany International Airport (the “Airport”). The Signatory Airline Use and Lease Agreement between the Authority and the Signatory Airline, effective as of _____, 2016 (the “Airline Use and Lease Agreement”), gives the Signatory Airline the opportunity to designate an Affiliate if certain conditions are met. The intent of this Agreement is to adopt by reference various specified provisions of the Airline Use and Lease Agreement, and make them applicable to the Affiliate. In consideration of these benefits, the Affiliate agrees to abide by all of the terms and conditions of this Agreement. If the Affiliate is itself a Signatory Airline, it shall remain obligated to the Authority under the terms and conditions of its Airline Use and Lease Agreement for its use of the Airport in its own name as a Signatory Airline (*e.g.*, through the sale of tickets in its own name), and its activity and payment and reporting obligations shall be treated as its own activity and payment and reporting obligations when such Signatory Airline so uses the Airport.

ARTICLE 2 - DEFINITIONS

All capitalized terms used in this Agreement, if not defined within this Agreement, shall have the meanings specified in Article 1 of the Airline Use and Lease Agreement.

ARTICLE 3 - TERM OF AGREEMENT

3.01 Effective Date. This Agreement shall take effect as of the date specified in Section 10.2A of the Airline Use and Lease Agreement as the effective date of the Signatory Airline's designation of the Affiliate, which designation and effective date shall be provided to the Authority in the form attached as **Exhibit A** and made a part hereof.

3.02 Termination Date. This Agreement shall terminate as of the earliest of (a) the expiration or earlier termination date of the Airline Use and Lease Agreement; (b) the termination date of this Agreement as provided in Article 13 below; or (c) the effective date of the Signatory Airline's termination of the Affiliate's status as an Affiliate of the Signatory Airline in accordance with Section 10.4 of the Airline Use and Lease Agreement [which termination and effective date shall be provided to the Authority in the form attached as **Exhibit B** and made a part hereof].

ARTICLE 4 - USE OF THE AIRPORT AND RELATED FACILITIES

4.01 Rights and Privileges. For the operation of the Affiliate's Air Transportation Business as an Affiliate of the Signatory Airline, the Affiliate shall have the same rights as the Signatory Airline under Sections 5.1A through Section 5.1H, Section 5.1N and Sections 5.2 through Section 5.4 of the Airline Use and Lease Agreement to use the Airline Premises leased to the Signatory Airline, and shall be subject to the same exclusions and conditions applicable to the Signatory Airline thereunder.

4.02 Provisions Inapplicable to Affiliate. Sections 5.1I through 5.1M and Sections 5.1O through 5.1Q of the Airline Use and Lease Agreement shall not apply to the Affiliate.

ARTICLE 5 – OPERATION AND MAINTENANCE OF THE AIRPORT

5.01 Affiliate’s Obligations. The Affiliate shall conduct its Air Transportation Business as an Affiliate of the Signatory Airline in a manner consistent with the Signatory Airline’s obligations under Section 6.2 and Exhibit “D” of the Airline Use and Lease Agreement.

5.02 Provisions Inapplicable to Affiliate. Sections 6.1 and 6.3 of the Airline Use and Lease Agreement shall not apply to the Affiliate.

ARTICLE 6 – RENTALS, FEES AND CHARGES

6.01 Rentals, Fees and Charges. The Landing Fees, Terminal Rentals, Aircraft Apron Fees, Equipment Charges, Passenger Screening Charges, Per Use Terminal Fees, PFCs and other rentals, fees and charges due to the Authority for the Affiliate’s use of the Airport as an Affiliate of the Signatory Airline shall be calculated in accordance with Sections 7.1 through 7.7 and Sections 7.11 through 7.12 of the Airline Use and Lease Agreement.

6.02 Activity Reports. Activity reports of the Affiliate’s activities as an Affiliate of the Signatory Airline at the Airport, as described in Sections 7.9A and 7.9B of the Airline Use and Lease Agreement, shall be prepared by the Affiliate and submitted to the Authority by the Signatory Airline on behalf of the Affiliate.

6.03 Books and Records. The Affiliate shall be subject to and bound by Sections 7.9C and 7.9D of the Airline Use and Lease Agreement.

6.04 Contract Security. The Affiliate shall be subject to and bound by Section 7.10 of the Airline Use and Lease Agreement.

6.05 Payments. Payments of Landing Fees, Terminal Building Charges, Aircraft Apron Fees, Equipment Charges, Passenger Screening Charges, Per Use Terminal Fees, and other rentals, fees and charges due to the Authority for the Affiliate’s use of the Airport as an

Affiliate of the Signatory Airline shall be made to the Authority by the Signatory Airline on behalf of the Affiliate; provided, however that the Affiliate shall report and pay directly to the Authority all PFCs collected by the Affiliate for enplaning passengers at the Airport, and shall be subject to and bound by Section 7.12 of the Airline Use and Lease Agreement.

6.06 Provision Inapplicable to Affiliate. Section 7.8 of the Airline Use and Lease Agreement shall not apply to the Affiliate.

ARTICLE 7 – CHANGES IN RATES FOR RENTALS, FEES AND CHARGES

7.01 Annual Rate Changes. The Landing Fees, Terminal Rentals and other rentals, fees and charges due to the Authority for the Affiliate’s use of the Airport as an Affiliate of the Signatory Airline shall be adjusted as provided in Sections 8.1, 8.2, 8.4A, 8.4B and 8.4E of the Airline Use and Lease Agreement.

7.02 Provisions Inapplicable to Affiliate. Sections 8.3, 8.4C, 8.4D and 8.5 of the Airline Use and Lease Agreement shall not apply to the Affiliate; provided, however, that payments by the Affiliate or the Signatory Airline on account of the Affiliate’s activity as an Affiliate of the Signatory Airline shall be treated as payments by the Signatory Airline for purposes of said Sections 8.4C and 8.4D, as provided in Section 10.3B of the Airline Use and Lease Agreement.

ARTICLE 8 – AIRLINE DISAPPROVALS; IMPROVEMENTS

Article 9 of the Airline Use and Lease Agreement shall not apply to the Affiliate; provided, however, that for purposes of Section 9.3 thereof, payments by and activity of the Affiliate at the Airport as an Affiliate of the Signatory Airline shall be subject to Section 10.3C of the Airline Use and Lease Agreement.

ARTICLE 9 – AFFILIATE PRIVILEGES AND OBLIGATIONS

The Affiliate shall comply with and remain subject to Article 10 of the Airline Use and Lease Agreement, including but not limited to the requirements to report and pay to the Authority all PFCs that the Affiliate collects for enplaning passengers at the Airport, and to remain, with the Signatory Airline, jointly and severally liable to the Authority for payment of all Landing Fees, Terminal Rentals and other charges (including PFCs) and for submission of all activity reports that are due to the Authority for the Affiliate's use of the Airport as an Affiliate of the Signatory Airline, which obligations are described in Article 6 of this Agreement.

ARTICLE 10 – DAMAGE OR DESTRUCTION

Article 11 of the Airline Use and Lease Agreement shall not apply to the Affiliate.

ARTICLE 11 – INDEMNIFICATION AND INSURANCE

11.01 Indemnification Obligations. The Affiliate shall be subject to and bound by Sections 12.1A, 12.1C and 12.1D of the Airline Use and Lease Agreement. Section 12.1B of the Airline Use and Lease Agreement shall not apply to the Affiliate.

11.02 Insurance Obligations. The Affiliate shall be subject to and bound by Sections 12.2 and 12.3 of the Airline Use and Lease Agreement.

ARTICLE 12 - ENVIRONMENTAL STANDARDS

12.01 Environmental Compliance. The Affiliate shall be subject to and bound by Sections 13.1 through 13.7 of the Airline Use and Lease Agreement.

12.02 Environmental Indemnity. The Affiliate shall be subject to and bound by the same obligation to indemnify the Authority as provided in Section 13.8 of the Airline Use and Lease Agreement.

ARTICLE 13– TERMINATION

13.01 Default. The occurrence of any event described in Section 14.1 of the Airline Use and Lease Agreement involving the Signatory Airline or the Affiliate shall be considered an event of default by the Affiliate.

13.02 Remedies. If the Affiliate shall be in default under this Agreement, the Authority shall have the right to terminate this Agreement under Section 14.3A of the Airline Use and Lease Agreement. The Authority shall also have the rights and remedies specified in Sections 14.3F, 14.3G and 14.4 of the Airline Use and Lease Agreement. Sections 14.3B through 14.3E and Article 15 of the Airline Use and Lease Agreement shall not apply to the Affiliate.

13.03 Continuing Responsibilities. The Affiliate shall be subject to and bound by Section 14.2 of the Airline Use and Lease Agreement.

ARTICLE 14 - SURRENDER OF AIRLINE PREMISES

Article 16 of the Airline Use and Lease Agreement shall not apply to the Affiliate.

ARTICLE 15 – ASSIGNMENT, SUBLETTING AND HANDLING AGREEMENTS

15.01 Assignment and Subletting. Section 17.1 of the Airline Use and Lease Agreement shall not apply to the Affiliate. The Affiliate shall have no right to assign or transfer this Agreement or sublet the whole or any portion of the Airline Premises leased to the Signatory Airline.

15.02 Handling Agreements. The Affiliate shall be subject to and bound by Section 17.2 of the Airline Use and Lease Agreement.

ARTICLE 16 - NO LEASE

This Agreement does not constitute a lease between the Affiliate and the Authority with respect to any Airline Premises, facilities, services, equipment, or otherwise at the Airport.

ARTICLE 17 –ACCOMMODATION AND REASSIGNMENT

17.01 Provisions Applicable to Affiliate. The Affiliate shall be subject to and bound by the following provisions of the Airline Use and Lease Agreement: Sections 18.1, Sections 18.2A through 18.2D, Section 18.3B, and Section 18.5; provided, however, that for purposes of said Section 18.5, activity of the Affiliate at the Airport as an Affiliate of the Signatory Airline shall be treated as activity of the Signatory Airline in accordance with Section 10.3D of the Airline Use and Lease Agreement.

17.02 Provisions Inapplicable to Affiliate. The following provisions of the Airline Use and Lease Agreement shall not apply to the Affiliate: Sections 18.1E, 18.3A, 18.3C, 18.3D and 18.4.

ARTICLE 18 – GOVERNMENT INCLUSION

The Affiliate shall be subject to and bound by Article 19 of the Airline Use and Lease Agreement.

ARTICLE 19 - GENERAL PROVISIONS

24.01 Applicable Provisions. The Affiliate shall be subject to and bound by the following provisions of the Airline Use and Lease Agreement: Sections 20.1, 20.2, 20.3, 20.4, 20.6, 20.7, 20.8, 20.10, 20.11, 20.12 (first sentence), 20.13, 20;14, 20.15, 20.16, 20.17, 20.18, 20.19, 20.20, 20.21, 20.22, 20.23, 20.24, 20.27, 20.28, 20.29 and 20.30.

24.02 Inapplicable Provisions. The following provisions of the Airline Use and Lease Agreement shall not apply to the Affiliate: Sections 20.5, 20.9, 20.12 (second sentence), 20.25 and 20.26.

ARTICLE 20 - NOTICES

Except as specifically provided elsewhere in this Agreement, all notices, requests, consents and approvals served or given under this Agreement shall be served or given in writing by certified or registered mail or by a recognized national overnight express mail delivery service. If intended for the Authority, notices, requests, consents and approvals shall be delivered to Chief Executive Officer, Albany County Airport Authority, Albany International Airport, Administration Building, Suite 200, Albany, New York 12211-1057, or to such other address as may be designated by the Authority by written notice to the Affiliate. Notices requests, consents and approvals to the Affiliate shall be delivered to: _____, or to such other address as may be designated by the Affiliate by written notice to the Authority.

All notices, requests, consents and approvals sent by certified or registered mail shall be deemed to have been given on the third business day following the date of mailing, if properly mailed and addressed. All notices, requests, consents and approvals sent by overnight express mail delivery shall be deemed to have been given when received at the address listed in this Article 20, or to such other address as may have been designated by written notice in accordance with this Article 20.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the Effective Date.

WITNESS:

ALBANY COUNTY AIRPORT AUTHORITY

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Approved as to Form and Legality

Authority Attorney

WITNESS:

[AFFILIATE]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Exhibit A to Affiliate Operating Agreement
DESIGNATION OF AFFILIATE

[AIRLINE] (the "Airline"), a Signatory Airline under the Airline Use and Lease Agreement (the "Airline Use and Lease Agreement") with the Albany County Airport Authority (the "Authority"), effective as of _____, hereby designates [AFFILIATE] (the "Affiliate") as its Affiliate at Albany International Airport (the "Airport") in accordance with and subject to Article 10 of the Airline Use and Lease Agreement.

1. This designation is effective as of _____, 20__.

2. (a) Airline hereby represents to the Authority that the Affiliate [check at least one]:
 - is a parent or subsidiary of the Airline, or under the same parental control as the Airline, or
 - shares an IATA flight designator code with the Airline at the Airport, or
 - otherwise operates under essentially the same trade name as the Airline at the Airport and uses essentially the same livery as the Airline (except in the case of a maintenance spare substitute).

(b) No major airline, as such term is defined by the FAA, shall be classified as an Affiliate of another major airline unless either the first clause or third clause set forth in Paragraph 2(a), above, defines the relationship between such major airlines. Airline hereby represents to the Authority as follows: Is the Affiliate a major airline, as such term is defined by the FAA? _____. If so, does either the first clause or third clause of Paragraph 2(a), above, define the relationship between Airline and Affiliate? _____

3. The Affiliate has executed and delivered to the Authority an Affiliate Operating Agreement as required by Section 10.2A of the Airline Use and Lease Agreement.

4. The Airline hereby confirms and agrees that the Airline will pay to the Authority all Landing Fees, Terminal Rentals and other charges due to the Authority for the Affiliate's use of the Airport as an Affiliate of the Airline, and will submit to the Authority the activity reports required by Sections 7.9A and 7.9B of the Airline Use and Lease Agreement and due to the Authority for the Affiliate's use of the Airport as an Affiliate of the Airline.

5. The Airline confirms and agrees that it shall remain, with the Affiliate, jointly and severally liable to the Authority for the payment of all Landing Fees, Terminal Rentals and other charges (including PFCs) and the submission of all activity reports due to the Authority for the Affiliate's use of the Airport as an Affiliate of the Airline.

[AIRLINE]

By: _____, Airline's authorized representative
Name
Title: _____
Date: _____

Exhibit B to Affiliate Operating Agreement
NOTICE OF TERMINATION OF AFFILIATE STATUS

[AIRLINE] (the "Airline"), a Signatory Airline under the Airline Use and Lease Agreement (the "Airline Use and Lease Agreement") with the Albany County Airport Authority (the "Authority"), effective as of _____, hereby notifies the Authority that the Airline is terminating its designation of [AFFILIATE] (the "Affiliate") as its Affiliate at Albany International Airport in accordance with and subject to Section 10.4 of the Airline Use and Lease Agreement.

This termination of the Affiliate's status as an Affiliate of the Airline is effective as of [DATE, NOT LESS THAN 30 DAYS FROM THE DATE OF THIS NOTICE].

[AIRLINE]

By: _____, Airline's authorized representative
Name
Title: _____
Date: _____

EXHIBIT J

FORM OF NON-SIGNATORY OPERATING AGREEMENT

This agreement (“Agreement”) is made and entered into as of _____, 20__ (“Effective Date”), by and between the ALBANY COUNTY AIRPORT AUTHORITY, a body politic and corporate (the “AUTHORITY”) and _____, a _____ organized and existing under the laws of the _____, and authorized to do business in the State of New York (the “AIRLINE”).

WHEREAS, AUTHORITY is the owner of the Albany International Airport (“Airport”); and

WHEREAS, AIRLINE wishes to operate its passenger air transportation business at, from and on the Airport.

NOW, THEREFORE, in consideration of the premises set forth above and the mutual promises set forth below, AUTHORITY AND AIRLINE agree as follows:

ARTICLE 1 – DEFINITIONS AND EXHIBITS

1.1 Definitions. The following terms shall have the following meanings wherever used in this Agreement. Capitalized terms used but not defined in this Agreement shall have the meanings ascribed to them in the Airline Use and Lease Agreement.

“Affiliate” shall mean a Signatory Airline that is operating its Air Transportation Business at the Airport, or a Non-Signatory Airline that is operating its Air Transportation Business at the Airport under a Non-Signatory Operating Agreement with AUTHORITY, and that (in either case) is (i) a parent or subsidiary of AIRLINE or under the same parental control as AIRLINE, or (ii) shares an International Air Transport Association (IATA) flight designation code with AIRLINE at the Airport (Code-Sharing Partner), or (iii) otherwise operates under essentially the same trade name as AIRLINE at the Airport and uses essentially the same livery as AIRLINE (except in the case of a maintenance spare substitute); provided that no major airline, as such term is defined by the Federal Aviation Administration, shall be classified as an Affiliate of another major airline, unless either clause (i) or (iii) above defines the relationship between such airlines at the Airport. AIRLINE shall provide AUTHORITY with advance written notice prior to designating a new Affiliate. Such designation is subject to AUTHORITY approval, which shall not be unreasonably withheld. AIRLINE shall provide AUTHORITY with advance written notice prior to the cancellation of any designation of an Affiliate before the cancellation of such designation.

“Agreement” shall mean this Non-Signatory Airline Operating Agreement executed between AUTHORITY and AIRLINE, as the same may be amended or supplemented from time to time pursuant to the terms hereof.

“Aircraft Aprons” shall mean those parts of the Ramp Area adjacent to the Terminal that are used for the parking of aircraft and support vehicles, and the loading and unloading of aircraft.

“Airfield” shall mean the Landing Area and Ramp Area, and other facilities supporting the activity of military, general aviation, and commercial aircraft.

“AIRLINE” shall mean the Air Transportation Company executing this Agreement.

“Airline Premises” shall mean those areas assigned to a Signatory Airline on a Preferential Use or Joint Use basis, as shown on Exhibits “B” and “C” of the Airline Use and Lease Agreement.

“Air Transportation Business” shall mean that business operated by AIRLINE at the Airport for the commercial transportation by air of persons, property, mail, or cargo.

“Air Transportation Company” shall mean a company engaged in the business of scheduled or nonscheduled commercial transportation by air of persons, property, mail, or cargo.

“Airline Use and Lease Agreement” shall mean the Airline Use and Lease Agreement executed between AUTHORITY and each Signatory Airline operating at the Airport, as the same may be amended or supplemented from time to time pursuant to the terms of said Airline Use and Lease Agreement.

“Airport” shall mean the Albany International Airport owned by the County of Albany, New York, and operated by AUTHORITY, as the same may exist from time to time and which, as of the date hereof, is shown on Exhibit “A” of the Airline Use and Lease Agreement, including all real property and easements, improvements and appurtenances thereto, structures, buildings, fixtures, machinery, equipment, vehicles, supplies and other tangible personal property, or interest in any of the foregoing, now or hereafter leased or acquired by AUTHORITY. Airport shall also include any additional airports or facilities leased, acquired, or operated by AUTHORITY, subject to the MII provisions of Article 9 of the Airline Use and Lease Agreement.

“Airport Lease” shall mean the Airport Lease Agreement between AUTHORITY and the County of Albany, New York dated December 5, 1995 and effective May 16, 1996, as may be amended from time to time.

“AUTHORITY” shall mean the Albany County Airport Authority, a body politic and corporate constituting a public benefit corporation, and shall include such person or persons as may from time to time be authorized in writing by the AUTHORITY to act for the AUTHORITY with respect to all matters pertaining to this Agreement.

“Chargeable Landings” shall mean those aircraft landings for which landing fees shall be due and payable by AIRLINE, as set forth in Section 4.1. Such landings by AIRLINE shall include all Revenue Landings during any period.

“Chief Executive Officer” or “CEO” shall mean the Chief Executive Officer of the AUTHORITY, and shall also include such person or persons as may from time to time be

authorized in writing by AUTHORITY or by the CEO or applicable law to act for the CEO with respect to any or all matters pertaining to this Agreement.

“Contract Security” shall mean that requirement established in Section 4.9.

“DHS” shall mean the Department of Homeland Security, and its authorized successors.

“Effective Date” shall mean the date recited on page 1 of this Agreement.

“Enplaned Passenger” shall mean all local boarding, interline transfer, and intraline transfer passengers at the Airport, other than AIRLINE’s employees or AIRLINE’s retirees traveling on AIRLINE passes. The total number of AIRLINE’s Enplaned Passengers shall include all local boarding, interline transfer, and intraline transfer passengers boarded by AIRLINE or by any Air Transportation Company ground-handled or otherwise accommodated by AIRLINE.

“Event of Default” shall mean the occurrence of any one or more of the events described in Section 11.1 that shall constitute a breach of, and shall entitle AUTHORITY to exercise its remedies under, this Agreement.

“FAA” shall mean the Federal Aviation Administration, or its authorized successor(s).

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

“Gate” shall mean a gate position including the associated Ramp Area, holdroom and loading bridge(s) as shown on Exhibit “B” of the Airline Use and Lease Agreement. The Ramp Area shall be sufficient to encompass all equipment staging and access associated with operating the Gate including, without limitation, the ticket lift station and passenger check-in counter in the holdroom, the loading bridge, and all ground handling equipment.

“Landing Area” shall mean those portions of the Airport provided for the landing, taking off and taxiing of aircraft, including without limitation, approach and turning zones, aviation or other easements, runways, taxiways, runway and taxiway lights, and other appurtenances in connection therewith.

“Low Volume Air Carrier” shall mean a Non-Signatory Airline with seven or fewer scheduled revenue flights departing from the Airport with an aggregate of no more than 700 departing passenger seats each calendar week.

“Majority-in-Interest” or “MII” for the Airfield shall mean such group of Signatory Airlines and Signatory Cargo Carriers representing greater than fifty percent (50%) in number of all Signatory Airlines and Signatory Cargo Carriers, accounting for not less than fifty percent (50%) of Maximum Gross Landed Weight of all Signatory Airlines and Signatory Cargo Carriers for the most recent six (6) month period for which such statistics are available. MII for the

Terminal shall mean such group of Signatory Airlines (i) representing greater than fifty percent (50%) in number of all such Signatory Airlines accounting for not less than fifty percent (50%) of the total Signatory Airline Terminal rentals for the most recent six (6) month period for which such statistics are available.

“Maximum Gross Landed Weight” shall mean the maximum gross certificated landed weight in one thousand pound units, as certified by the aircraft’s manufacturer and stated in AIRLINE’s flight operations manual, at which each aircraft operated at the Airport by AIRLINE is certificated by the FAA to land at the Airport.

“Non-Revenue Landing” shall mean any aircraft landing by AIRLINE at the Airport for a flight for which AIRLINE receives no revenue. Such Non-Revenue Landings shall include irregular and occasional test, courtesy, inspection, training, ferry, or emergency flights, including any flight that, after having taken off from the Airport and without making a landing at any other airport, returns to land at the Airport because of meteorological conditions, mechanical or operating causes, or any other reason of emergency or precaution, test, courtesy, inspection or training landings. Non-Revenue Landings shall also include any landing of an aircraft by AIRLINE that is diverted to or is otherwise making an unscheduled landing at the Airport, provided that no passengers are deplaned from such aircraft during such landing.

“Non-Signatory Airline” shall mean any Air Transportation Company that has not entered into an Airline Use and Lease Agreement with AUTHORITY.

“Non-Signatory Operating Agreement” shall mean the agreement, executed by AUTHORITY and any Non-Signatory Airline pertaining to such airline’s operations and use of certain facilities at the Airport, substantially similar to this Agreement.

“Passenger Facility Charges” or “PFCs” shall mean those federally-approved charges or passenger facility fees, as authorized by 49 U.S.C. § 40117 and regulated by 14 CFR Part 158, as such statute and regulation currently exist or as they may be amended from time to time during the Term of this Agreement.

“Preferential Use Premises” shall mean those portions of the Terminal, Ramp Area and Gates assigned to each Signatory Airline, as shown on Exhibits “B” and “C” of each Signatory Airline’s Airline Use and Lease Agreement, to which such Signatory Airline shall have priority over all other users, subject to the provisions of Article 18 of said Airline Use and Lease Agreement.

“Ramp Area” shall mean the aircraft parking and maneuvering areas adjacent to the Terminal, and shall include within its boundaries all Aircraft Aprons, including those areas assigned for use as remain overnight parking positions.

“Requesting Airline” shall mean a Scheduled Air Carrier requesting accommodation as described in Article 5 of this Agreement.

“Resolution” shall mean any ordinance, resolution, indenture, or other instrument of the AUTHORITY or County of Albany, New York, authorizing the issuance of and providing security for Bonds, Subordinated Indebtedness, or Other Indebtedness (as such terms are defined in the Airline Use and Lease Agreement), as such may be supplemented or amended from time to time.

“Revenue Landing” shall mean any aircraft landing by AIRLINE at the Airport for which AIRLINE receives revenue, including, without limitation, any landing of an aircraft by AIRLINE which is diverted to or is otherwise making an unscheduled landing at the Airport, provided that the passengers on board such aircraft are deplaned during such landing. A Revenue Landing shall not include any landing of an aircraft which is a Non-Revenue Landing.

“Revenues” shall mean income accrued or paid by the AUTHORITY in accordance with generally accepted accounting practices, including investment earnings, from or in connection with the ownership or operation of the Airport or any part thereof, or the leasing or use thereof, all as further defined in any Resolution(s) or other financing document(s) of the County or AUTHORITY. For purposes of this Agreement, Revenues shall not include PFCs.

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

“Scheduled Operation” shall mean a Scheduled Airline’s operation (arrival or departure) that occurs pursuant to a schedule that is published in the Official Airline Guide (OAG) or any successor publication thirty (30) days prior to the first day of the month in which AIRLINE’s schedule would take effect.

“Seat” shall mean a seat on an aircraft arriving or departing from the Airport other than those seats reserved in the flight deck or aircraft cabin for members of the flight crew.

“Signatory Airline” shall mean a Scheduled Air Carrier which has an agreement with AUTHORITY substantially similar to this Agreement; provided, however, that such Scheduled Air Carrier shall, at a minimum, lease from AUTHORITY, to the extent and when available, a Ticket Counter Bay and a Gate.

“Term” shall mean the period of time during which AIRLINE’s activities at the Airport shall be governed by this Agreement. Said Term shall begin on the Effective Date, and, except as otherwise set forth herein, terminate on the date set forth in Article 3.

“Terminal” shall mean the airline passenger terminal and concourse buildings and related facilities at the Airport, as shown on Exhibit “B” of the Airline Use and Lease Agreement.

“Ticket Counter Bay” shall mean at least one-third (1/3) of a ticket counter area, as shown on Exhibit “B” of the Airline Use and Lease Agreement, including ticket counter, AIRLINE offices and baggage make-up areas. The ticket counter area shall extend into the

public area a minimum of ten (10) feet from the front of the ticket counter to a maximum of the area enclosed by the outermost stanchion used for waiting passengers or the AIRLINE's Ticket Kiosks.

"Ticket Kiosks" shall mean all on-demand automatic electronic devices used to issue boarding passes, print receipts, and produce other related documents. The location of and amount of space occupied by Ticket Kiosks, including an allowance for queuing, shall be reasonably approved by the AUTHORITY and shall be treated as ticket counter space for rates and charges purposes.

"TSA" shall mean the Transportation Security Administration, and its authorized successors.

"Turn" shall mean the arrival and departure of an aircraft from a Gate, and may be measured in halves. The movement of an empty aircraft to or from a Gate shall not constitute half a Turn.

1.2 Exhibits. The following Exhibits are attached to and made a part of this Agreement:

Exhibit A: Rentals, Fees and Charges

ARTICLE 2 – AIRPORT USE

2.1 Right to Operate. AIRLINE shall have the non-exclusive right to conduct its Air Transportation Business at the Airport and to perform all operations and functions reasonably necessary for the conduct and operation of such business at the Airport, subject at all times to the terms of this Agreement and AUTHORITY's exclusive control and management of the Airport. AIRLINE shall not conduct any business or commercial operation from, at, or on the Airport that is not part of an Air Transportation Business. AIRLINE shall not use the Airport, and shall not cause or permit its employees, contractors, vendors, suppliers, consultants, agents, licensees, or invitees to use the Airport for any purpose other than as specified in this Agreement or other such instrument executed by AUTHORITY and AIRLINE.

2.2 License to Use Areas of and Terminal Equipment in Airport. AUTHORITY grants to AIRLINE a non-exclusive license to use the following solely for the purposes described in Section 2.1:

(i) The Airfield, in common with other Scheduled Air Carriers, in the manner described in Section 5.1A through 5.1H, Section 5.1N, Sections 5.4A through 5.4D, and Sections 5.4F through 5.4G of the Airline Use and Lease Agreement.

(ii) The Gates not preferentially-assigned to Signatory Airlines, in common with other Scheduled Air Carriers.

(iii) The Ticket Counter Bays not preferentially-assigned to Signatory Airlines, in common with other Scheduled Air Carriers.

(iv) Terminal equipment, passenger loading bridges and associated equipment and devices owned or acquired by AUTHORITY, in common with other Scheduled Air Carriers, which shall remain the property, and under the control of, AUTHORITY, in the manner described in Section 5.1A through 5.1H, Section 5.1N, Sections 5.4A through 5.4D, and Sections 5.4F through 5.4G of the Airline Use and Lease Agreement.

AIRLINE specifically acknowledges and agrees that AUTHORITY is permitting AIRLINE's use of the Airport areas, facilities and the Terminal equipment described in this Section 2.2 on an "as is with all faults" basis, without any representations or warranties of any kind whatsoever, express or implied, from AUTHORITY as to any matters concerning such areas and equipment, and further agrees to assume all risk of loss, damage and injury arising out of, or alleged to have arisen out of, AIRLINE's use of such areas, facilities and equipment. AIRLINE's use of such areas, facilities and equipment described in this Section 2.2 shall at all times be subject to AUTHORITY's exclusive control and management, and shall comply with all applicable laws and AUTHORITY rules and regulations, as any of the aforesaid may be amended from time to time.

2.3 Changes in Certain Areas and Facilities of and Terminal Equipment in Airport. AIRLINE acknowledges that it has no exclusive, leasehold, or priority interest in AUTHORITY's Terminal equipment or any areas or facilities in, on or at the Airport, and agrees that AUTHORITY may change the Airfield, Gates, Ticket Counter Bays, AUTHORITY's Terminal equipment, and any other areas, facilities and equipment at the Airport at any time during the Term.

ARTICLE 3 – TERM

This Agreement shall commence on the Effective Date, and shall continue until the earlier of (a) termination by either party upon thirty (30) days' written notice to the other party, or (b) the date on which AIRLINE becomes an Affiliate or a Signatory Airline at the Airport, (c) termination by AUTHORITY in accordance with Section 11.3 or 11.4, or (d) expiration or earlier termination of the Airline Use and Lease Agreement with all Signatory Airlines (the "Term").

ARTICLE 4 – RENTALS, FEES AND CHARGES

4.1 Landing Fees. AIRLINE shall pay to AUTHORITY a Landing Fee for each Chargeable Landing at the Airport, calculated by AUTHORITY at a rate expressed in dollars and cents per one thousand pounds in Maximum Gross Landed Weight of each aircraft operated by AIRLINE at the Airport. The Landing Fee as of the Effective Date is set forth in Exhibit A, and shall be adjusted by AUTHORITY during the Term in accordance with Article 8 of the Airline Use and Lease Agreement. AUTHORITY shall notify AIRLINE of the Landing Fee prior to the start of each Fiscal Year.

4.2 Terminal Rentals. AIRLINE shall pay to AUTHORITY Terminal rentals associated with AIRLINE's use of the Terminal. The Terminal rental rate as of the Effective Date is set forth in Exhibit A, and shall be adjusted by AUTHORITY during the Term in accordance with Article 8 of the Airline Use and Lease Agreement. AUTHORITY shall notify AIRLINE of all Terminal rentals prior to the start of each Fiscal Year.

4.3 Aircraft Apron Fees. AIRLINE shall pay to AUTHORITY fees for AIRLINE's use of the Aircraft Aprons. The Aircraft Apron fee as of the Effective Date is set forth in Exhibit A, and shall be adjusted by AUTHORITY during the Term in accordance with Article 8 of the Airline Use and Lease Agreement. AUTHORITY shall notify AIRLINE of all Aircraft Apron fees prior to the start of each Fiscal Year.

4.4 Equipment Charges. AIRLINE shall pay to AUTHORITY fees for AIRLINE's use of AUTHORITY's Terminal equipment, passenger loading bridges and associated equipment and devices at the Airport. Such fees and charges as of the Effective Date are set forth in Exhibit A, and shall be adjusted by AUTHORITY during the Term in accordance with Article 8 of the Airline Use and Lease Agreement. AUTHORITY shall notify AIRLINE of all equipment and passenger loading bridge and related fees prior to the start of each Fiscal Year.

4.5 Passenger Screening Charges. If DHS, TSA, FAA or another governmental agency elects to impose or levy a charge upon AUTHORITY for passenger screening activities at the Airport at any time during the Term, then AUTHORITY shall have the right to recover such passenger screening charges on a prorated basis from AIRLINE and every other Scheduled Air Carrier at the Airport.

4.6 Per Use Terminal Fee. Each Low-Volume Air Carrier shall pay a Per Use Terminal Fee to AUTHORITY based on the aggregate costs for use of the Terminal, Aircraft Aprons and AUTHORITY-owned equipment, including without limitation passenger loading bridges, by Signatory Airlines and their Affiliates. The Per Use Terminal Fee shall be calculated by (a) dividing (i) the sum of the estimated total annual Aircraft Apron Fees, Terminal Rentals and Equipment Charges, by (ii) the total number of Enplaned Passengers at the Airport in the preceding year, and (b) multiplying that quotient by one hundred twenty-five percent (125%). The resulting Per Use Terminal Fee shall be due to AUTHORITY for each Enplaned Passenger enplaned at the Airport by the Low-Volume Air Carrier.

4.7 Passenger Facility Charges ("PFCs"). AUTHORITY expressly reserves the right to impose PFCs on airline passengers for the use of the Airport in accordance with 49 U.S.C. § 40117 and applicable implementing regulations adopted by the FAA, 14 CFR Part 158, as they may be amended from time to time (the "PFC Regulations"). AIRLINE shall hold in trust for AUTHORITY the net principal amount of all PFCs that are collected by AIRLINE or its agents on behalf of AUTHORITY pursuant to 49 U.S.C. § 40117 and the PFC Regulations. For the purposes of this Section 4.7, net principal amount shall mean the total principal amount of all PFCs that are collected by AIRLINE or its agents on behalf of AUTHORITY, reduced by any amount that AIRLINE is permitted to retain pursuant to 49 U.S.C. § 158.53(a) of the PFC Regulations. PFCs collected by AIRLINE shall be remitted to AUTHORITY at the address specified in Section 4.12(d), or at such other place as AUTHORITY may, from time to time, designate in writing. Nothing in this Agreement shall be interpreted to impair AUTHORITY's

right to impose or use a PFC, or to impair AIRLINE's right to consultation under 49 U.S.C. § 40117 and the PFC Regulations.

4.8 Other Fees and Charges. AIRLINE shall pay to AUTHORITY any other fees and charges related to AIRLINE's operation at and use of the Airport that may be imposed by AUTHORITY on AIRLINE and all other Scheduled Air Carriers at the Airport. Such other fees and charges shall be adjusted by AUTHORITY during the Term in accordance with Article 8 of the Airline Use and Lease Agreement.

4.9 Security for Payment. AIRLINE shall provide AUTHORITY on the Effective Date a contract bond, irrevocable letter of credit or other similar security acceptable to AUTHORITY ("Contract Security") in an amount equal to the estimate of three (3) months' rentals, fees and charges payable by AIRLINE pursuant to this Agreement, to guarantee the faithful performance by AIRLINE of its obligations under this Agreement and the payment of all rentals, fees and charges due hereunder. AIRLINE shall be obligated to maintain such Contract Security during the Term. Such Contract Security shall be in a form and with a company reasonably acceptable to AUTHORITY. In the event that any such Contract Security shall be for a period less than the full period required by this Section, or if the Contract Security shall be cancelled, AIRLINE shall provide a renewal or replacement Contract Security for the remaining required period at least sixty (60) days prior to the date of such expiration or cancellation. If AIRLINE shall fail to obtain or keep in force such Contract Security required under this Section 4.9, such failure shall be grounds for immediate termination of this Agreement pursuant to Article 11. AUTHORITY's rights under this Section 4.9 shall be in addition to all other rights and remedies provided to AUTHORITY under this Agreement.

4.10 No Revenue Sharing. AIRLINE acknowledges that Section 8.4(C) of the Airline Use and Lease Agreement (entitled "Funds Remaining") applies only to Scheduled Air Carriers that were Signatory Airlines during the immediately preceding Fiscal Year, and not to AIRLINE.

4.11 Information to be Supplied by AIRLINE.

A. Not later than ten (10) days after the end of each month, AIRLINE shall file with AUTHORITY written reports on forms provided by AUTHORITY for activity conducted by AIRLINE during said month. AUTHORITY shall have the right to rely on said activity reports in determining rentals and charges due hereunder; provided, however, AIRLINE shall have full responsibility for the accuracy of said reports. Payment deficiencies due to incomplete or inaccurate activity reports shall be subject to interest charges as set forth in Section 4.12(b).

B. AIRLINE shall at all times maintain and keep books, ledgers, accounts or other records, wherein are accurately kept all entries reflecting the activity statistics to be reported pursuant to Section 4.11(a). Such records shall be retained by AIRLINE three (3) years subsequent to the activities reported therein, or such other retention period as set forth in 14 CFR Part 249.7, and made available at Albany, New York for audit and/or examination by AUTHORITY or its duly authorized representative during all normal

business hours. AIRLINE shall produce such books and records at Albany, New York within thirty (30) calendar days of AUTHORITY's written notice to do so or pay all reasonable expenses, including but not limited to transportation, food and lodging, necessary for an auditor selected by AUTHORITY to audit said books and records at a mutually agreeable alternate location. The cost of such audit, with the exception of the aforementioned expenses, shall be paid by AUTHORITY from Airport Revenues; provided, however, the total cost of said audit shall be borne by AIRLINE if AIRLINE has failed to maintain true and complete books, records, accounts, and supportive source documents substantially in accordance with this Section 4.11(b).

4.12 Payment of Rentals, Fees and Charges.

(i) Beginning on the Effective Date, AIRLINE shall promptly pay to AUTHORITY, on a monthly basis, Landing Fees, Terminal Rentals, Aircraft Apron Fees, Equipment Charges, Passenger Screening Charges, Per Use Terminal Fees, PFCs and all other rentals, fees and charges related to AIRLINE's operation at and use of the Airport. All such rentals, fees and charges shall be calculated and invoiced by AUTHORITY in accordance with this Article 4, and shall be due as of the date of AUTHORITY's invoice. Said rentals, fees and charges shall be deemed delinquent if payment is not received by AUTHORITY within thirty (30) days of the date of AUTHORITY's invoice.

(ii) AUTHORITY shall provide written notice of any and all payment delinquencies and deficiencies, which shall be subject to interest at the lower of one and one-half percent (1½%) per month, or the highest rate allowable by applicable state law. Interest shall accrue against any and all delinquent payments and deficiencies from the date due until the date that such payments are received by AUTHORITY. This provision shall not preclude AUTHORITY from canceling this Agreement for default in the payment of rentals, fees or charges, as provided for in Section 11.3, or from exercising any other rights contained herein or provided by law.

(iii) In the event AIRLINE fails to submit its monthly activity reports as required in Section 4.11(a), AUTHORITY shall estimate the rentals, fees and charges based upon one hundred twenty-five percent (125%) of the highest of the previous twelve (12) months' activity reported by AIRLINE (or, if less than twelve, the number of months for which AUTHORITY has such information), and issue an invoice to AIRLINE for same. If no activity data is available, AUTHORITY shall reasonably estimate such activity and invoice AIRLINE for same. AIRLINE shall be liable for any deficiencies in payments based on estimates made under this Section, and payment for said deficiencies shall be deemed due as of the date such amounts were due and payable. If such estimated payments result in an overpayment by AIRLINE, AUTHORITY shall apply such overpayment as a credit against the subsequent amounts due for such rentals, fees and charges from AIRLINE; provided, however, AIRLINE shall not be entitled to any credit for interest on payments of such estimated amounts.

(iv) All payments due and payable hereunder shall be paid in lawful money of the United States of America, without set off, by check made payable to the Albany County Airport Authority, and delivered to: Albany County Airport Authority, ATTN:

Accounts Receivable, Albany International Airport, Administration Building, Suite 204, Albany, New York 12211-1057. Payments under this Agreement shall be deemed made by AIRLINE upon the date that such payments are received by AUTHORITY at the address set forth in this Section 4.12(d).

ARTICLE 5 – ACCOMMODATION OF AIRLINE BY SIGNATORY AIRLINE

5.1 General. If AUTHORITY cannot accommodate Airline on a Gate not preferentially assigned to a Signatory Airline, AUTHORITY may identify AIRLINE as a Requesting Airline to one or more Signatory Airlines in order that one or more Signatory Airlines can attempt to accommodate AIRLINE at their Preferential Use Gates or within their Preferential Use Airline Premises (other than Gates) in accordance with Sections 18.1 and 18.2 of the Airline Use and Lease Agreement, respectively.

5.2 Accommodation at Preferential Use Gates. If AIRLINE is accommodated at the Preferential Use Gate of a Signatory Airline, AIRLINE shall be required to pay such Signatory Airline (a) the same charges for use of the Preferential Use Gate that AIRLINE would have been required to pay AUTHORITY for use of a Gate not preferentially assigned to a Signatory Airline, plus (b) any additional charges imposed by AUTHORITY that the Signatory Airline actually incurs as a result of its accommodation of AIRLINE, plus a fifteen percent (15%) administrative fee, plus (c) the Signatory Airline's pro rata share of the amortized costs (if any) of capital improvements that the Signatory Airline makes to any of its Preferential Use Gates, with its own funds and in accordance with its Airline Use and Lease Agreement, as a direct result of accommodating AIRLINE in accordance with this Section 5.2, plus a fifteen percent (15%) administrative fee. A Signatory Airline may not demand any additional payments from AIRLINE on account of AIRLINE's use of the Preferential Use Gate.

5.3 Accommodation within Preferential Use Premises (other than Gates). If AIRLINE is accommodated within the Preferential Use Airline Premises (other than Gates) of a Signatory Airline, AIRLINE shall (in the absence of an agreement with the Signatory Airline) be required to pay such Signatory Airline (a) the same charges for use of the Preferential Use Airline Premises (other than Gates) that Airline would have been required to pay AUTHORITY for use of such space on a common use basis, plus (b) any additional AUTHORITY charges that the Signatory Airline actually incurs as a result of its accommodation of AIRLINE, plus (c) the Signatory Airline's pro rata share of the amortized costs (if any) of capital improvements that the Signatory Airline makes to any of its Preferential Use Premises (other than Gates), with its own funds and in accordance with Airline Use and Lease Agreement, as a direct result of accommodating AIRLINE in accordance with this Section 5.3, plus a fifteen percent (15%) administrative fee. A Signatory Airline may not demand any additional payments from AIRLINE on account of AIRLINE's use of the Preferential Use Airline Premises (other than Gates).

5.4 Insurance and Indemnification Requirements for Accommodation. As a condition of AIRLINE's accommodation on a Signatory Airline's Preferential Use Gate or within a Signatory Airline's Preferential Use Airline Premises (other than Gates), Airline agrees that its insurance and indemnification obligations under this Agreement shall inure to the benefit of the accommodating Signatory Airline as a third-party beneficiary for any period

of accommodation, and that AIRLINE shall provide to the Signatory Airline upon its request (a) proof of insurance, for the benefit of the Signatory Airline, of the types and with the limits of coverage that AIRLINE is required to carry under this Agreement; and evidencing that the Signatory Airline has been named an additional insured on all liability policies of AIRLINE, and (b) a deposit securing AIRLINE's payment to the Signatory Airline of the charges described in this Article 5; provided, however, that the Signatory Airline may not require a security deposit that is greater than the contract security, if any, that the Signatory Airline has given to AUTHORITY under its Airline Use and Lease Agreement.

ARTICLE 6 – INDEMNIFICATION

6.1 Subject to Section 7.612.3, AIRLINE shall indemnify, save, hold harmless, and defend AUTHORITY, its officials, agents and employees, and the successors and assigns of each, individually or collectively, from and against any claim, action, loss, damage, injury, liability, and the cost and expense of whatsoever kind or nature (including, but not limited to, reasonable attorneys' fees, disbursements, court costs, and expert fees) based upon injury to persons, including death, or damage to property arising out of or resulting from AIRLINE's use of the Airport pursuant to this Agreement, except to the extent that such injury, death or damage is caused by the negligence or willful misconduct of AUTHORITY, its officers, employees, or agents.

6.2 The provisions of this Article 6 shall survive the expiration, termination or early cancellation of this Agreement.

6.3 Notwithstanding anything contained in this Article 6, environmental indemnification shall be governed by Section 10.8.

ARTICLE 7 – INSURANCE

7.1 Without limiting AIRLINE's obligation to indemnify AUTHORITY, as provided for in Section 6.1, AIRLINE shall procure and maintain in force at all times during the Term a customary policy or policies of insurance insuring AIRLINE against bodily injury and property damage liability, subject to policy terms and conditions, for injuries to persons (including wrongful death) and damages to property caused by AIRLINE's activities and operations at, in or on the Airport, the policy limits thereof to be in the minimums set forth herein.

(a) Comprehensive Airline Liability Insurance. AIRLINE shall maintain comprehensive airline liability insurance.

(i) The comprehensive airline liability insurance and, if necessary, commercial umbrella insurance shall be: (i) for aircraft containing over 100 seats, at a limit of not less than four hundred million dollars (\$400,000,000) for each occurrence and in the aggregate, (ii) for aircraft containing 76-100 seats, at a limit of not less than three hundred million dollars (\$300,000,000) for each occurrence and in the aggregate, (iii) for aircraft containing 51-75 seats, at a limit of not less than two hundred fifty million dollars (\$250,000,000) for each occurrence and in the aggregate, and (iv) for aircraft containing less than 20 seats, at a limit of not less than one hundred million dollars (\$100,000,000) for each

occurrence and in the aggregate, except that, for all aircraft described in clauses (i) through (iv), inclusive, required coverage for personal injury to third parties, excluding passengers, shall be not less than twenty-five million dollars (\$25,000,000).

(ii) The comprehensive airline liability insurance shall include, with aggregates where applicable, but not be limited to, coverage for Commercial/Comprehensive General Liability, Bodily Injury and Property Damage to Third Parties, Passenger Liability, Personal Injury Liability, Contractual Liability, Passengers' Checked and Unchecked Baggage Liability, Premises, Operations, Independent Contractors, Products-Completed Operations Liabilities, and Cargo Legal Liabilities. Explosion, Collapse and Underground Property Damage Liability Coverage shall not be excluded.

(iii) The comprehensive airline liability insurance shall include coverage for mobile or other ground vehicle equipment operated on those parts of the Airport that are not accessible to the public and are designated as restricted areas with a limit of not less than twenty-five million dollars (\$25,000,000) for each occurrence. Mobile or other ground vehicle equipment shall include, but not be limited to, baggage tugs, aircraft pushback tugs, provisioning trucks, air stair trucks, belt loaders, deicing vehicles and any other automotive equipment. Such insurance shall cover liability arising out of any mobile or other ground vehicle equipment owned or operated by AIRLINE, its employees, or any contractor servicing AIRLINE.

(iv) The comprehensive airline liability insurance shall apply as primary insurance with respect to any other insurance afforded to AUTHORITY. There shall be no endorsement or modification of the policy to make it excess over other available insurance. If the policy states that it is excess or pro rata, the policy shall be endorsed to be primary with respect to AUTHORITY and the County of Albany, New York as additional insureds.

(b) Aircraft Liability Insurance. AIRLINE shall maintain aircraft liability insurance as follows: (i) for aircraft containing over 100 seats, at a limit of not less than four hundred million dollars (\$400,000,000) for each occurrence and in the aggregate, (ii) for aircraft containing 76-100 seats, at a limit of not less than three hundred million dollars (\$300,000,000) for each occurrence and in the aggregate, (iii) for aircraft containing 51-75 seats, at a limit of not less than two hundred fifty million dollars (\$250,000,000) for each occurrence and in the aggregate, and (iv) for aircraft containing less than 20 seats, at a limit of not less than one hundred million dollars (\$100,000,000) for each occurrence and in the aggregate, and, for all aircraft described in clauses (i) through (iv), inclusive, with aggregates where applicable, for bodily injury or death, personal injury, and property damage for all owned, operated, maintained, non-owned, leased, or hired aircraft, including passenger coverage. The aircraft liability insurance may be included in the comprehensive airline liability insurance policy.

(c) Commercial Automobile Liability Insurance (non-restricted areas).

(i) AIRLINE shall maintain automobile liability insurance with a limit of not less than one million dollars (\$1,000,000) for each accident for vehicles operated in areas other than restricted areas. Such vehicles shall include all mobile or other ground vehicle equipment, such as, but not be limited to, baggage tugs, aircraft pushback tugs, provisioning trucks, air stair trucks, belt loaders, deicing vehicles and any other automotive equipment.

(ii) Such insurance shall cover liability arising out of any automobile or vehicle, including all mobile or other ground vehicle equipment as described in Section 7.1(a)(iii) above, owned or operated by AIRLINE, its employees, or any contractor servicing AIRLINE.

(d) Workers' Compensation, Disability and Employer's Liability Insurance. AIRLINE shall maintain workers' compensation and employer's liability insurance.

(i) Workers' Compensation and New York State Disability Coverage. Coverage shall be at statutory limits as required by the laws of the State of New York.

(ii) Employer's Liability. The employer's liability limits shall not be less than One Million Dollars (\$1,000,000) each accident for bodily injury by accident or One Million Dollars (\$1,000,000) each employee for bodily injury by disease.

7.2 The aforesaid amounts and types of insurance shall be reviewed from time to time by AUTHORITY and may be adjusted by AUTHORITY if AUTHORITY reasonably determines such adjustments are necessary to protect Authority's interests. AIRLINE shall furnish AUTHORITY, prior to the Effective Date, a certificate or certificates of insurance as evidence that the required insurance is in force. AUTHORITY reserves the right and AIRLINE agrees to permit AUTHORITY to require a certified copy of each certificate, and for good cause to inspect each policy, including endorsements and riders, upon request. AIRLINE shall name AUTHORITY and the County of Albany, New York as additional insureds on such insurance policy or policies to the extent of the AIRLINE's obligations assumed under Section 6.1, above, subject to policy terms, conditions, limitations and exclusions; provided, however, that this requirement shall not apply to the Worker's Compensation and Employer's Liability insurance policies described in Section 7.1(d). Said policies shall be issued by insurance companies of nationally recognized financial responsibility with a Best's Guide rating of no less than A- (VII) or of internationally recognized and favorable reputation in the aviation marketplace, satisfactory to AUTHORITY. Said policies shall be in a form and content reasonably satisfactory to AUTHORITY and shall provide for thirty (30) days advance written notice to AUTHORITY prior to the cancellation of or any adverse material change in such policies. AIRLINE's failure to provide or maintain the required insurance coverages as set forth herein shall be grounds for immediate cancellation of this Agreement, at AUTHORITY's option. AUTHORITY shall provide AIRLINE ten (10) days written notice before exercising its right of cancellation to provide an opportunity for AIRLINE to demonstrate that it has maintained the required insurance coverage.

7.3 No Representation of Coverage Adequacy. By requiring insurance herein, AUTHORITY does not represent that coverage and limits will necessarily be adequate to protect AIRLINE, and such coverage and limits shall not be deemed as a limitation on AIRLINE's liability under the indemnities granted to AUTHORITY in this Agreement.

7.4 Commercial Umbrella Liability Insurance. As indicated above, AIRLINE may use commercial umbrella liability insurance so that AIRLINE has the flexibility to select the best

combination of primary and excess limits to meet the total insurance limits required by this Agreement, provided that the coverages provided under the umbrella policy meet the requirements for the primary policies as set forth in this Agreement.

7.5 Incidents. AIRLINE shall promptly notify AUTHORITY of any accident or event which occurs at the Airport as a result of or in connection with the performance of this Agreement, which results in or might have resulted in bodily injury, personal injury, property damage, or loss of any kind (an “Incident”); provided, however, that an Incident shall not be deemed to include claims for damaged or lost baggage. Additionally, AIRLINE shall send a written report of any Incident to AUTHORITY within twenty four (24) hours or as soon as possible, but no more than ten (10) days after the Incident. Initial notification of Incidents and written reports with respect to such Incidents shall be sent to the CEO.

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

ARTICLE 8– ASSIGNMENT AND SUBLETTING

AIRLINE shall not assign or transfer this Agreement or any right or interest herein or hereunder without first obtaining AUTHORITY’s prior written consent, which consent may be withheld in the sole discretion of AUTHORITY.

ARTICLE 9 –MAINTENANCE

9.1 AIRLINE’s Obligations. AIRLINE shall keep all areas and facilities that Airline uses on or at the Airport clean at all times during and after its use thereof. If AIRLINE does not keep such areas and facilities properly clean, in the reasonable opinion of AUTHORITY, AIRLINE will be so advised and shall take immediate corrective action. AIRLINE shall promptly remove from the areas and facilities that AIRLINE uses on or at the Airport all garbage, trash and refuse, and shall store and dispose of it only in the manner approved by AUTHORITY.

No Alterations; No Signs. AIRLINE shall not alter AUTHORITY’s Terminal equipment, passenger loading bridges, associated equipment and devices at the Airport, or any area or facility on or at the Airport in any way whatsoever, nor erect any signs in, at or on any part of the Airport, nor permit any advertising of any nature in, at or on any part of the Airport.

ARTICLE 10 – ENVIRONMENTAL MATTERS

10.1 Definitions. For purposes of this Article 10, the following terms shall have the following meanings:

(a) “Environmental Law” means, collectively, applicable laws, ordinances, statutes, rules and regulations of local, state and federal entities, including any regulations of AUTHORITY (whether now existing or hereinafter enacted or promulgated, as they may be amended from time to time, and provided that such rules and regulations of AUTHORITY are consistent with those of federal, state and other local entities) pertaining to environmental matters, spill prevention, contamination, clean-up or disclosures, and any permits issued pursuant thereto, and any legally binding judicial or administrative interpretations thereof (including, without limitation, State Pollutant Discharge Elimination System (“SPDES”) Permit Number NY 021 2245, effective as of March 13, 2013, issued to AUTHORITY, including all modifications and supplements that have been or may be made to such SPDES Permit), and any judicial or administrative order or judgments, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§ 9601 et seq., (“CERCLA” or “Superfund”); the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq. (“RCRA”); the Clean Water Act, 33 U.S.C. §§ 1251 et seq. (“CWA”); the Safe Drinking Water Act (14 U.S.C. § 401 et seq.); the Clean Air Act, 42 U.S.C. §§ 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq. (“TSCA”); the Hazardous Materials Transportation Act, 49 U.S.C. §§ 100 et seq. (“HMTA”), or any other applicable federal or state statute or municipal ordinance regulating the generation, storage, use, containment, release or disposal of any Hazardous Substances, or providing for the protection, preservation or enhancement of the natural environment; any rules or regulations promulgated pursuant to any of the foregoing statutes or ordinances, including but not limited to laws relating to groundwater and surface water pollution, air pollution, transportation, storage and disposal of any Hazardous Substances, stormwater drainage and underground and above ground storage tanks, and any amendments, modifications or supplements of any such statutes, ordinances, rules and regulations.

(b) “Hazardous Substances” means any substance or material defined or designated as a hazardous waste, hazardous material, toxic substance, or a pollutant or contaminant by any applicable Environmental Law, including, but not limited to oil, jet fuel and other petroleum products.

(c) “Release” means any spilling, leaking, pumping, pouring, emitting, discharging, leaching, dumping or disposing of Hazardous Substances into or on any property or the environment to the extent not authorized under applicable Environmental Law. Petroleum spills of less than five (5) gallons are excluded unless water or soil are affected.

10.2 Restrictions on Hazardous Substances. In conducting operations pursuant to this Agreement, AIRLINE shall not permit or cause the Release on the Airport of any Hazardous Substance that is in violation of any Environmental Law. AIRLINE shall not allow any Hazardous Substances it first Released during the Term on the Airport to migrate off the Airport or beyond the areas and facilities used by AIRLINE during the Term, as applicable, or allow the Release by AIRLINE of any Hazardous Substances into adjacent surface water, soils, underground waters or air in violation of any Environmental Law. At the reasonable written request of AUTHORITY, AIRLINE shall provide AUTHORITY with AIRLINE’s USEPA Waste Generator Number (unless AIRLINE is a Conditionally Exempt Small Quantity Generator

("CESQG")) and any other information reasonably requested by AUTHORITY with respect to AIRLINE's use of Hazardous Substances at the Airport or a Release by AIRLINE of Hazardous Substances at the Airport. AIRLINE shall promptly notify AUTHORITY in writing and orally should AIRLINE become aware of: (1) any Release by AIRLINE of any Hazardous Substances attributable to AIRLINE's actions during the Term; or (2) any notice given to AIRLINE from any third party with respect to any Release or threat of Release of any Hazardous Substances with respect to the Airport; or (3) the commencement of any litigation or any information relating to any threat of litigation relating to any alleged Release by AIRLINE of any Hazardous Substances or other environmental contamination, liability or problem arising out of or relating to AIRLINE's operations at the Airport; or (4) any enforcement notice related to AIRLINE's operations at the Airport provided to AIRLINE from any regulatory agency and any related correspondence from AIRLINE to any regulatory agency. In the event that any notice or correspondence is received or issued by AIRLINE pursuant to this Section 10.2, AIRLINE shall provide AUTHORITY with a copy of such notice or correspondence as soon as possible and in any event within ten (10) days of such receipt or issuance.

10.3 Compliance and Remediation. AIRLINE shall at all times conduct its business at the Airport in compliance with all applicable Environmental Law. In the event that AIRLINE, because of AIRLINE's actions that occur during the Term, is in violation of any Environmental Law concerning the presence, use, Release or threat of Release of Hazardous Substances or any other Environmental Law (whether or not pertaining to Hazardous Substances), AIRLINE shall promptly take such action as is reasonably necessary to remedy and cure the violation

10.4 Remedies. If AIRLINE, because of AIRLINE's actions that occur during the Term, is in violation of any applicable Environmental Law, and AIRLINE does not act promptly to take such action as is reasonably necessary to remedy and cure the violation, AUTHORITY has the right, but not the obligation, after providing written notice to AIRLINE and an opportunity to take such action as is reasonably necessary to remedy and cure the violation. If AUTHORITY has a reasonable belief that AIRLINE's actions or inactions present a threat of violation of applicable Environmental Law or a threat of damage to the Airport, any areas or facilities thereof or thereon, or harm to the public, AUTHORITY has the right, but not the obligation, to take such corrective or mitigating action as AUTHORITY deems reasonably necessary. All reasonable costs and expenses incurred by AUTHORITY in connection with any such actions, to the extent caused by AIRLINE's violation of Environmental Law, shall become due and payable by AIRLINE thirty (30) days after presentation of an invoice.

10.5 Access by AUTHORITY. AIRLINE acknowledges that AUTHORITY may conduct periodic environmental inspections and testing in, on and at the areas and facilities of the Airport to be used by AIRLINE during the Term. AIRLINE shall have the right to obtain the results of such inspections and testing and split samples of such testing, at AIRLINE's own expense and at no additional cost to AUTHORITY, upon AIRLINE's written request to AUTHORITY. AUTHORITY shall conduct each inspection or testing in a manner that does not unreasonably interfere with AIRLINE's operations.

10.6 Environmental Audit. For reasonable cause (e.g., AUTHORITY's reasonable belief that AIRLINE is in violation of any Environmental Law, or that AIRLINE's actions or inactions present a threat of a violation of Environmental Law, or a threat of damage to the

Airport or to any Airline Premises or harm to the public) and upon reasonable written notice, (a) AUTHORITY shall have the right, but not the obligation, to conduct or cause to be conducted by a firm acceptable to AUTHORITY, an environmental audit (e.g., a Phase I Environmental Site Assessment), or any other appropriate investigation of AIRLINE's fuel facilities or operations at the Airport, for compliance with Environmental Law (collectively, "audit"), or (b) AUTHORITY may elect to require AIRLINE to conduct its own audit, substantially similar in scope to AUTHORITY's proposed audit, by an outside third party to be approved by AUTHORITY, such approval not to be unreasonably withheld. In the event that AUTHORITY conducts such audit, AIRLINE shall have a reasonable opportunity to provide comments to AUTHORITY before the audit is completed. If any audit determines that further testing or analysis is needed, then it shall be reasonable for AUTHORITY to perform, or to require AIRLINE to perform, further testing or analysis, including, without limitation, a Phase 2 Environmental Site Assessment. AIRLINE shall pay all costs associated with any and all audits requested by AUTHORITY hereunder, and shall promptly correct any non-compliance with any Environmental Law related to or arising out of AIRLINE's fuel facilities or operations as identified in the audit, including, without limitation, removing and/or remediating as required by applicable Environmental Law any Hazardous Substances contamination for which AIRLINE is liable hereunder.

10.7 Expiration or Earlier Termination of this Agreement. Prior to expiration or earlier termination of this Agreement, in addition to all other requirements under this Agreement and without limiting AIRLINE's indemnification obligations under Section 6.1, AIRLINE shall remove any Hazardous Substances placed on or at the Airport during the Term by AIRLINE or as a result of AIRLINE's use of the Airport during the Term, and shall demonstrate to AUTHORITY's reasonable satisfaction that such removal is in compliance with all applicable Environmental Law, including, without limitation, conducting any environmental audits as may be required by AUTHORITY under Section 10.6. This removal and demonstration shall be a condition precedent to AUTHORITY's return of any portion of the Contract Security, if any, to AIRLINE upon termination or expiration of this Agreement.

10.8 Environmental Indemnity. Without limiting any indemnities provided in this Agreement for matters other than environmental matters, except for Excluded Environmental Claims, as hereinafter defined, AIRLINE agrees to defend, indemnify and hold harmless AUTHORITY from and against any and all claims, causes of action, regulatory demands, liabilities, fines, penalties, losses, and expenses, including without limitation clean-up or other remedial costs (and including reasonable attorneys' fees, costs and all other reasonable litigation expenses when incurred and whether incurred in defense of actual litigation or in reasonable anticipation of litigation), arising from the Release by AIRLINE of any Hazardous Substance from the areas and facilities used by AIRLINE during the Term to other properties or into the surrounding environment or from any other violation of Environmental Law by AIRLINE, whether made, commenced or incurred during the Term, or made, commenced or incurred after the expiration or termination of this Agreement, attributable to AIRLINE's actions during the Term. For purposes of this Section 10.8, "Excluded Environmental Claims" shall mean any claims, causes or action, demands, liabilities, fines, penalties, costs, expenses or any other liabilities, to the extent caused by or arising from (A) the migration or presence of Hazardous Substances Released prior to, during or after the commencement of the Term that AIRLINE demonstrates is not attributable to AIRLINE or AIRLINE's activities on or at the Airport; or (B) the movement of Hazardous Substances onto or under the areas used by AIRLINE during the

Term from other premises due to leaching or the flow of groundwater, provided that AIRLINE is not otherwise responsible for the Release outside the areas used by AIRLINE during the Term that introduced the migrating Hazardous Substances into the environment, or (C) the negligence or willful misconduct of AUTHORITY, its officials, agents and employees. The provisions of this Section 10.8 shall survive the expiration, termination or early cancellation of this Agreement. Notwithstanding anything contained in this Article 10, indemnification for matters other than environmental matters shall be governed by Article 6.

ARTICLE 11 - DEFAULT AND TERMINATION

11.1 Events of Default. The events described below shall be deemed events of default (“Events of Default”) by AIRLINE hereunder:

- (a) Upon the occurrence of any one of the following Events of Default, AUTHORITY may issue a written notice of default after providing AIRLINE the cure period noted:
- (i) The conduct of any business or performance of any acts at the Airport not specifically authorized herein or by other agreements between AUTHORITY and AIRLINE, and said business or acts do not cease within ten (10) days of receipt of AUTHORITY’s written notice to cease said business or acts.
 - (ii) The failure to cure a default in the performance of any of the terms, covenants and conditions required herein (except for those terms, covenants and conditions set forth in Section 11.1(b)) within 10 (ten) days of receipt of written notice by AUTHORITY to do so; or if by reason of the nature of such default, the same cannot be remedied within ten (10) days following receipt by AIRLINE of written demand from AUTHORITY, and AIRLINE fails to commence the remedying of such default, or having so commenced, shall fail thereafter to continue with diligence the curing thereof; provided, however, AIRLINE’s required performance under this Section (ii) shall be conditioned by the Force Majeure provisions of Section 13.28. AIRLINE shall have the burden of proof to demonstrate (i) that the default cannot be cured within ten (10) days, (ii) that it is proceeding with diligence to cure said default, and (iii) that such default will be cured within a reasonable period of time.
 - (iii) The failure by AIRLINE to pay any part of the rentals, fees and charges due hereunder and the continued failure to pay said amounts in full within ten (10) days of AUTHORITY’s written notice of payments past due; provided, however, if a dispute arises between AUTHORITY and AIRLINE with respect to any obligation or alleged obligation of AIRLINE to make payments to AUTHORITY, payments under protest by AIRLINE of the amount due shall not waive any of AIRLINE’s rights to contest the validity or amount of such payment. In the event any court or other body having jurisdiction determines all or any part of the protested payment

shall not be due, then AUTHORITY shall promptly reimburse AIRLINE any amount determined as not due plus interest on such amount at the lower of one and one-half percent (1½%) or the highest rate allowable under applicable state law.

(b) Upon the occurrence of any one of the following Events of Default, AUTHORITY may immediately issue written notice of default:

- (i) The failure by AIRLINE to pay any part of the rentals, fees and charges due hereunder and the continued failure to pay said amounts in full within ten (10) days of AUTHORITY's written notice of payments past due; provided, however, if a dispute arises between AUTHORITY and AIRLINE with respect to any obligation or alleged obligation of AIRLINE to make payments to AUTHORITY, payments under protest by AIRLINE of the amount due shall not waive any of AIRLINE's rights to contest the validity or amount of such payment. In the event any court or other body having jurisdiction determines all or any part of the protested payment shall not be due, then AUTHORITY shall promptly reimburse AIRLINE any amount determined as not due plus interest on such amount at the lower of one and one-half percent (1½%) or the highest rate allowable under applicable state law.
- (ii) The failure by AIRLINE to provide and keep in force, if required, the Contract Security in accordance with Section 4.9.
- (iii) The failure by AIRLINE to provide and keep in force insurance coverage in accordance with Article 7.
- (iv) The appointment of a trustee, custodian, or receiver of all or a substantial portion of AIRLINE's assets.
- (v) The divestiture of AIRLINE's interest herein by operation of law, by dissolution, or by liquidation.
- (vi) The insolvency of AIRLINE; or if AIRLINE shall take the benefit of any present or future insolvency statute, shall make a general assignment for the benefit of creditors, or shall seek a reorganization or the readjustment of its indebtedness under any law or statute of the United States or of any state thereof.
- (vii) The voluntary discontinuance for a period of at least thirty (30) consecutive days by AIRLINE of its operations at the Airport unless otherwise approved by AUTHORITY, in advance, in writing.

11.2 Continuing Responsibilities of AIRLINE. Notwithstanding the occurrence of any Event of Default, AIRLINE shall remain liable to AUTHORITY for all rentals, fees and charges payable hereunder and for all preceding breaches of any covenant, term or provision of this Agreement. Furthermore, unless AUTHORITY elects to cancel this Agreement, AIRLINE shall

remain liable for and promptly pay all rentals, fees and charges accruing hereunder until the expiration of this Agreement.

11.3 AUTHORITY's Remedies. Upon the occurrence of any event enumerated in Section 11.1(a) or 11.1(b), AUTHORITY may cancel this Agreement, effective upon the date specified in the notice of cancellation. For events enumerated in Section 11.1(a), such date shall be not less than ten (10) days from said notice. Upon such date, AIRLINE shall have no further rights or privileges hereunder, and AIRLINE shall immediately surrender and deliver to AUTHORITY, at AIRLINE's sole cost and expense, all areas and facilities of the Airport, and all of AUTHORITY's Terminal equipment, passenger loading bridges and associated equipment and devices that AIRLINE uses under this Agreement in the condition described in Section 11.5. AIRLINE shall remain liable to AUTHORITY for any damage to the Airport and to AUTHORITY's Terminal equipment, passenger loading bridges and associated equipment and devices at the Airport arising out of or related to AIRLINE's use, surrender or delivery of the same. AUTHORITY may remove all of AIRLINE's persons and property from the Airport upon the date specified in AUTHORITY's notice of cancellation to AIRLINE in accordance with Section 11.5. Upon any removal of AIRLINE property by AUTHORITY hereunder, AIRLINE property may be stored or stored by AUTHORITY in accordance with Section 11.5. AIRLINE shall pay to AUTHORITY all other costs incurred by AUTHORITY in the exercise of any remedy in this Article 11, including, but not limited to, reasonable attorneys' fees, disbursements, court costs, and expert fees. AUTHORITY may exercise any other legal or equitable remedy, including but not limited to the remedies hereinafter specified.

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

11.5 Surrender. Upon expiration or earlier termination of this Agreement, AIRLINE shall promptly and peaceably surrender to AUTHORITY all areas and facilities of the Airport, and all of AUTHORITY's Terminal equipment, passenger loading bridges and associated equipment and devices that AIRLINE uses under this Agreement in their condition on the Effective Date, reasonable wear and tear and damage due to structural or pre-existing defects excepted, unless caused by AIRLINE; provided, however, nothing in this Section 11.5 shall be construed to modify the obligations of the parties set forth in Article 6 or Article 10. AIRLINE shall not abandon any portion of its property at the Airport without the written consent of AUTHORITY. Any and all property not removed by AIRLINE within fifteen (15) business days following the date of termination of this Agreement shall, at the option of AUTHORITY, (i) become the property of AUTHORITY at no cost to AUTHORITY; (ii) be stored by AUTHORITY, at no cost to AUTHORITY; or (iii) be sold in a commercially reasonable manner for the account of AIRLINE at no cost to AUTHORITY. Except as may be agreed to otherwise by AUTHORITY and AIRLINE, all AUTHORITY property damaged by or as a result of the

removal of AIRLINE's property shall be restored by AIRLINE to the condition existing before such damage at AIRLINE's expense.

ARTICLE 12 – GOVERNMENT INCLUSION

12.1 Government Agreements. This Agreement shall be subordinate to the provisions of any existing or future agreements between AUTHORITY and the United States or the State of New York or any other governmental authority, relative to the operation or maintenance of the Airport, the execution of which has been or will be required as a condition precedent to the granting of Federal or other governmental funds for the development of the Airport, to the extent that the provisions of any such existing or future agreements are generally required by the United States or other governmental authority of other civil airports receiving such funds. AUTHORITY agrees to provide AIRLINE written advance notice of any provisions which would adversely modify the material terms of this Agreement. In addition, this Agreement shall be subordinate to the Airport Lease.

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

12.3 Non-Discrimination. AIRLINE acknowledges that AUTHORITY has given to the United States of America, acting by and through the FAA, certain assurances with respect to non-discrimination required by Title VI of the Civil Rights Act 1964 (42 U.S.C. § 2000d *et seq.*, 78 Stat. 252), 49 CFR Part 21, 49 CFR § 47123, 28 CFR § 50.3 and other acts and regulations relative to non-discrimination in Federally-assisted programs of the U.S. Department of Transportation ("DOT") (collectively, and including all amendments thereto, the "Acts and Regulations") as a condition precedent to receiving Federal financial assistance from FAA for certain Airport programs and activities. AUTHORITY is required under the Acts and Regulations to include in this Agreement, and AIRLINE agrees to be bound by, the following covenants and requirements:

(i) AIRLINE, for itself, its assignees and successors in interest, covenants and agrees that it shall assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability, be excluded from participating in any program or activity conducted with or benefitting from Federal financial assistance received by AUTHORITY from the FAA. In the event of AIRLINE's breach of any of the above Non-discrimination covenants, AUTHORITY shall have the right to terminate this Agreement.

(ii) AIRLINE, for itself, its personal representatives, successors in interest and assigns, as part of the consideration hereof, hereby covenants and agrees, as a covenant running with the land, that in the event facilities are constructed, maintained, or otherwise operated at the Airport for a purpose for which a DOT activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, AIRLINE shall maintain and operate such facilities and services in compliance with all

requirements imposed by the Acts and Regulations such that no person on the ground of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said facilities.

(iii) In the event of AIRLINE's breach of any of the Non-discrimination covenants described in subsection (b), above, AUTHORITY shall have the right to terminate this Agreement, and to enter, re-enter and repossess the areas and facilities used by AIRLINE at the Airport, and hold the same as if this Agreement had never been made or issued. This subparagraph (c) shall not become effective until the procedures of 49 CFR Part 21 are followed and completed, including the expiration of appeal rights.

(iv) AIRLINE, for itself, its personal representatives, successors in interest and assigns, as part of the consideration hereof, hereby covenants and agrees, as a covenant running with the land, that (i) no person on the ground of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said facilities, (ii) in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (iii) AIRLINE shall use the all areas and facilities on or at the Airport in compliance with all other requirements imposed by or pursuant to the Acts and Regulations.

(v) In the event of AIRLINE's breach of any of the Non-discrimination covenants described in subsection (d), above, AUTHORITY shall have the right to terminate this Agreement, and to enter or re-enter and repossess the areas and facilities used by AIRLINE at the Airport, and hold the same as if this Agreement had never been made or issued. This subparagraph (e) shall not become effective until the applicable procedures of 49 CFR Part 21 are followed and completed, including the expiration of appeal rights.

(vi) AIRLINE shall include these subsections (a) through (f), inclusive, in AIRLINE's licenses, permits and other instruments relating to the areas and facilities used by AIRLINE at the Airport, and shall require that its licensees, permittees and others similarly include these statements in their licenses, permits and other instruments relating to the areas and facilities used by AIRLINE at the Airport.

12.4 Affirmative Action. AIRLINE assures that: (a) it shall undertake an affirmative action program as required by AUTHORITY, and by all federal and state laws, rules and regulations pertaining to Civil Rights (and any and all amendments thereto), including, without limitation, 49 CFR Part 21 and 49 U.S.C. § 47123, to assure that no person shall, on the grounds of race, creed, color, national origin, sex, or age be excluded from participation in or denied the benefits of the program or activity conducted with or benefitting from Federal financial assistance received by AUTHORITY from the FAA; (b) it shall not engage in employment practices that result in excluding persons on the grounds of race, creed, color, national origin, sex, or age, from participating in or receiving the benefits of any program or activity conducted with or benefitting from Federal financial assistance received by AUTHORITY from the FAA, or in subjecting them to discrimination or another violation of the regulations under any program

covered by 49 CFR Part 21 and 49 U.S.C. § 47123; and (c) it shall include the preceding statements of this Section 12.4 in AIRLINE's contracts and other applicable documents under this Agreement, and shall require that its contractors and others similarly include these statements in their subcontracts and applicable documents.

12.5 Security. AIRLINE, its officers, employees, agents, and those under its control, shall comply with security measures required of AIRLINE by the FAA, DHS, TSA or contained in any Airport master security plan approved by the FAA. If AIRLINE, its officers, employees, agents, or those under its control shall fail or refuse to comply with said measures and such noncompliance results in a monetary penalty being assessed against AUTHORITY, then, in addition to the provisions of Section 11.1, AIRLINE shall be responsible and shall reimburse AUTHORITY in the full amount of any such monetary penalty or other damages. Nothing contained herein shall prohibit AIRLINE from contesting with the FAA or other appropriate governmental agency the validity or amount of such penalty.

ARTICLE 13—GENERAL PROVISIONS

13.1 Subordination to Resolution. This Agreement and all rights granted to AIRLINE hereunder are expressly subordinated and subject to the lien and provisions of the pledges, transfer, hypothecation or assignment made by AUTHORITY in any Resolution, or any proceedings authorizing and providing security for other indebtedness.

13.2 Handling Agreements. In the event AIRLINE agrees to ground handle any portion of the operations of another Air Transportation Company, AIRLINE shall provide AUTHORITY advance written notice of such proposed activities, including a description of the type and extent of services to be provided. Notwithstanding the foregoing, AIRLINE shall not ground handle any Air Transportation Company that does not have in force an agreement with AUTHORITY for the operation of its Air Transportation Business at the Airport. In the event AIRLINE ground handles any Air Transportation Company that does not have in force an agreement with AUTHORITY, then AIRLINE will be responsible for so notifying AUTHORITY and for collecting the appropriate fees and charges and reporting and remitting same to AUTHORITY.

13.3 Nonwaiver. No waiver of default by either party of any of the terms, covenants, or conditions hereof to be performed, kept and observed by the other party shall be construed to be or act as a waiver of any subsequent default of any of the terms, covenants and conditions to be performed, kept and observed by the other party and shall not be deemed a waiver of any right on the part of the other party to cancel this Agreement as provided herein, or to exercise any other right(s) available at law or in equity.

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

13.5 SEC Rule 15c2-12. AIRLINE, upon written request by AUTHORITY, shall provide AUTHORITY with such information as AUTHORITY may reasonably request in writing to comply with AUTHORITY's continuing disclosure requirements under SEC Rule

15c2-12, as it may be amended from time to time; provided, however, that AIRLINE may, in lieu of providing the requested information, direct AUTHORITY to an AIRLINE or SEC website where the requested information is then currently available.

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

13.7 Avigation Rights. AUTHORITY reserves unto itself; its successors, and assigns for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Airport for navigation or flight in the said airspace for landing on, taking off from, or operating at the Airport.

13.8 Rules and Regulations.

(i) AIRLINE, its officers, employees, agents and others under its control shall observe and obey all laws, regulations and orders of the Federal, state, county and local governments which may be applicable to AIRLINE's operations at the Airport. AUTHORITY may from time to time adopt, amend or revise reasonable and non-discriminatory rules and regulations for the conduct of operations at the Airport, for reasons of safety, health, preservation of the property or for the maintenance of the good and orderly appearance of the Airport.

(ii) AIRLINE, its officers, employees, agents, and others under its control shall faithfully comply with and observe such rules and regulations, except as they may conflict with the terms and provisions of this Agreement, or the regulations of another governmental authority having appropriate jurisdiction. AUTHORITY shall notify AIRLINE in writing in advance of any proposed amendments or supplements to such rules and regulations that would adversely materially alter the terms of this Agreement, and shall provide AIRLINE a reasonable opportunity to comment on any such amendments or supplements.

(iii) AIRLINE shall be liable and responsible for obtaining, maintaining current, and fully complying with, any and all permits, licenses, and other governmental authorizations, however designated, as may be required at any time throughout the entire Term of this Agreement by any Federal, state, or local governmental entity or any court of law having jurisdiction over AIRLINE or AIRLINE's operations and activities.

13.9 Inspection. AIRLINE acknowledges that AUTHORITY's authorized representatives may access equipment, areas and facilities at the Airport used by AIRLINE during the Term to examine and inspect said equipment, areas and facilities for purposes necessary, incidental to, or connected with confirming AIRLINE's compliance with its obligations under this Agreement; or, in AUTHORITY's exercise of its governmental functions.

13.10 No Individual Liability. No member, officer, agent, director, or employee of AUTHORITY or AIRLINE shall be charged personally or held contractually liable by or to the

other party under the terms or provisions of this Agreement or because of any breach thereof or because of its or their execution or attempted execution.

13.11 Relationship of Parties. Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship between the parties hereto.

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

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

13.14 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto, where permitted by this Agreement.

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

13.16 Titles. Section titles are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or extent of any provision of this Agreement, and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

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

13.18 Amendments. This Agreement constitutes the entire agreement between the parties. No amendment, modification or alteration of the terms of this Agreement shall be binding unless the same is in writing, dated subsequent to the date hereof, and duly executed by the parties hereto.

13.19 Agreement Not to Grant More Favorable Terms. During the Term, AUTHORITY agrees not to enter into any lease, contract, or other agreement with any other Air Transportation Company conducting operations at the Airport that contains fees and charges or terms more favorable to such Air Transportation Company than the terms of, or the fees and charges payable by AIRLINE under, this Agreement, unless AUTHORITY also makes those more favorable terms available to AIRLINE. The provisions of this Section 13.19 shall in no way limit, impair, or interfere with AUTHORITY'S ability to charge or establish such fees and

charges as AUTHORITY may deem applicable or necessary when entering into any lease, contract, or other agreement with any party that is not an Air Transportation Company.

13.20 No Exclusive Remedy. No remedy provided by this Agreement shall be deemed to be exclusive.

13.21 Subordination to Sponsor's Assurance Agreement. This Agreement shall be subordinate and subject to the terms of any "Sponsor's Assurance Agreement" or like agreement that has been or may be furnished to the FAA by AUTHORITY or required by law.

13.22 Exclusiveness of AIRLINE's Rights. Nothing contained in this Agreement shall be deemed to grant to AIRLINE any exclusive right or privilege within the meaning of 49 U.S.C. § 40103(e) with respect to activity on the Airport.

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

13.24 Approvals. Unless otherwise stated, whenever this Agreement calls for approval by AUTHORITY, such approval shall be evidenced by the written approval of the CEO.

13.25 Notice. All notices, requests, consents and approvals served or given under this Agreement shall be served or given in writing by certified or registered mail or by a recognized national overnight express mail delivery service. If intended for AUTHORITY, notices, requests, consents and approvals shall be delivered to Chief Executive Officer, Albany County Airport Authority, Albany International Airport, Administration Building, Suite 200, Albany, New York 12211-1057, or to such other address as may be designated by AUTHORITY by written notice to AIRLINE. Notices, requests, consents and approvals to AIRLINE shall be delivered to: _____, or to such other address as may be designated by AIRLINE by written notice to AUTHORITY. All notices, requests, consents and approvals sent by certified or registered mail shall be deemed to have been given on the third business day following the date of mailing, if properly mailed and addressed. All notices, requests, consents and approvals sent by overnight express mail delivery shall be deemed to have been given when received at the address listed in this Section 13.25 or to such other address as may have been designated by written notice in accordance with this Section 13.25.

13.26 Agent for Service. It is expressly understood and agreed that if AIRLINE is not a resident of the State of New York, or is an association or partnership without a member or partner resident of said state, or is a foreign corporation not licensed to do business in New York, then in any such event, AIRLINE shall appoint an agent for the purpose of service of process in any court action between it and AUTHORITY arising out of or based upon this Agreement. AIRLINE shall immediately, within ten (10) days of execution of this Agreement, notify AUTHORITY, in writing, of the name and address of said agent. Such service shall be made as provided by the laws of the State of New York for service upon a non-resident engaging in

business in the State. It is further expressly agreed, covenanted and stipulated that, if for any reason, such service of process is not possible, as an alternative method of service of process, AIRLINE may be served out of the State of New York by the registered mailing of such service at the address set forth in Section 13.25.

13.27 Governing Law. This Agreement shall be construed in accordance with the laws of the State of New York. The parties hereto agree the Supreme Court - State of New York, County of Albany or United States District Court - Northern District of New York shall be the forum for any actions brought hereunder.

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

13.29 Entire Agreement. It is understood and agreed that this instrument contains the entire agreement between the parties hereto. It is further understood and agreed by AIRLINE that AUTHORITY and AUTHORITY's agents have made no representations or promises with respect to this Agreement or the making or entry into this Agreement, except as in this Agreement expressly set forth.

13.30 Airline as an Affiliate or Signatory Airline. If AIRLINE executes and delivers to AUTHORITY an airline use and lease agreement in substantially the same form as the Airline Use and Lease Agreement, and thus becomes a Signatory Airline, or if AIRLINE executes and delivers to AUTHORITY an affiliate operating agreement in form and substance satisfactory to AUTHORITY, and thus becomes an Affiliate, this Agreement shall terminate as of the effective date of said airline use and lease agreement or affiliate operating agreement; provided, however, that unless otherwise agreed to in writing by AIRLINE and AUTHORITY, AIRLINE shall remain responsible to AUTHORITY for all payment and other obligations that survive termination of this Agreement.

13.31 Counterparts. This Agreement may be executed simultaneously in counterparts, each of which shall be deemed to be an original copy of this Agreement and, when taken together, shall be deemed to be one and the same Agreement.

[The remainder of this page is left blank intentionally.]

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the

Effective Date.

WITNESS:

ALBANY COUNTY AIRPORT AUTHORITY

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Approved as to Form and Legality

Authority Attorney

WITNESS:

[AIRLINE]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT A

Rentals, Fees and Charges

TABLE OF CONTENTS

		Page
ARTICLE 1	DEFINITIONS	2
ARTICLE 2	EFFECTIVE DATE AND TRANSITION PROVISIONS	15
	2.1 Effective Date	15
	2.2 Cancellation of Prior Agreements.....	15
ARTICLE 3	TERM	15
	3.1 Basic Term and Renewal Term.....	15
	3.2 Early Termination	16
ARTICLE 4	PREMISES	16
	4.1 Airline Premises.....	16
	4.2 Terminal Equipment	17
	4.3 Employee Parking.....	17
	4.4 Public Address System	17
	4.5 Federal Inspection Facilities	17
ARTICLE 5	USE OF THE AIRPORT AND RELATED FACILITIES	18
	5.1 AIRLINE Rights and Privileges	18
	5.2 Preferential Use Gate Utilization Targets.....	24
	5.3 AUTHORITY’s Right to Recapture Underutilized Preferential Use Gates.	24
	5.4 Exclusion and Reservations.....	27
ARTICLE 6	OPERATION AND MAINTENANCE OF THE AIRPORT	31
	6.1 AUTHORITY Obligations.....	31
	6.2 AIRLINE Obligations.....	31
	6.3 Designation of Operation and Maintenance Responsibilities.....	32
ARTICLE 7	RENTALS, FEES AND CHARGES	33
	7.1 Landing Fees.....	33
	7.2 Terminal Rentals.....	33
	7.3 Aircraft Apron Fees	35
	7.4 Equipment Charges.....	35
	7.5 Passenger Screening Charges	35
	7.6 Per Use Terminal Fee.....	36
	7.7 Other Fees and Charges.	36

TABLE OF CONTENTS
(continued)

	Page
7.8 Payments	38
7.9 Information to be Supplied by AIRLINE.	41
7.10 Security for Payment.....	43
7.11 Capitalized Interest on Bonds	45
7.12 Passenger Facility Charges	45
ARTICLE 8 CHANGES IN RATES FOR RENTALS, FEES AND CHARGES	46
8.1 Annual Rate Changes.....	46
8.2 Other Rate Changes	47
8.3 Incorporation of Exhibit “G.”	48
8.4 Annual Settlement.....	48
8.5 AUTHORITY Covenants.	51
ARTICLE 9 AIRLINE DISAPPROVALS; IMPROVEMENTS	52
9.1 Need for Capital Expenditures.....	52
9.2 Capital Expenditures Not Subject To MII	52
9.3 The Disapproval Process.....	55
9.4 Alterations and Improvements by AIRLINE.....	57
ARTICLE 10 AFFILIATE PRIVILEGES AND OBLIGATIONS	59
10.1 Designation As Affiliate	59
10.2 Obligations.....	60
10.3 Privileges of Affiliates	62
10.4 Default by or Termination of Affiliate.....	62
10.5 Signatory Airline Operating as an Affiliate	63
10.6 Multiple Affiliates.....	63
ARTICLE 11 DAMAGE OR DESTRUCTION	64
11.1 Partial Damage.....	64
11.2 Substantial Damage	64
11.3 Destruction.....	64
11.4 Damage Caused By AIRLINE.....	66
11.5 AUTHORITY’s Responsibilities.....	66
ARTICLE 12 INDEMNIFICATION AND INSURANCE	66
12.1 Indemnification.....	66

TABLE OF CONTENTS
(continued)

	Page
12.2 Insurance.....	68
12.3 Waiver of Subrogation.....	74
ARTICLE 13 ENVIRONMENTAL STANDARDS.....	74
13.1 Definitions.....	74
13.2 Restrictions on Hazardous Substances.....	76
13.3 Compliance and Remediation.....	77
13.4 Remedies.....	77
13.5 Access to Airline Premises.....	78
13.6 Environmental Audit.....	78
13.7 Vacating of Airline Premises.....	79
13.8 Environmental Indemnity.....	80
ARTICLE 14 CANCELLATION BY AUTHORITY.....	81
14.1 Events of Default.....	81
14.2 Continuing Responsibilities of AIRLINE.....	83
14.3 AUTHORITY's Remedies.....	83
14.4 Remedies Under Federal Bankruptcy Laws.....	85
ARTICLE 15 CANCELLATION BY AIRLINE.....	86
15.1 Events of Default.....	86
15.2 AIRLINE's Remedy.....	87
ARTICLE 16 SURRENDER OF AIRLINE PREMISES.....	87
16.1 Surrender and Delivery.....	87
16.2 Removal of Property.....	88
16.3 Holding Over.....	88
ARTICLE 17 ASSIGNMENT, SUBLETTING, AND HANDLING AGREEMENTS.....	89
17.1 Assignment and Subletting by AIRLINE.....	89
17.2 Handling Agreements.....	91
ARTICLE 18 ACCOMMODATION AND REASSIGNMENT.....	91
18.1 Declaration of Intent.....	91
18.2 AUTHORITY's Scheduling Rights at Preferential Use Gates.....	92
18.3 Priorities for Accommodation in Space Other than Gates.....	96

TABLE OF CONTENTS
(continued)

	Page
18.4 Consolidation of Operations	99
18.5 Periodic Reassignment.....	100
ARTICLE 19 GOVERNMENT INCLUSION	102
19.1 Government Agreements	102
19.2 Federal Government’s Emergency Clause.....	103
19.3 Nondiscrimination and Affirmative Action.....	103
19.4 Security	106
ARTICLE 20 GENERAL PROVISIONS.....	107
20.1 Subordination to Resolution.	107
20.2 Nonwaiver.....	110
20.3 Rights Non-Exclusive	111
20.4 SEC Rule 15c2-12.....	111
20.5 Quiet Enjoyment.	111
20.6 Performance	111
20.7 Avigation Rights.....	112
20.8 Rules and Regulations.....	112
20.9 Waiver of Visual Artists Rights.....	113
20.10 Inspection.....	113
20.11 No Individual Liability	113
20.12 Relationship of Parties	114
20.13 Capacity to Execute	114
20.14 Savings.....	114
20.15 Successors and Assigns Bound.....	114
20.16 Incorporation of Exhibits	114
20.17 Titles	114
20.18 Severability	115
20.19 Amendments	115
20.20 Agreement Not to Grant More Favorable Terms.....	115
20.21 No Exclusive Remedy.....	115
20.22 Subordination to Sponsor’s Assurance Agreement	116
20.23 Exclusiveness of AIRLINE’s Rights	116

TABLE OF CONTENTS
(continued)

	Page
20.24 Other Agreements	116
20.25 Approvals.....	116
20.26 Notice.....	116
20.27 Agent For Service	117
20.28 Governing Law	118
20.29 Force Majeure	118
20.30 Entire Agreement.....	118
EXHIBIT A AIRPORT BOUNDARIES.....	120
EXHIBIT B AIRLINE PREMISES.....	122
EXHIBIT C SUMMARY OF TERMINAL AND AIRCRAFT APRON AREAS	123
EXHIBIT D AUTHORITY AND AIRLINE RESPONSIBILITIES FOR TERMINAL OPERATIONS AND MAINTENANCE.....	124
EXHIBIT E CAPITAL IMPROVEMENT PLAN 2015-2019	127
EXHIBIT F EQUIPMENT	147
EXHIBIT G FORMAT FOR RATES AND CHARGES AND REVENUE SHARING CALCULATIONS.....	148
EXHIBIT H SURVIVING AGREEMENTS.....	155
EXHIBIT I ALBANY INTERNATIONAL AIRPORT	156
EXHIBIT J FORM OF NON-SIGNATORY OPERATING AGREEMENT	167