

Draft for Submission to Port Commission – 11.14.24

PORT OF SEATTLE
SIGNATORY LEASE AND OPERATING AGREEMENT
2025 – 2034

AIRLINE:
<Airline Legal Name>

SEATTLE-TACOMA INTERNATIONAL AIRPORT

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PORT OF SEATTLE

SEATTLE-TACOMA INTERNATIONAL AIRPORT

2025 – 2034

SIGNATORY LEASE AND OPERATING AGREEMENT

Airline: <Airline Legal Name>

This SIGNATORY LEASE AND OPERATING AGREEMENT (this “Agreement”) is made by and between the PORT OF SEATTLE (the “Port”), a Washington municipal corporation, and <Airline Legal Name>, <Company Type and State> (the “Airline”).

RECITALS

The Port owns and operates the Seattle-Tacoma International Airport (the “Airport”) and has the authority to grant to Airline rights and privileges concerning the occupancy and use of the Airport.

The Airline desires to occupy or use certain Airport premises and facilities and to acquire from the Port certain rights and privileges in connection with its use of the Airport.

In consideration of the terms and conditions described below, the Port and Airline agree as follows:

ARTICLE 1

DEFINITIONS AND EXHIBITS

1.1 Basic Data.

Each reference in this Agreement to any of the following subjects shall incorporate the information specified below:

Port: Port of Seattle.

Port’s Overnight Delivery and Street Address: Attn: Manager, Aviation Properties, Mezzanine Level, 17801 Pacific Highway So. Seattle, WA 98158.

Port’s Payment Address: P. O. Box 24507, Seattle, WA 98124-0507

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Port's Post Office Address: Attn: Senior Manager, Aviation Properties, PO Box 68727, Seattle, WA 98168

Airline: <Airline Legal Name>

Airline's Overnight Delivery Address: <Address>

Airline's Post Office Delivery Address: <Address>

Effective Date: _____

Term: The period of time beginning on the Effective Date and ending on the Expiration Date, unless earlier terminated as provided in this Agreement; *provided*, however, that this Agreement shall not commence for any Air Carrier unless three (3) or more Air Carriers that are currently performing scheduled passenger or cargo operations at the Airport and that also collectively account for at least sixty-six and two-thirds (66-2/3) percent of the Terminal Rents and Landing Fees paid by all Air Carriers at the Airport during Fiscal Year 2023, deliver to the Port by March 10, 2025 duly executed Agreements in this form to the Port. If these conditions are satisfied, the Effective Date for a duly executed Agreement in this form delivered to the Port by any Air Carrier by March 10, 2025 shall be January 1, 2025, and the Effective Date for a duly executed Agreement in this form that is delivered to the Port after March 10, 2025 by any Air Carrier shall be the first day of the next month beginning no less than thirty (30) days after the date the duly executed Agreement is delivered to the Port, and until such Effective Date any such Air Carrier utilizing the Airport shall be deemed to be a Non-Signatory Airline from January 1, 2025 until the Effective Date for such Air Carrier.

Expiration Date: December 31, 2034.

Permitted Uses: As provided in Article 3.

Premises and Legal Description: As provided in Article 2.

Security Deposit: _____

1.2 Additional Defined Terms.

The following terms shall have the following meanings wherever used in this Agreement:

“2018 SLOA” means the Signatory Lease and Operating Agreement between Airline or other Air Carriers and the Port dated <DATE>, as amended.

“AAAC” means the Airline Airport Affairs Committee established by the Signatory Airlines operating at the Airport.

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“Affiliate” means any Air Carrier that is (a) flying in or out of the Airport solely for the benefit of a Contracting Carrier(s) and providing transportation of property or passengers for the Contracting Carrier under the name of the Contracting Carrier, (b) if flying under its own name, not selling any seats in its own name and all seats are being sold in the name of the Contracting Carrier or (c) a wholly-owned subsidiary of the Contracting Carrier or a subsidiary of the same corporate parent as the Contracting Carrier.

“Air Carrier” means a carrier certificated by the Secretary of Transportation as a Passenger Carrier under 49 U.S.C. § 41102 or a Cargo Carrier under 49 U.S.C. § 41103.

“Airfield” means the total area comprised of the Airfield Apron Area, Airfield Movement Area and Airfield Commercial Area.

“Airfield Apron Area” or “Apron” means the paved areas surrounding the Terminal used by Passenger Carriers, including taxi lanes used for circulation and ramp areas used for parking of aircraft and ground service equipment and the remote parking areas designated for Airlines, not including Airfield Commercial Area ramps and taxi lanes.

“Airfield Commercial Area” means the land, taxi lanes, ramps and facilities outside the Airfield Movement Area, Aprons and Terminal used primarily for cargo activities and aircraft maintenance.

“Airfield Movement Area” means all landing areas, runways, taxiways, adjacent field areas and related support facilities (e.g. field lighting, navigational aides and cart roads).

“Airline Rate Bases” means the rate bases used to calculate Landing Fees or Terminal Rents as provided in Article 8.

“Airline Rented Space” means all Exclusive Premises and Preferential Use Premises leased to any Signatory Airline, plus all Common Use Premises.

“Airline Rate-Based Capital Costs” means the portion of costs of a Capital Improvement that is reasonably attributable or allocable to the Airfield Movement Area, Airfield Apron Area or the Terminal, net of any PFCs or federal or state grants.

“Airline Support Systems and Equipment” shall mean various systems and equipment provided by the Port to support Airline operations at the Airport including but not limited to Common Use Baggage Claim and Baggage Make up Systems, passenger loading bridges and utility systems and services, airport information technology systems, and electric ground service equipment (“EGSE”) charging stations used for airline vehicles.

“Airline Support Systems and Equipment Costs” means all the Capital Costs and O&M Expenses allocable to Airline Support Systems and Equipment.

“Airline Technical Representative” means the technical consultant(s) retained to provide advice to all Air Carriers and coordinate with the Port on Very Large Projects and other Capital

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Improvements, operational issues and other Air Carrier services and issues, all in accordance with Section 6.5.

“Airport” means the realty and improvements generally known and designated as the “Seattle-Tacoma International Airport.” The improvements on the realty consist of the runways, aircraft taxiways and parking aprons, the passenger and freight terminal buildings, hangars, vehicle roadways and parking facilities, and all other improvements on such realty. The term “Airport” shall also include any adjacent or nearby realty hereafter acquired for purposes of the Airport by the Port and all improvements hereafter constructed on such realty.

“Airport Development Fund” means the operating fund at the Airport that receives operating revenues from all Airport sources and funds debt service payments, Operations and Maintenance Expenses and other Airport-related costs and expenses.

“Baggage Claim Areas” means the areas located in the Terminal where inbound baggage is unloaded and/or delivered to and claimed by arriving passengers.

“Baggage Make up Areas” means the areas located in the Terminal where outbound baggage is sorted for delivery to departing aircraft.

“Baggage Make up Circulation Space” means the areas within the Terminal that are associated with the movement of bags from Baggage Make up devices to aircraft.

“Baggage Make up System” means all equipment owned, operated and maintained by the Port associated with the transportation of baggage from Ticket Counters to baggage make up devices.

“Baggage Make up System Space” means the footprint of the Baggage Make up devices plus adjacent circulation space sufficient to accommodate the parking of tugs and carts required during operations of the devices.

“Baggage System Costs” means all Capital Costs and O&M Expenses allocable to the Baggage Make up System and the Common Use Baggage Claim System.

“Capital Costs” means all capital costs of the Airport, including the following:

- (a) Debt service (net of PFC’s) allocable to revenue bond-funded Capital Improvements.
- (b) Amortization allocable to Capital Improvements funded with airport revenue expended on or after January 1, 1992, based on the economic life for each Capital Improvement and calculated using an interest rate set to equal comparable published average borrowing costs for debt financings by comparable public entities during the calendar year when such Capital Improvement is put in service.
- (c) Debt Service Coverage Charges, if any.

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A copy of the current Airport debt service schedule is attached as **Exhibit H** to this Agreement.

“Capital Improvement” means a single addition or improvement to the Airport’s physical plant or equipment consistent with the Port’s Capitalization Guidelines attached as **Exhibit G**, as may be amended by the Port.

“Cargo Carrier” means a carrier certificated by the Secretary of Transportation as a Cargo Carrier under 49 U.S.C. § 41103.

“Chair of the AAAC” means the representative of the Signatory Airlines designated as such by the members of the AAAC.

“Common Use Baggage Claim Areas” means the space in the Terminal (excluding the FIS Area) designated by the Managing Director to be used in common with other Airlines for the delivery of inbound baggage to arriving passengers, including the areas where Common Use Baggage Claim Systems are located.

“Common Use Baggage Claim System” means equipment owned, operated and maintained by the Port that delivers inbound baggage to arriving passengers.

“Common Use Baggage Make up System” means equipment owned, operated and maintained by the Port that sorts outbound baggage for delivery to departing aircraft.

“Common Use Baggage Make up System Space” means the space in the Terminal designated by the Managing Director to be used in common with other Airlines for the transportation and sorting of outbound baggage for delivery to departing aircraft.

“Common Use Baggage System Costs” means all the Capital Costs and O&M Expenses allocable to the Common Use Baggage Claim System and the Common Use Baggage Make up System.

“Common Use Gates” means the space in the Terminal designated by the Managing Director to be used in common with other Airlines for passenger holdrooms and gate areas and does not include any Preferential Use Gates.

“Common Use Hardstands” means an aircraft parking position not contiguous to the Terminal and not exclusively leased to any Air Carrier.

“Common Use Passenger Loading Bridge” means a passenger loading bridge and related equipment owned and maintained by the Port and serving a Common Use Gate.

“Common Use Premises” means those areas within the Terminal including Common Use Baggage Make up System Space, Common Use Gates, Common Use Ticket Counters, and Common Use Baggage Claim Areas that are made available by the Port to Airline and to one or more other Air Carriers, as more fully described in the Premises Notice.

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“Common Use Ticket Counters” means the space in the Terminal designated by the Managing Director to be used in common with other Airlines for ticket counters and associated queuing space.

“Construction Cost Index” means the Construction Cost Index for Seattle, Washington published by the Engineering News-Record, or in the event that the Engineering News-Record ceases to publish such an index, a similar construction cost index selected by the Managing Director after consultation with the Signatory Airlines.

“Contracting Carrier” means a Signatory Airline who contracts with another Air Carrier that is an Affiliate.

“Date of Beneficial Occupancy” means the date when a project or a phased element of a project has been completed and the Managing Director determines that it is available for use by Air Carriers.

“Debt Service Coverage Charges” means, for any given Fiscal Year, charges to the Airline Rate Bases to maintain total Airport debt service coverage at no less than 1.25 times the sum of debt service for that Fiscal Year.

“Deplaned Domestic Passengers” means passengers (including non-revenue passengers) disembarking from a domestic flight and pre-cleared passengers disembarking from an international flight at the Terminal, but does not include the flight crew.

“Deplaned International Passengers” means passengers (including non-revenue passengers) disembarking from an international flight at the Terminal, but does not include pre-cleared passengers or the flight crew.

“Domestic Common Use Gate” means a Common Use Gate that is a Domestic Gate.

“Domestic Gate” means a Gate that is not an International Gate.

“Exclusive Premises” means any office space, storage area, VIP Lounge, employee break room, baggage service office, or other areas of the Terminal designated for the exclusive use by Airline in the Premises Notice, and includes any Shared Exclusive Premises.

“FAA” means the Federal Aviation Administration or successor agency.

“FIS Facility” means the Federal Inspection Services Facility located in the Terminal and is sometimes referred to as the “International Arrivals Facility.”

“FIS Fees” means the fees charged by the Port for Airline’s use of the FIS Facility, as described in Article 8.

“Fiscal Year” means a year beginning January 1 and ending December 31.

“Gate” means an in service PLB Gate or a Ground-boarded Gate.

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“Gate Ramp” means the ramp area associated with each Gate.

“Gross Revenues” means the selling price, whether for cash or credit, of all alcoholic beverages or other beverages, and any related food service items sold at a VIP Lounge, but shall exclude any sales or other excise tax imposed upon the purchaser and collected by the Airline as agent for the taxing body imposing the tax and billed to the purchaser as a separate item.

“Ground-boarded Gate” means those portions of the Terminal and Airfield Apron Area individually comprised of a passenger hold room with American with Disabilities Act compliant access to an adjacent aircraft parking position from the ground and no such access from a passenger loading bridge.

“International Gate” means a Gate that provides aircraft direct access to the FIS Facility.

“Landing Fees” means the fees described in Article 8.

“Managing Director” means the Managing Director, Aviation Division, of the Port or his/her successor.

“Maximum Gross Landed Weight” means the maximum weight in thousand pound units at which each aircraft operated by Airline is authorized by the FAA to land at the Airport.

“Net Revenue” means Airport net operating income plus (a) interest income on the Airport Development Fund plus (b) grants treated as non-operating revenues used to fund operating expenses, less (c) the customer facility charge surplus, if any, and less (d) other non-operating expenses paid out of the Airport Development Fund.

“Non-Airline Support Systems and Equipment” shall mean various systems and equipment, if any, provided by the Port to support operations at the Airport by tenants other than Air Carriers.

“Non-Airline Support Systems and Equipment Costs” means all the Capital Costs and O&M Expenses allocable to Non-Airline Support Systems and Equipment.

“Non-Signatory Airline” means any Air Carrier that is not a Signatory Airline.

“Open Storage Space” means unimproved, not fully-enclosed space.

“Operations and Maintenance Expenses” or “O&M Expenses” means operations and maintenance expenses of the Airport.

“Other Airfield Movement Area Revenue” means revenue derived from fees charged for the use of the Airfield Movement Area other than Landing Fees such as badge fees and land rent.

“Outbound Checked Bags” means the actual number of outbound bags or other checked items (including bags transferred aircraft-to-aircraft if the bags entered the outbound baggage system) delivered on the Baggage Make up System.

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“Passenger Airline Apron Fee” means the fees charged by the Port for Airline’s use of the Airfield Apron Area, as described in Article 8.

“Passenger Carrier” means an air carrier certificated by the Secretary of Transportation under 49 U.S.C. § 41102.

“Passenger Facility Charges” or “PFCs” means charges authorized by 49 U.S.C. § 40117 and applicable implementing regulations adopted by the FAA, as they may be amended from time to time.

“PLB Gate” means those portions of the Terminal individually comprised of a passenger loading bridge and a passenger hold room with access to an adjacent aircraft parking position.

“Port Passenger Processing Equipment” means equipment owned and installed by the Port for use in passenger processing, which may include all or some of, equipment casework, gate information displays (“GIDS”), boarding gate readers, passenger processing workstations, seating and self-service kiosks (for boarding passes and bag tagging).

“Preferential Use Baggage Make up System Space” means the space in the Terminal assigned by the Port as Preferential Use Premises as set forth in Article 5 to be used by Airline for the transportation and sorting of outbound baggage for delivery to departing aircraft.

“Preferential Use Gate” means a Gate assigned by the Port for Preferential Use by a Signatory Airline as set forth in Article 4.

“Preferential Use Domestic Gate” means a Domestic Gate assigned by the Port for Preferential Use by a Signatory Airline as set forth in Article 4.

“Preferential Use International Gate” means an International Gate assigned by the Port for Preferential Use by a Signatory Airline as set forth in Article 4.

“Preferential Use Premises” means those areas designated as such in the Premises Notice that are within the Terminal, including Preferential Use Baggage Make up System Space, Preferential Use Gates and Preferential Use Ticket Counters and to which Airline has a higher priority of use over all other Air Carriers.

“Preferential Use Ticket Counter” means a Ticket Counter assigned by the Port as Preferential Use Premises to a Signatory Airline as set forth in Article 5.

“Premises” means any: (a) Exclusive Premises, (b) Preferential Use Premises; and (c) Common Use Premises; *provided*, however, that in the case of Common Use Premises, such areas will only constitute “Premises” during the period of time for which Airline has the right to use such areas.

“Premises Notice” means the notice described in subsection 2.3.1.

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“Public Areas” means sidewalks, concourses, corridors, lobbies, passageways, restrooms, elevators, escalators and other similar space made available by the Port from time to time for use by passengers, Port and Airline employees and other members of the public.

“Ramp Tower Fees” means the fees charged by the Port to Airline for costs associated with the ramp tower, as described in Article 8.

“Ramp Tower Revenues” means all revenues received by the Port from payments of Ramp Tower Fees.

“Rentable Space” means any areas in the Terminal that are available for use by Airlines, other aeronautical users, concessionaires or Port or other governmental users on an exclusive, preferential or common use basis, as designated by the Managing Director, and shall include Security Checkpoint Areas, but shall not include Open Storage Space.

“RON Parking Revenues” means all revenues received by the Port from payments for the use of remote parking areas for RON Parking.

“Scheduled Airline” means an Air Carrier performing scheduled passenger service operations at the Airport.

“Scheduled Operation” means a Scheduled Airline’s operation (arrival or departure) that occurs pursuant to a schedule that is published in the Official Airline Guide (OAG), FlightGlobal or equivalent publication and that is also made available to the Port at least ninety (90) days prior to the commencement of such operation.

“Security Checkpoint Area” means an area used for passenger security screening and associated queuing space as designated by the Managing Director.

“Shared Exclusive Premises” means Exclusive Premises assigned to Airline pursuant to a Premises Notice that are also assigned by the Port to other Signatory Airlines on an equal percentage basis pursuant to a lease agreement, and designated as Shared Exclusive Premises in the Premises Notice.

“Signatory Airline” means any Air Carrier that has entered into an agreement with the Port substantially similar to this Agreement and that provides regularly scheduled service at the Airport.

“Terminal” means Gates, Ticket Counters, Baggage Claim Areas, Baggage Make up Areas, Security Checkpoint Areas, office space, storage areas, concourses, lobbies, VIP Lounges, the FIS Facility, employee break rooms and Public Areas located within the “drip-line” of the passenger terminal buildings at the Airport. For purposes of this definition, the “drip-line” means the footprint (improved or unimproved) inside the outer limits of the passenger terminal building, which in all cases should not extend beyond the roof-drip line.

“Terminal Rents” means the rents and fees charged by the Port for Airline’s use of the Terminal, as described in Article 8.

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“Ticket Counter Space” means all the space available for assignment as either Preferential Use Ticket Counters or Common Use Ticket Counters.

“Ticket Counters” means those areas made available by the Port for use by Airline for ticketing passengers and similar activities, including curbside check-in positions, and associated queuing space.

“Total Project Costs” means the total costs of planning, designing and constructing a Capital Improvement, including enabling projects and property acquisitions.

“Total SLOA V Project Costs” means (a) the estimated Total Project Costs of Capital Improvements (excluding financing costs) funded or expected to be funded by the Port in whole or in part as determined in the Port’s reasonable discretion, as measured from January 1, 2025 through the end of the Term plus (b) [\$1,750,000,000; **NTD: Replace with updated total for execution**] in estimated Total Project Costs expended prior to January 1, 2025.

“Turn” means the active 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.”

“Very Large Project” means a Capital Improvement that meets the criteria specified in Section 6.2.1. A list of Very Large Projects as of the Effective Date of this Agreement is attached as **Exhibit E**.

“Very Large Project Process” means the Port/Airline engagement procedures for Very Large Projects as further specified in Section 6.2.2.

“VIP Lounge” means those Exclusive Premises used by Airline to provide premium services to its passengers.

1.3 Exhibits.

Exhibit A: Airport Legal Description and Drawing

Exhibit B: Premises Notice

Exhibit C: Gate Use, Assignment and Scheduling Procedures

Exhibit D: Gate Allocations

Exhibit E: Pre-determined List of Very Large Projects

Exhibit F: Very Large Project Process Description

Exhibit G: Port’s Capitalization Guidelines

Exhibit H: Debt Service Schedule

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Exhibit I: Article 8 Airfield Fee Calculations

Exhibit J: Article 8 Terminal Rent Calculations

Exhibit K: Article 8 FIS Fee Calculations

ARTICLE 2

GRANT OF RIGHTS TO USE AIRPORT

The Port grants to Airline the rights of occupancy and use in certain areas located within the Airport as provided in this Article, subject to the terms of this Agreement. The legal description of the Airport is attached hereto as **Exhibit A** and incorporated herein by this reference.

2.1 Rights to Use Airfield.

The Port grants to Airline a nonexclusive license to use the Airfield, in common with others, subject to the terms and conditions of this Agreement.

2.2 Rights to Use Public Areas.

The Port grants to Airline a nonexclusive license to use the Public Areas within the Terminal, in common with others, subject to the terms and conditions of this Agreement. Port shall have the right to relocate, change or discontinue the use of any such area from time to time during the Term, subject to terms and conditions of this Agreement.

2.3 Rights to Use Premises.

2.3.1 Premises Notice. On or before the Effective Date, the Port will issue to Airline a Premises Notice, attached hereto as **Exhibit B** and incorporated herein by this reference, that will designate which areas of the Airport, if any, will be made available by the Port for use by Airline as: (a) Exclusive Premises, including Shared Exclusive Premises; (b) Preferential Use Premises; and (c) Common Use Premises (all, collectively, the “Premises”). Airline acknowledges and agrees that the Premises Notice will be revised by the Port and issued to Airline from time to time during the Term to reflect assignment and reallocation rights pursuant to this Agreement. The parties agree that, upon issuance by the Port, the revised Premises Notice shall be attached and incorporated to the Agreement and shall update and replace the last issued **Exhibit B** without further amendment of the Agreement. In addition to, but not in lieu of, other forms of delivery specified in Section 24.20, the Port may issue a revised Premises Notice by email.

2.3.2 Exclusive Premises. The Port grants to Airline the exclusive right to use the Exclusive Premises, including Shared Exclusive Premises, identified in the Premises Notice.

2.3.3 Preferential Use Premises. The Port grants to Airline, subject to Articles 4 and 5 of this Agreement, the right to use, on a preferential use basis, the Preferential Use Premises identified in the Premises Notice.

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2.3.4 Common Use Premises. The Port grants to Airline, subject to Articles 4 and 5 of this Agreement, the right to use, on a common use basis, the Common Use Premises identified in the Premises Notice. Subject to the provisions of Articles 4 and 5 of this Agreement, the Port reserves the right to revise Airline's right to use such Common Use Premises by sending to Airline a revised Premises Notice.

ARTICLE 3

USE OF AIRPORT

3.1 Limitations and Prohibitions on Use.

Airline shall not use the Premises or cause or permit its employees or others to use the Premises for any other purpose than specified in this Agreement.

3.2 Terminal.

Use of the Terminal by Airline shall be limited to the following activities:

3.2.1 The operation of an air transportation business for the carriage of persons, property, baggage, cargo, express and mail, including but not limited to the following categories of flights: revenue, training, test, inspection, emergency, charter and sightseeing.

3.2.2 The hiring and training of personnel in the employ of or to be employed by Airline, and the training of Airline's contractors.

3.2.3 The use alone or in conjunction with other Air Carriers, for any and all purposes in connection with or incidental to the operation of an air transportation business, including the handling of reservations, the handling, ticketing and billing of passengers, and the operation of passenger clubs and lounge rooms, and, to the extent permitted by law, the serving of food and beverages in such passenger clubs and lounge rooms.

3.2.4 The installation and operation, at Airline's expense, of identification signs advertising the business of Airline, which shall be substantially uniform in size, type and location with those of other Air Carriers, the number, type, size, design and location of which shall be consistent with Port standards and subject to the approval of the Port, which shall not be unreasonably withheld, conditioned or delayed.

3.3 Gates.

Subject to Article 4 (Assignment and Use of Gates), the use of Gates by Airline shall be limited to:

3.3.1 The ticketing, boarding, unboarding and billing of passengers, the use of the passenger holding areas as waiting areas for such passengers and the use of the Gate Ramp while the Gate is used by Airline.

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3.3.2 The Port and the Signatory Airlines will form a joint “Ramp Congestion Task Force” that will provide a recommendation to reduce ramp congestion by January 1, 2026. If the Port adopts the recommendation, it will be incorporated into Airport Rules and Regulations, subject to Section 13.2. The recommendation may include, without limitation, restrictions on the number of licensed third-party ground service providers at the Airport for operational, safety and security reasons, and may, in such case, require all Air Carriers that wish to contract with a third-party ground service provider to choose from a pool of pre-qualified third-party service providers. This Section 3.3.2 shall not preclude Airline from performing self-service of ground handling with its own employees, a wholly owned subsidiary, or a subsidiary of the same corporate parent as Airline.

3.3.3 Operational staging of equipment for fueling, servicing, loading, or unloading and line maintenance of aircraft that can be completed during the time period associated with a Scheduled Operation, *provided*, however, that:

(a) Nothing in this subsection shall be implied or construed to grant to Airline the right to store or park equipment on the Gate Ramp (other than as required for the regular servicing of aircraft at Gates); and

(b) In addition to the line maintenance permitted under subsection 3.3.3 above, at the Port’s sole discretion and so long as it does not interfere with another Air Carrier’s Scheduled Operations, the Port may permit Airline to perform emergency line maintenance of aircraft on the Gate Ramp.

3.4 Airfield.

The use of the Airfield and related facilities by Airline shall be limited to the following activities:

3.4.1 The servicing by Airline or others of Airline’s aircraft, including Airline’s servicing of its code-share partners and affiliates, and other equipment by truck or otherwise, with gasoline, fuel, or other propellants, de-icing or other supplies including food and beverages required by Airline.

3.4.2 The landing, taking off, flying, taxiing, towing, parking, loading or unloading of Airline’s aircraft or the aircraft of any other Air Carrier.

3.4.3 The loading and unloading of any property, cargo, mail, and carriage of employees, in properly designated facilities, by such motor vehicles or other manner of conveyance as Airline may require in the operation of an air transportation business.

3.4.4 The installation, maintenance and operation by Airline of aircraft air-conditioning equipment, auxiliary power, start-up and miscellaneous support equipment reasonably necessary for Airline’s operations and not otherwise provided by the Port. Any such equipment not reasonably required shall be promptly removed by Airline.

ARTICLE 4

ASSIGNMENT AND USE OF GATES

4.1 No Exclusive Use Gates.

All Gates within the Terminal will be either Common Use Gates or Preferential Use Gates. Airline's use of all Gates shall at all times be subject to the Port's Gate Use, Assignment and Scheduling Procedures, which may be amended from time to time after consultation with the Signatory Airlines. A copy of the Port's current Gate Use, Assignment and Scheduling Procedures is attached as **Exhibit C** to this Agreement.

4.2 Definitions.

For the purposes of this Article 4, the following terms shall have the following meanings:

4.2.1 "Average Weighted Turns" means:

(a) the sum of a Signatory Airline's: (i) Turns on its Preferential Use Ground-boarded Gates multiplied by 0.5; (ii) Non-Widebody Aircraft Turns on its Preferential Use PLB Gates multiplied by 1.0, and (iii) Widebody Aircraft Turns on its Preferential Use PLB Gates multiplied by 1.7.

4.2.2 "Non-Widebody Aircraft Turns" means a Turn that is not a Widebody Aircraft Turn.

4.2.3 "Period of Use" means the time periods for the arrival and departure of a Scheduled Operation as further defined in **Exhibit C. Airline will not receive scheduling preference for a Period of Use if it fails to provide the Port with the published schedule for a Scheduled Operation at least ninety (90) days prior to the commencement of the Scheduled Operation.**

4.2.4 "Preferential Use" of a Gate means scheduling preference, over similar operations by another Scheduled Airline, given to a Signatory Airline for the use of a Gate during applicable Periods of Use for its Scheduled Operations.

4.2.5 "Requesting Airline" means a Scheduled Airline without adequate Gate access desirous of operating from the Airport.

4.2.6 "Weighted Preferential Use Gates" means the sum of (i) the number of Ground-boarded Gates assigned to Signatory Airline as Preferential Use Gates multiplied by 0.5 and (ii) the number of PLB Gates assigned to Signatory Airline as Preferential Use Gates multiplied by 1.0.

4.2.7 "Widebody Aircraft Turn" shall mean the Turn of a dual-aisle aircraft.

4.3 Initial Allocation and Assignment of Gates on Effective Date.

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The initial allocation and assignment of Common Use Gates and Preferential Use Gates at the Airport on the Effective Date are shown on **Exhibit D**. The number of Preferential Use Gates assigned to Airline and the number of Common Use Gates retained by the Port may change over the Term of the Agreement in accordance with this Article 4.

4.4 Gate Assignments After the Effective Date.

The Port and Airline acknowledge the importance of reasonable maintenance of operations during construction of Capital Improvements. The Port and Airline recognize, however, that operational challenges are likely to occur during construction. In order to facilitate the continued operations of all Passenger Carriers at the Airport and to serve the traveling public, it will be necessary from time to time for the Port, in its reasonable discretion, to reassign space assigned to Airline and other Signatory Airlines, including Gates, on an interim, transitional basis during the construction. With respect to the reassignment of Gates, Airline acknowledges the following gate management rights of the Port are necessary to facilitate construction:

4.4.1 From the Effective Date through December 31, 2025, the Port shall have the right, after consultation with Airline, to reassign the location of one or more of Airline's Preferential Use Gates to accommodate construction at the Airport, provided that Airline's total number of Weighted Preferential Use Gates as reflected in **Exhibit D** may not be decreased without Airline's consent unless otherwise recaptured under Section 4.5.

4.4.2 In addition to the Port's recapture rights under Section 4.5, from January 1, 2026 through the end of the Term, the Port shall have the right, after consultation with Airline, to reassign the location of or recapture (without immediate replacement) one or more of Airline's Preferential Use Gates to accommodate construction at the Airport subject to the following restrictions:

(a) At any given time, the Port will use up to two (2) Domestic Common Use Gates as replacements for Preferential Use Gates that are recaptured under this Section 4.4.2. The Port does not intend to use more than two (2) Domestic Common Use Gates or any International Common Use Gates as replacement Gates. However, the Managing Director may waive this restriction in its sole discretion; and

(b) the Port shall use commercially reasonable efforts to limit the number of Domestic Gates out for construction at the same time to no more than two (2) Domestic Gates. However, in the event the Port determines that more than two (2) Domestic Gates will be out for construction at the same time, the Port shall have the right to recapture a Preferential Use Gate from Airline without immediate replacement. In the event that the Port recaptures a Preferential Use Gate from Airline under this Section 4.4.2, the Port shall return the Preferential Use Gate to Airline when that Gate is placed back into service by the Port.

4.4.3 In reassigning or recapturing Preferential Use Gates under this Section 4.4, the Port shall in its sole discretion determine the locations of any such reassignment or recapture after taking into consideration the desirability of assigning contiguous Gates for Preferential Use by Signatory Airlines and, where practicable, reducing the frequency of changes in the locations

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of Preferential Use Gates, as well as any recommendations by the Common Use Facilities Advisory Committee (defined in Section 4.10 below).

4.4.4 The reasonable costs of relocating Airlines' furniture, equipment and signage in connection with a Preferential Use Gate reassignment under Sections 4.4.1 and 4.4.2 plus the reasonable costs of Airline's non-proprietary tenant improvements to the relocated Preferential Use Gate when constructed with the Port's consent under Section 12.3.1 of this Agreement, shall be paid by the Port and included in Terminal Building Requirement calculated in accordance with Section 8.3.1 of this Agreement. The costs of IT systems and communications systems shall be considered proprietary tenant improvements that are not eligible for reimbursement from the Port.

4.4.5 *Assignment of Newly Constructed Gates.* In the event that a new Gate is constructed during the Term, the Port shall alternate between retaining the Gate as a Common Use Gate and assigning the Gate as a Preferential Use Gate. Any Gate assigned for Preferential Use shall be offered to Signatory Airlines in accordance with the priorities specified in **Exhibit D**.

4.4.6 Airline's Premises Notice will be updated to reflect the assignment, reassignment or recapture of any of Airline's Preferential Use Gates in accordance with this Section 4.4 and the Port will post an updated Exhibit D to the AAAC sharepoint site reflecting the changes.

4.5 The Port's Right to Recapture Preferential Use Gates.

4.5.1 To meet the "Minimum Utilization Requirement" applicable to this Section 4.5, Airline's Average Weighted Turns per day per Weighted Preferential Use Gate from the period of February 1-October 31 of the then-current year must be equal to or greater than 6.0. The Turns of Affiliates and other Passenger Carriers voluntarily accommodated by Airline shall count towards Airline's activity for calculating the Minimum Utilization Requirement. If a Requesting Airline is accommodated by Airline pursuant to Section 4.6 and that results in moving Airline's Scheduled Operation from Airline's Preferential Use Gates to a Common Use Gate or the Preferential Use Gate of another Signatory Airline, then Airline's moved Scheduled Operation shall count towards Airline's activity for calculating the Minimum Utilization Requirement.

4.5.2 If the Port determines that Airline has failed to meet the Minimum Utilization Requirement for that year, the Port may, in its sole discretion, initiate the process to recapture one or more of Airline's Preferential Use Gates in accordance with the provisions in this Section 4.5. Any Gates recaptured by the Port shall be retained as Common Use Gates.

4.5.3 The Port shall have the right to recapture, in its sole discretion, up to the number of Preferential Use Gates that would bring Airline into compliance with the Minimum Utilization Requirement based on Airline's activity over the period used to assess the Minimum Utilization Requirement. For example, if Airline leases eight Preferential Use Gates and the Port would need to recapture three Preferential Use Gates for Airline to meet the Minimum

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Utilization Requirement based on activity from February 1-October 31, the Port may recapture up to three Preferential Use Gates.

4.5.4 If the Port elects to recapture Preferential Use Gates, the Port will provide Airline by December 31 of the year in which it has failed to meet the Minimum Utilization Requirement with 90 days' written notice specifying the initial number and proposed location of the Gate(s) to be recaptured ("Recapture Notice").

4.5.5 If requested by Airline within 10 days of the Port's issuance of the Recapture Notice, the Port will discuss alternative locations for the recaptured Gate(s) with Airline.

4.5.6 The Port will make the final determination on the location of the recaptured Gates in its sole discretion within 30 days of issuing the Recapture Notice. In making the final decision, the Port will take the following factors into account: (a) minimizing split operations and maximizing adjacency of Preferential Use Gates and Common Use Gates; (b) the location of the operational space of Passenger Carriers that may use the recaptured Gate(s); (c) the efficient operation of Passenger Carrier schedules; (d) Airline's stated preference, if any; and (e) the SEA passenger experience.

4.5.7 Airline's Premises Notice will be updated to reflect the change in Preferential Use Gates. At the Port's request at any time after the Port makes a final decision to recapture Gates, Airline shall be responsible for removing its proprietary gate equipment from any recaptured Preferential Use Gates in a timely manner and at Airline's sole cost.

4.5.8 If Airline's Preferential Use Gates are recaptured pursuant to this Section 4.5, the Port may also terminate, upon 90 days' written notice to Airline, those portions of its Premises that are no longer necessary, as determined in the Port's sole discretion, to support the Airline's operations at its remaining Preferential Use Gates; provided that such reduction in Airline's Premises is in reasonable proportion to the reduced number of Preferential Use Gates and the remaining Premises is reasonably sufficient to maintain Airline's operations as determined by the Port in its sole discretion. Airline shall be responsible for removing its property and equipment from any such terminated leased premises in a timely manner and at the Airline's sole cost.

4.5.9 The Port shall have the right but not the obligation to temporarily suspend or modify the Minimum Utilization Requirement in the situation where the Federal Aviation Administration restricts use of the Airport due to an extraordinary event that directly and substantially impairs the ability of all Signatory Airlines to meet the Minimum Utilization Requirement.

4.6 Port Scheduling Rights at Preferential Use Gates.

4.6.1 The Port shall have the right, upon reasonable notice to 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, provided that the Requesting Airline cannot accommodate the flight on its own Preferential Use Gate(s), if any. In

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accommodating the Port in its right to schedule such operations, Airline shall allow and provide for use of its facilities or equipment (not including ground service equipment) at the Preferential Use Gate, or permit use of Port equipment and podiums, as may be required for the efficient use of the Preferential Use Gate by a Requesting Airline, subject to Section 4.8.

4.6.2 The Port shall have the right, upon reasonable notice to Airline, when no International Gate is available to schedule at Airline's Preferential Use International Gate arrivals by a Requesting Airline that require use of an International Gate even if it would displace Airline's Scheduled Operation that does not require use of such International Gate for arrival. In accommodating the Port in its right to schedule such operations, Airline shall allow and provide for use of its facilities or equipment (not including ground service equipment) at the Preferential Use International Gate, or permit use of Port equipment and podiums, as may be required for the efficient use of the Preferential Use International Gate by a Requesting Airline, subject to Section 4.8. Airline's displaced Scheduled Operation shall be accommodated in accordance with **Exhibit C**. To ensure the efficient use of Preferential Use International Gates to accommodate international flights, any Signatory Airline that is assigned both Preferential Use International Gate(s) and Preferential Use Domestic Gate(s) must first accommodate all of its domestic flights on its Preferential Use Domestic Gates before it may (a) schedule a domestic flight on its Preferential Use International Gate or (b) request accommodation on a Common Use International Gate. Except for International Gates assigned as Preferential Use on January 1, 2025, no International Gates shall be assigned for Preferential Use during the Term; however, the Managing Director may waive this restriction in its sole discretion.

4.6.3 In the event that the Port cannot accommodate a Requesting Carrier at a Common Use Gate due to aircraft size and the Gate Ramp for a Scheduled Operation at a Preferential Use Gate can accommodate an aircraft larger than that used in the Scheduled Operation, the Port shall have the right, upon reasonable notice to Airline, to schedule at a Preferential Use Gate arrivals and departures by a Requesting Airline with a large size aircraft even if it would displace another Scheduled Operation. In accommodating the Port in its right to schedule such operations, Airline shall allow and provide for use of its facilities or equipment (not including ground service equipment) at the Preferential Use Gate, or permit use of Port equipment and podiums, as may be required for the efficient use of the Preferential Use Gate by a Requesting Airline, subject to Section 4.8. Airline's displaced Scheduled Operation shall be accommodated in accordance with **Exhibit C**.

4.6.4 The Port shall, consistent with the priorities set forth in Exhibit C, attempt to accommodate Requesting Airlines at Common Use Gates before scheduling Requesting Airline arrivals and departures at any Preferential Use Gates.

4.6.5 If, in the exercise of its rights under subsection 4.6.2 and 4.6.3, the Port is unable to accommodate Airline's displaced Scheduled Operation at one of Airline's Preferential Use Gates, the Port shall accommodate Airline's displaced Scheduled Operation in accordance with **Exhibit C** without additional cost. The Port shall consider Airline's preference for a specific Common Use Gate prior to accommodating Airline's displaced Scheduled Operation under this subsection 4.6.5.

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4.6.6 Notwithstanding the foregoing and any other provision of this Article 4, the Port 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 is not utilizing that Preferential Gate at any time during the Period of Use for a Scheduled Operation.

4.7 Accommodation During Construction.

Notwithstanding anything to the contrary in this Agreement, in order to accommodate the needs of all Passenger Carriers for reasonable access to required Terminal facilities, it is anticipated that the Port may from time-to-time require Signatory Airlines to accommodate other Passenger Carriers, including other Signatory Airlines, on Airline's Preferential Use Gates, in accordance with and subject to special construction accommodation protocols adopted by the Port after consultation with the Common Use Facilities Advisory Committee, but such accommodation will not impact Airline's Periods of Use on Preferential Use Gates.

4.8 Charges for Use of Gate by Another Carrier.

Any Requesting Airline that is a Signatory Airline or has executed another agreement with the Port for operations at the Airport, may be accommodated at any of Airline's Preferential Use Gates and shall pay the Port directly for the use of such Gate at the Common Use Gate rate. Airline may not demand any payments from the Requesting Airline on account of its use of the Gate, other than pursuant to an agreement solely between Airline and the Requesting Carrier for the use of Airline's Gate equipment. As a condition of accommodation on any of Airline's Preferential Use Gates, the Requesting Airline shall have executed an agreement providing indemnification and insurance obligations reasonably satisfactory to Airline, but no broader than the indemnification and insurance obligations Airline has given to the Port under Article 14. The Port shall credit Airline on a monthly basis the full amount of any Gate fees, if any, collected from Requesting Airlines for the use of Airline's Preferential Use Gates under this Section 4.

4.9 Port's Control of Common Use Gates.

The Port shall retain exclusive control over the scheduling of flights on all Common Use Gates and Common Use Hardstands.

4.10 Common Use Facilities Advisory Committee.

The Port shall establish a Common Use Facilities Advisory Committee ("Committee"), composed of representatives designated by the Port and representatives of the Signatory Airlines designated by the AAAC. The Committee shall review and make recommendations to the Port about the locations within the Terminal of Common Use Gates and Preferential Use Gates. The Committee shall consider both the operational efficiency (from the perspectives of the Port, the Signatory Airlines and any Non-Signatory Airlines) and the customer service implications of its recommendations. The locations of all Common Use and Preferential Use Gates, however, shall be determined by the Managing Director's sole discretion, after taking account of the recommendations, if any, of the Committee. The Committee shall also periodically review the Port's Gate Use, Assignment and Scheduling Procedures and make recommendations to the Port

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for revising the Gate Use, Assignment and Scheduling Procedures to enhance operational efficiency, fairness and competition.

4.11 Port Passenger Processing Equipment.

The Port reserves the right to install Port Passenger Processing Equipment (including the right to install or replace related millwork) at all Common Use and Preferential Use Gates, *provided*, however, that Airline must be able to also install or retain its proprietary gate counter equipment and boarding equipment at its Preferential Use Gates. The Port shall maintain Passenger Processing Equipment the Port installs under this Section 4.11 consistent with standards published by the Port in its Airport Rules and Regulations.

4.12 Designation of Hardstands.

After the Effective Date, the Port does not intend to make hardstand positions available as Preferential Use Gates, however, the Managing Director may assign hardstand positions as Preferential Use Gates after consultation with affected Signatory Airlines and further provided that when exercising its rights under Section 4.4 the Port will not reassign Airline's Preferential Use Gate from a PLB Gate to a hardstand position without Airline's consent. Any preferential use hardstand positions will be treated as Ground-boarded Gates.

ARTICLE 5

ASSIGNMENT AND USE OF OTHER TERMINAL FACILITIES

5.1 General.

The Port and Airline agree that facilities within the Terminal are limited and that the availability and use of certain facilities in the Terminal during the Term is expected to change.

5.2 The Port's Right to Alter Airline's Premises (Other Than Gates).

5.2.1 Notwithstanding any other provision of this Article 5 to the contrary, from time to time during the Term of this Agreement, part or all of Airline's Premises (other than Gates) may be required (1) for implementation of improvements at the Airport; (2) for accommodation of the traveling public; (3) to maximize the use of the Terminal and related facilities by Air Carriers (including Airline) and other tenants, permittees, and other users; or (4) for use by the Port for any operationally or commercially reasonable and lawful purpose. In said event, the Port may, in the sole discretion of the Managing Director and upon one hundred and eighty (180) days' advance written notice to Airline, require the demolition or reconstruction of certain portions of Airline's Premises (other than Gates), or the recapture or relocation, in whole or part, of Airline's Premises (other than Gates). Airline may request that the Port reconsider its determination within fifteen (15) calendar days of receipt of the Port's notice and, if it does so, Airline shall provide in its request reasonable documentation of its need for the Premises that are the subject of the Port's notice. If the Port, after reconsidering its determination, elects to proceed, the Port shall give Airline not less than one hundred and eighty (180) calendar days' notice to vacate such Premises.

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5.2.2 In the event the Port exercises its rights under Section 5.2.1, the Port will make commercially reasonable efforts to provide, to the extent available (as determined in the Port's sole discretion) and requested by Airline, a comparable location and facility in terms of size, condition and proximity to Airline's operations at the Airport.

5.2.3 The Port shall consult with Airline regarding the number of square feet of Airline's Premises to be demolished, reconstructed, recaptured or relocated under this Section 5.2.

5.2.4 If the Port exercises its rights under Section 5.2.1 without replacement of any kind of recaptured Premises, the Port shall reimburse Airline for the unamortized costs of Airline's tenant improvements within the recaptured Premises that were paid for by Airline and the costs of any such reimbursement shall be allocated to the Terminal Building Requirement. To qualify for reimbursement, unamortized costs must be documented to the reasonable satisfaction of the Port. The costs of IT systems and communications systems shall be considered proprietary tenant improvements that are not eligible for reimbursement from the Port. Trade fixtures and other movable property of Airline shall not be eligible for reimbursement from the Port. Airline shall not be entitled to reimbursement for any costs under this Sections 5.2.4 for any improvements to any portion of Premises, or associated costs, that are undertaken after the Port has notified Airline that the Premises will be demolished.

5.2.5 If the Port exercises its rights under Section 5.2.1 and provides Airline with replacement Premises in accordance with Section 5.2.2, the Port will reimburse Airline for (a) the reasonable costs of relocating Airlines' movable tenant improvements plus (b) the reasonable costs of non-proprietary tenant improvements to the relocated Premises that were constructed with the Port's consent under Section 12.3.1. The costs of any such reimbursement will be included in Terminal Building Requirement calculated in accordance with Section 8.3.1 of this Agreement. The costs of IT systems and communications systems shall be considered proprietary tenant improvements that are not eligible for reimbursement from the Port.

5.2.6 The Port shall revise the Premises Notice issued to Airline under subsection 2.3.1 of this Agreement to reflect any changes to Airline's Premises made by the Port under this Section 5.2 and shall issue such a revised Premises Notice to Airline when any such changes take effect.

5.3 Airline's One-Time Right to Reduce the Premises.

5.3.1 At any time after January 1, 2030, Airline shall have the one-time right to reduce its Premises by up to twenty-five percent (25%) of the aggregate square footage of its Premises. Airline may reduce its Premises by more than twenty five percent (25%) with the Port's written approval, which may be withheld in the Port's sole discretion.

5.3.2 In order to exercise its rights under this subsection to surrender Preferential Use Premises, Airline shall be required to also surrender to the Port all Exclusive Premises associated with Airline's operations of such Preferential Use Premises, as determined by the Port, unless the Port, in its reasonable discretion, determines that the surrender of Exclusive Premises is not required; provided, however, Airline may not terminate its assignment

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of a Preferential Use Gate unless it is adjacent to either a Common Use Gate or a Preferential Use Gate assigned to an Air Carrier other than Airline.

5.3.3 Until the Port reassigns to other Air Carriers the Premises surrendered by Airline under this subsection 5.3, the costs assigned to such surrendered Premises under subsection 8.3.2 shall be evenly redistributed among all of the rented space in the corresponding Group under subsection 8.3.2. If the Port determines that the resulting reduction of Premises would cause the Terminal Rents under Article 8 of the Agreement to vary substantially from the Terminal Rents then in effect, the Port may, in its sole discretion, make mid-year adjustments to the existing Terminal Rents as provided in Section 8.17.

5.3.4 All Premises surrendered by Airline under this Section 5.3 shall be subject to the provisions of Article 21.

5.3.5 Airline's request to reduce Premises under this Section 5.3 shall be delivered in writing to the Port. The Port shall approve Airline's request within sixty (60) days if the request meets the requirements of this Section 5.3. The resulting reduction in Premises shall take effect one hundred and eighty (180) days after the Port's approval of the request.

5.3.6 The Port shall revise the Premises Notice issued to Airline under subsection 2.3.1 of this Agreement to reflect any reductions in the Premises.

5.4 Accommodation.

5.4.1 **Priorities for Accommodation.** If the Port receives a request for access to preferential use space in the Terminal (other than Gates, which are subject to the provisions of Article 4 of this Agreement) from any Air Carrier seeking to commence or expand Scheduled Operations at the Airport ("Requesting Airline"), the Port shall, whenever possible, accommodate such a request by providing access to existing common use space under the Port's control. If such common use space is unavailable or inadequate to meet the reasonable requirements of the Requesting Airline, as determined by the Port, the Port shall encourage Signatory Airlines voluntarily to accommodate the Requesting Airline, by subletting or otherwise making space available for use by the Requesting Airline within the Terminal that is subject to their preferential use. The Port will notify the Chair of the AAAC in writing when the Port has determined that a Requesting Airline cannot be accommodated in common use space, and the Signatory Airlines will have fifteen (15) calendar days from the receipt of such notice by the Chair of the AAAC to voluntarily agree to accommodate the Requesting Airline. Any such agreements to accommodate a Requesting Airline must be in writing and are subject to approval by the Port under Article 18 of this Agreement. If a Requesting Airline is unable to meet its reasonable requirements, as determined by the Port, by using common use space made available by the Port or by using space voluntarily made available by Signatory Airlines, the Port shall have the right, upon sixty (60) calendar days notice to Airline, to require Airline to accommodate the Requesting Airline in space designated by the Port by allowing the Requesting Airline to use Airline's Preferential Use Premises, subject to Section 5.4.2, below; *provided*, however, that if the Requesting Airline is a Signatory Airline, the Requesting Airline must show, to the Port's satisfaction, that it cannot reasonably accommodate its own expanded service within the Terminal space already subject to its exclusive or preferential use.

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5.4.2 Accommodation in Preferential Use Premises. The Port shall not require Airline to accommodate a Requesting Airline in Airline’s Preferential Use Premises (other than Gates) if such accommodation would require Airline to reschedule a scheduled arrival or departure during Airline’s Periods of Use as defined in Article 4 of this Agreement. Airline shall, consistent with its rights to preferential use, accommodate such Requesting Airline as directed by the Port by providing access to and use of its Preferential Use Premises; Airline may, however, require as a condition of accommodation that the Requesting Airline provide (a) indemnification reasonably satisfactory to Airline (although Airline may not require indemnification that is broader than the indemnification Airline has given to the Port under Article 14 of this Agreement) and (b) proof of insurance of the types and with the limits of coverage required to be carried by Airline under Article 14 of this Agreement.

5.5 Charges for Use of Facilities by Another Carrier.

Any Requesting Airline that is accommodated at any facilities (other than Gates) used by Airline on an exclusive or preferential use basis shall, in the absence of an agreement with Airline, be required (a) to pay Airline the same charges for use of the space that it would have been required to pay the Port for use of such a facility on a common use basis, (b) to reimburse Airline for any additional Port charges Airline incurs as a result of its accommodation of the Requesting Airline and (c) a fifteen percent (15%) administrative fee. Airline shall not demand any additional payments from the Requesting Airline on account of its use of such a facility.

5.6 Ticket Counters.

5.6.1 The Port shall only assign Preferential Use Ticket Counters to Airline if Airline is assigned at least one Preferential Use Gate.

ARTICLE 6

CAPITAL IMPROVEMENTS

6.1 Airline Consultations on Capital Improvement Program.

As part of the annual consultation on proposed rates and charges required in accordance with Section 8.1.2, the Port shall provide the then-current plan of finance for Capital Improvements, identify any new Very Large Projects, provide the then-current estimate of Total SLOA V Project Costs, and provide the then-current relevant Airport financial target metrics.

6.2. Airline Engagement on Very Large Projects. The Port shall engage with Signatory Airlines on Very Large Projects in accordance with this Section 6.2.

6.2.1. Determination of Very Large Projects. The following Capital Improvements shall qualify as Very Large Projects and shall be subject to the Very Large Project Process as further specified in Section 6.2.2:

- (a) Pre-determined Very Large Projects listed on **Exhibit E**;

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(b) Capital Improvements that include both (i) any Airline Rate-Based Capital Costs and (ii) an estimated Total Project Cost of at least three hundred million dollars (\$300,000,000), as escalated from January 1, 2025 by the then-current Construction Cost Index; and

(c) Capital Improvements that the Chief Development Officer of the Airport or its successor and the Chair of the AAAC mutually agree in writing should be included in the list of Very Large Projects. If the Chief Development Officer or its successor and the Chair of the AAAC cannot agree on the inclusion of a Capital Improvement in the list of Very Large Projects, the inclusion of such Capital Project will be determined by the Managing Director, in their sole discretion.

6.2.2. Very Large Project Process. Very Large Projects shall be subject to the Port's Very Large Project Process. A general description of the Very Large Project Process is attached as **Exhibit F**. The Port may amend any element of the Very Large Project Process except that the following elements cannot be modified without providing notice to the Signatory Airlines and obtaining the written approval of at least three (3) Signatory Airlines that collectively account for at least sixty-six and two-thirds (66-2/3) percent of the Terminal Rents and Landing Fees paid by all Air Carriers at the Airport during the immediately prior Fiscal Year: (a) the number and timing of checkpoints (Exhibit F, Section I.A); (b) the provision of project definition and scope information (Exhibit F, Section I.B.1); (c) an opportunity for Signatory Airlines to provide feedback and receive a response from the Port (Exhibit F, Section I.B.3-4); (d) airline option to trigger the escalation process (Exhibit F, Section II.A); and the right of the Managing Director to make all final determinations on escalated issues (Exhibit F, Section II C.5). The Port shall provide written notice to all Signatory Airlines of any amendments to the Very Large Project Process approved in accordance with this section.

6.3. Procedures for the Renegotiation of Rates and Charges.

6.3.1. Thresholds for Initiating Renegotiation.

(a) If after January 1, 2030 both (a) the Port's then-current estimate of Total SLOA V Project Costs exceeds eight billion dollars (\$8,000,000,000) as escalated from January 1, 2025 by the then-current Construction Cost Index, and (b) the Port determines that its then-current financial forecasts, as presented in the annual rates and charges consultation required under Section 8.1.2, will result in the Port not meeting its then-current Airport financial target metrics at any time within the remaining Term of the Agreement, then either the Port or the Signatory Airlines (subject to paragraph (b) below) have a one-time right to initiate renegotiation of Article 8 in accordance with the procedures in Section 6.3.2.

(b) The Signatory Airlines may only initiate renegotiation if at least three (3) Signatory Airlines that collectively account for at least sixty-six and two-thirds (66-2/3)

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percent of the Terminal Rents and Landing Fees paid by all Air Carriers at the Airport during the immediately prior Fiscal Year deliver written requests to the Chair of the AAAC to initiate renegotiation.

6.3.2. Renegotiation Process. If the thresholds and requirements in Section 6.3.1 are met and the Port or the Signatory Airlines elect to exercise their one-time right to initiate a renegotiation of Article 8, the following procedures shall apply:

(a) Within thirty (30) days of the annual consultation under Section 8.1.2, either the Port or the Chair of the AAAC shall provide written notice to the Signatory Airlines (if initiated by the Port) or to the Port (if initiated by the Signatory Airlines) to initiate renegotiation of Article 8. The written notice shall explain why an amendment is being sought and specify the proposed amendments to Article 8.

(b) Within thirty (30) days of delivering the written notice in paragraph (a), the Port and the Signatory Airlines shall meet at least once a month to negotiate amendments to Article 8 and to any portions of the Agreement that require amendment due to amendments to Article 8.

(c) The Signatory Airlines, including Airline, shall be deemed to accept an amendment if the Port and at least three (3) Signatory Airlines that collectively account for at least sixty-six and two-thirds (66-2/3) percent of the Terminal Rents and Landing Fees paid by all Air Carriers at the Airport during the immediately prior Fiscal Year execute an amendment negotiated under this Section 6.3. Airline hereby agrees that any such amendment shall be legally binding on Airline even if Airline does not execute the amendment.

(d) Any amendment executed by the Port and the Signatory Airlines shall take effect on January 1 of the year following the date the amendment is executed by the Port, unless otherwise agreed to between the Port and at least three (3) Signatory Airlines that collectively account for at least sixty-six and two-thirds (66-2/3) percent of the Terminal Rents and Landing Fees paid by all Air Carriers at the Airport during the immediately prior Fiscal Year.

(e) If after twelve months of negotiation the Port and the Signatory Airlines fail to reach agreement on an amendment, then the Port and Airline shall no longer be obligated to continue negotiations and shall continue to abide by the terms of this Agreement until the end of the Term or until the Agreement is otherwise lawfully terminated.

6.4. Tenant Reimbursement Agreements. Airline acknowledges and agrees that the Port may elect, in its sole discretion, to deliver Capital Improvements, in whole or in part, through a reimbursement agreement with an Air Carrier. Any such reimbursement agreement will be negotiated between the Port and the Air Carrier and shall address, at a minimum, the scope, budget, maximum Total Project Costs and schedule of the work proposed to be performed

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by the Air Carrier, the terms of reimbursement for costs incurred by the Air Carrier on the work, and such other required terms and conditions of a tenant reimbursement agreement in a form suitable to the Port in its sole discretion. The Port shall allocate any costs reimbursed to the Air Carrier to the appropriate cost center(s), including without limitation Airline Rate Bases, as determined in the Port's sole discretion.

6.5. Airline Technical Representative.

6.5.1. One or more Airline Technical Representatives may be retained by the Port or a consortium formed by Signatory Airlines. In the event that an Airline Technical Representative is retained by the Port, the Port will allow the AAAC Chair or its designee to observe the process to the extent allowed under the Port's procurement requirements. In the event that an Airline Technical Representative is retained by a Signatory Airline consortium and the Signatory Airlines request the Port to reimburse the Signatory Airline for the costs of the Airline Technical Representative, the Port shall have the right to review and approve any agreements between the Signatory Airline consortium and the Airline Technical Representative and, subject to the Port's approval, which shall not be unreasonably withheld, conditioned or delayed, the Port shall reimburse the Signatory Airline consortium for the costs of the Airline Technical Representative incurred by the Signatory Airline consortium under any such agreements.

6.5.2. Any costs incurred by the Port that are associated with the Airline Technical Representative, including without limitation costs related to any liability, damages, losses, expenses, claims, judgments, demands, penalties or fines, including without limitation reasonable attorneys' fees and court costs, associated with the acts or omissions of the Airline Technical Representative shall be allocated by the Port to the Airline Rate Bases, as determined in the Port's sole discretion.

ARTICLE 7

AIRLINE REPRESENTATIONS AND WARRANTIES

Airline represents and warrants to the Port that:

7.1 **Corporate Structure.** Airline (a) is a corporation, partnership or limited liability company duly organized or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, and (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to execute, deliver and perform its obligations under this Agreement.

7.2 **Duly Authorized** The execution, delivery and performance by Airline of this Agreement has been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of Airline's organization documents, or (b) conflict with or result in any breach or contravention of any contractual obligation to which

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Airline is a party, or any order, injunction, writ or decree of any governmental authority or any arbitral award to which Airline or its property is subject.

7.3 Approvals Unnecessary Except as otherwise required pursuant to Section 7.5, no approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any governmental authority or any other person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, Airline of this Agreement.

7.4 Duly Executed This Agreement has been duly executed and delivered by Airline. This Agreement constitutes a legal, valid and binding obligation of Airline, enforceable against Airline in accordance with its terms.

7.5 No Litigation On the date it becomes a Signatory Airline, either (a) Airline is not the subject of a case or proceeding described in subsection 20.1.4, or (b) if Airline is the subject of a case or proceeding described in subsection 20.1.4, Airline has obtained entry in such case or proceeding of a final order in form reasonably satisfactory to the Port as to which the appeal period has expired authorizing Airline to execute, deliver and perform its obligations under this Agreement.

ARTICLE 8

CALCULATION OF RATES AND CHARGES.

8.1 Generally.

The fees and rents to be charged by the Port and paid by Airline (and by all other Signatory Airlines) for its use of the Airport from the Effective Date until the expiration or earlier termination of this Agreement shall be calculated using the compensatory rate-setting methods set forth in this Article 8. In calculating the revenue requirements used to derive each of these kinds of rates and charges, the Port shall exclude any cost (net of the cost of collection) that (a) has been reimbursed or covered by government grants or PFC's, (b) has been reimbursed or covered by any insurance recovery, condemnation proceeds or other third-party payment, or (c) has been reimbursed or is required to be reimbursed to the Port by an individual Airline in connection with projects undertaken by the Port at the request and for the benefit of an individual Airline. The Port may add to such revenue requirements any bad debt caused by the failure of any Air Carrier to pay fees and rents charged by the Port under this Article 8, but only after the Port has made commercially reasonable efforts to recover any such bad debt under a Security Deposit required by this Agreement. In the event that unforeseen circumstances outside of the control of the Port and Air Carriers occur and have a material impact on rates and charges calculated under this Article 8, the Port shall have the right but not the obligation, to utilize non-aeronautical revenues to offset costs allocated to Airline Rate Bases in amounts and on a schedule to be determined in the sole discretion of the Port. The Capital Costs (including capitalized interest) of any Capital Improvement project allocated to the Airline Rate Bases shall not be included in the Airline Rate Bases until its Date of Beneficial Occupancy. Illustrative calculations displaying how rates and charges will be calculated under the methodology set forth in this Article 8 are attached as **Exhibits I, J and K.**

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8.1.1 Airline Consultations on Proposed Airport Budget. Each year, the Port shall consult with the AAAC over the Airport budget as follows:

(a) No later than April 1 the Port shall provide the AAAC with a schedule for the budget development process, including the following steps, to be used in determining the following year's budget.

(b) At the start of the budget process, the Port shall consult with the AAAC to discuss the Port's goals and objectives for the following year's budget. At the consultation meeting, the Port will also brief the AAAC on any significant changes to the Port's allocation of central services costs to the Airport. No later than fourteen (14) days after the consultation meeting, the Chair of the AAAC may submit written comments to the Port providing the AAAC's priorities for the following year's budget.

(c) The Port shall provide the AAAC with the budget requests and preliminary budget summary documents for the following year's budget. The Port will provide Signatory Airlines at least seven (7) days to review and provide input on the budget requests, which input will be provided to Airport senior leadership prior to their final approval of the budget.

(d) Prior to submitting the final Airport proposed budget to the Port Commission, the Airline Technical Representative will have the opportunity to consult with the Airport senior leadership on strategic budget decisions. All final Airport proposed budget recommendations will be made at the sole discretion of the Managing Director and all final Airport budget decisions will be made by the Port Commission.

8.1.2 Airline Consultations on Proposed Rates and Charges. No later than November 1 of each year, the Managing Director shall provide each Signatory Airline then currently operating scheduled passenger or cargo service at the Airport with a complete copy of the then proposed rates and charges, calculated in accordance with this Article 8, for the succeeding Fiscal Year. The Managing Director shall consult with the AAAC concerning the then proposed rates and charges. No later than December 1 of each year, after giving due consideration to the comments provided by the AAAC, the Managing Director shall make any revisions to the proposed rates and charges as the Managing Director determines, in his or her sole discretion, to be warranted as a result of consultation with the AAAC or otherwise, and shall provide notice to each Signatory Airline then currently operating scheduled passenger or cargo service at the Airport of the new rates and charges to be effective on January 1 of the following calendar year by posting the new rates and charges on the Port's website.

8.1.3 Airline Consultation on Fiscal Year 2025 Rates and Charges. Airline acknowledges that the Port complied with the consultation requirements of Section 8.1.1 for rates and charges for Fiscal Year 2025.

8.2 **Calculation of the Landing Fee** Each year the Port shall calculate the estimated Landing Fee for the following Fiscal Year as follows:

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8.2.1 The Airfield Movement Area Requirement shall be computed as the total of budgeted Capital Costs and O&M Expenses allocable to the Airfield Movement Area, less budgeted Other Airfield Movement Area Revenue and less any Non-Signatory Premiums paid in Landing Fees under Section 8.21, for the following Fiscal Year.

8.2.2 The estimated Landing Fee shall then be calculated by dividing the Airfield Movement Area Requirement by the estimated total Maximum Gross Landed Weight (“MGLW”) for the following Fiscal Year. The Port may use the most recent available historical MGLW or forecasts of MGLW that reflect reasonable Port management judgment in calculating the estimated Landing Fee. The calculation of the Landing Fee shall exclude non-revenue landings that are timely and accurately reported by Air Carriers in monthly Activity Reports submitted under Section 8.20.2.

8.3 **Calculation of Terminal Rental Rates.** Each year the Port shall calculate estimated Terminal Rental Rates for the next Fiscal Year as follows:

8.3.1 The Terminal Building Requirement shall be computed by multiplying (a) the total of the budgeted Capital Costs and O&M Expenses allocable to the Terminal for the following Fiscal Year by (b) the ratio of Airline Rentable Space to total Rentable Space; less any Non-Signatory Premiums paid in Terminal Rents under Section 8.21. The Terminal Building Requirement shall not include Common Use Baggage System Costs, Passenger Loading Bridge Costs, Airline Support Systems and Equipment Costs or Capital Costs and O&M Expenses allocated to the FIS Facility, nor shall the Terminal Building Requirement include Non-Airline Support Systems and Equipment Costs, if any.

8.3.2 The Port will distribute the aggregate Terminal Building Requirement calculated in accordance with subsection 8.3.1 into four cost assignment groups: Group A (consisting of Gates); Group B (consisting of Ticket Counters, Baggage Claim, Baggage Make up, Publicly-accessible Offices, Security Checkpoint Areas and VIP lounges); Group C (consisting of Non-publicly-accessible Offices); and Group D (consisting of closed storage space). The costs assigned to the rentable space within each of these four groups shall bear the following relativities to each other on a square foot basis:

Group A:	2.00
Group B:	1.00
Group C:	0.50
Group D:	0.25

For rate-setting purposes, the cost per square foot of space in each of these four groups will be normalized so that the aggregate costs assigned to all four groups will equal the Terminal Building Requirement.

8.3.3 The Port shall calculate the Baggage Make up Circulation Rate by (a) multiplying Baggage Make up Circulation Space by the normalized cost per square foot of Group B Space and then (b) dividing this product by the estimated total amount of Airline Rented Space.

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8.3.4 The Port shall calculate estimated Terminal Rental Rates for each space group as the sum of (a) the normalized cost per square foot of space in each such group, and (b) the Baggage Make up Circulation Rate; *provided*, however, that Terminal Rental Rates for Preferential Use and Common Use Ticket Counters, Non-Publicly Accessible Office Space and Closed Storage Space shall be calculated in accordance with Sections 8.9 through 8.12.

8.4 **Calculation of the FIS Fee.** Each year the Port shall calculate the estimated FIS Rate for the next Fiscal Year as follows:

8.4.1 The estimated FIS Requirement shall be computed as the sum of (a) the total of the budgeted Capital Costs and O&M Expenses allocable to the FIS Facility; (b) the total of the budgeted Capital Costs and O&M Expenses allocable to the Common Use Baggage Claim Area serving the FIS Facility; and (c) the Capital Costs and O&M Expenses of the Baggage Make up System and Common Use Baggage Claim System allocable to the FIS Facility; less (d) any estimated revenue from the rental of space in the FIS Facility to governmental agencies, for the following Fiscal Year.

8.4.2 The estimated FIS Fee shall be calculated by dividing the FIS Requirement by the estimated total number of Deplaned International Passengers for the following Fiscal Year. The Port may use the most recent available historical number of Deplaned International Passengers or forecasts that reflect reasonable Port management judgment in calculating the estimated FIS Fee.

8.4.3 If, during the Term, the Port constructs a new FIS Facility, the Capital Costs and O&M Expenses of such new FIS Facility shall be recovered through the FIS Fee and the FIS Facility shall continue to be treated as a separate cost center. During the Term, there will only be a single FIS cost center.

8.4.4 At any time, the Port may use non-aeronautical revenues to offset the FIS Requirement and reduce the FIS Fee.

8.5 **Calculation of Gate Rates and Fees.** Each year the Port shall calculate the estimated Preferential Use Gate Rate and Common Use Gate Turn Fee as follows:

8.5.1 Calculation of Average Gate Cost. Each year the Port shall calculate the estimated Average Gate Cost for the next Fiscal Year as follows:

(a) The estimated Total Gate Requirement shall be computed as (1) the sum of (a) the product of the estimated Terminal Rental Rate for Group A times the total square footage of all Gate space; (b) the product of the estimated Terminal Rental Rate for Group B times the total square footage of the Security Checkpoint Area; (c) the total of the Capital Costs and O&M Expenses allocable to Airline Support Systems and Equipment other than Baggage Systems and passenger loading bridges; and (d) the Capital Costs and O&M Expenses allocable to airline realignment projects, for the next Fiscal Year.

(b) The Average Gate Cost shall then be calculated by dividing the Total Gate Requirement by the number of Gates.

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8.5.2 Preferential Use Gate Rental Rate. The Port shall calculate the estimated Preferential Use Gate Rental Rate for the next Fiscal Year as follows:

(a) The estimated Preferential Use Gate Requirement shall be computed by first multiplying the Average Gate Cost calculated in accordance with Section 8.5.1(b) by the number of Preferential Use Gates and then either adding the Unrecovered Common Use Gate Requirement calculated in accordance with Section 8.5.4, below, or subtracting the estimated Common Use Gate Surplus calculated in accordance with Section 8.5.4.

(b) The Preferential Use Gate Rental Rate for PLB Gates shall be calculated by dividing the Preferential Use Gate Requirement by the number of Preferential Use Gates.

(c) The Preferential Use Gate Rental Rate for Ground-boarded Gates shall be calculated by multiplying the rate from Section 8.5.2.(b) above by 0.5.

8.5.3 Common Use Gate Turn Fees. Each year the Port shall calculate estimated Common Use Gate Turn Fees for the next Fiscal Year as follows:

(a) The estimated Common Use Gate Requirement shall be computed by multiplying the number of Common Use Gates multiplied by the Average Gate Cost calculated in accordance with Section 8.5.1(b).

(b) For rate setting purposes only, the Port shall assume that each Common Use Gate will have no less than 4 Turns and no more than 6 Turns per day, 365 days per year.

(c) The Port will then calculate separate Common Use Gate Turn Fees for use of Common Use Gates by the three different classes of aircraft: Class 1 (Wide Body [dual-aisle aircraft]); Class 2 (Narrow Body [single-aisle aircraft, over 100 seats]); and Class 3 (Regional and Commuter [aircraft with 100 or fewer seats]) to be levied on the basis of the total number of turns made in each class of aircraft. The charges for use of Common Use Gates by aircraft within each of these classes shall bear the following relativities to each other:

Class 1: 2.00
Class 2: 1.00
Class 3: 0.50

For rate-setting purposes, the charges per Turn for each of these three classes of aircraft will be normalized so that expected aggregate Common Use charges, assuming no less than 4 Turns and no more than 6 Turns per day, equal the Common Use Gate Requirement.

8.5.4 The Port shall estimate the Unrecovered Common Use Gate Requirement by subtracting the estimated Common Use Gate Turn Fees to be paid for actual Turns on Common Use Gates from the Common Use Gate Requirement. If the average Turns per day on Common Use Gates exceeds 6 Turns, the Port shall estimate the Common Use Gate Surplus by

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calculating the Common Use Turn Fee in Section 8.5.3 based on 6 Turns per day and subtracting the Common Use Gate Requirement from the Common Use Gate Turn Fees paid for actual Turns on Common Use Gates.

8.5.5 For the purpose of determining the number of Gates in this Section 8.5, a PLB Gate shall be the equivalent of one (1.0) Gate and a Ground-boarded Gate shall be the equivalent of one-half (0.5) Gate.

8.5.6 The Port reserves the right to develop, in consultation with the Common Use Facilities Advisory Committee, a cap on Common Use Gate Turn Fees paid by Signatory Airlines that have not been assigned a Preferential Use Gate.

(a) Any such cap shall be set at the Average Gate Cost calculated in accordance with Section 8.5.1.

(b) To qualify for the cap, the Signatory Airline must demonstrate that if its actual daily Turns over the course of the year were gated on a single Gate (applying Periods of Use as defined in Section 4.2.3), the Signatory Airline would average at least 6 Turns per day on that Gate. The Signatory Airline must, prior to January 15 of the following year, provide to the Port the information necessary to make this demonstration for one or more Gates.

(c) The cap shall only apply to the Turns used to make the demonstration. All other Turns shall be counted in determining the Common Use Gate Turn Fee and shall be charged a separate Common Use Gate Turn Fee.

8.6 Calculation of Baggage Claim Rate. Each year the Port shall calculate the estimated Baggage Claim Rate for the next Fiscal Year as follows:

8.6.1 The estimated Baggage Claim Requirement shall be computed as the sum of (a) the product of the estimated Terminal Rental Rate for Group B times the total square footage of the Baggage Claim Area; and (b) the Capital Costs and O&M Expenses allocable to the Common Use Baggage Claim System (excluding the Capital Costs and O&M Expenses of the Common Use Baggage Claim System allocable to the FIS Facility).

8.6.2 Charges for the use of Baggage Claim Areas shall be calculated by allocating ten percent (10%) of the Baggage Claim Requirement equally among all Signatory Airlines with scheduled domestic service, and ninety percent (90%) of the Baggage Claim Requirement shall be divided by the expected number of Deplaned Domestic Passengers arriving during the Fiscal Year to determine the Baggage Claim charge per deplaned passenger.

8.7 Calculation of Baggage Make up System Space Rate and Fees. Each year the Port shall calculate the estimated Preferential Use Baggage Make up System Space Rate and the Common Use Baggage Make up System Space Fee for the next Fiscal Year as follows:

8.7.1 Preferential Baggage Make up System Space Rent. The Port shall calculate Airline's annual rent for the use of Preferential Use Baggage Make up System Space by

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multiplying the square footage of such space assigned to the Airline by the Terminal Rental Rate for Group B.

8.7.2 Common Use Baggage Make up System Space Fee. The Port shall calculate the estimated Common Use Baggage Make up System Space Fee as follows:

(a) The Common Use Baggage Make up System Space Requirement shall be calculated by multiplying the total square footage of such space by the Terminal Rental Rate for Group B.

(b) The Port shall calculate the Common Use Baggage Make up System Space Fee by dividing the Common Use Baggage Make up System Space Requirement by the estimated number of Outbound Checked Bags processed on Common Use Baggage Make up Systems. The Port may use the most recent available historical number of Outbound Checked Bags or forecasts that reflect reasonable Port management judgment.

8.8 **Calculation of Baggage Make up System Fees.** Each year the Port shall calculate the Baggage Make up System Fees for the next Fiscal Year as follows:

(a) The estimated Baggage Make up System Requirement shall consist of the Capital Costs and O&M Expenses allocable to the Baggage Make up System *plus* fifty percent (50%) of the costs incurred by the Port to handle baggage transferred from cruise ships to the Airport.

(b) Charges for the use of the Baggage Make up System shall be calculated by allocating ten percent (10%) of the Baggage Make up System Requirement equally among all Signatory Airlines and ninety percent (90%) of the Baggage Make up System Requirement shall be divided by the estimated annual number of Outbound Checked Bags processed on Baggage Make up Systems during the Fiscal Year to determine the Baggage Make up Equipment Rate.

8.9 **Calculation of Preferential Use Ticket Counter Rental Rate.** Each year the Port shall calculate the estimated Preferential Use Ticket Counter Rental for the next Fiscal Year as follows:

8.9.1 The Ticket Counter Requirement shall be computed by as the sum of (a) the normalized cost per square foot for Group B space from Section 8.3.2 multiplied by the estimated total square footage of rentable Ticket Counter Space and (b) the Baggage Makeup Circulation Rate from Section 8.3.3 multiplied by the estimated total square footage of rented Ticket Counter Space.

8.9.2 The Preferential Use Ticket Counter Rental Rate shall be calculated by dividing the Ticket Counter Requirement by the estimated total square footage of rented Ticket Counter Space.

8.10 **Calculation of Common Use Ticket Counter Rate.** Each year the Port shall calculate the estimated Common Use Ticket Counter Rate for the next Fiscal Year as follows:

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8.10.1 The Common Use Ticket Counter Requirement shall be calculated by multiplying the Preferential Use Ticket Counter Rental Rate computed in accordance with Section 8.9.2 by the estimated total square footage of rented Common Use Ticket Counter Space.

8.10.2 The estimated Common Use Ticket Counter Rate shall then be calculated by dividing the Common Use Ticket Counter Requirement by the estimated total annual number of hours of use of Common Use Ticket Counters. The Port may use the most recent available historical numbers of hours of use of Common Use Ticket Counters or forecasts that reflect reasonable Port management judgment in calculating the estimated Common Use Ticket Counter Rate.

8.11 **Calculation of Non-Publicly-Accessible Office Space Rental Rate.** Each year the Port shall calculate the estimated Non-Publicly-Accessible Office Space Rental Rate for the next Fiscal Year as follows:

8.11.1 The Non-Publicly-Accessible Office Requirement shall be computed as the sum of (a) the normalized cost per square foot for Group C space from Section 8.3.2 multiplied by the estimated total square footage of rentable Non-Publicly Accessible Office Space and (b) the Baggage Makeup Circulation Rate from Section 8.3.3 multiplied by the estimated total square footage of rented Non-Publicly-Accessible Office Space.

8.11.2 The Non-Publicly-Accessible Office Rental Rate shall be calculated by dividing the Non-Publicly-Accessible Office Requirement by the estimated total square footage of rented Non-Publicly-Accessible Office Space.

8.12 **Calculation of Closed Storage Space Rental Rate.** Each year the Port shall calculate the estimated Closed Storage Space Rental Rate for the next Fiscal Year as follows:

8.12.1 The Closed Storage Requirement shall be computed by as the sum of (a) the normalized cost per square for Group D space from Section 8.3.2 multiplied by the estimated total square footage of rentable Closed Storage Space and (b) the Baggage Makeup Circulation Rate from Section 8.3.3 multiplied by the estimated total square footage of rented Closed Storage Space.

8.12.2 The Closed Storage Rental Rate shall be calculated by dividing the Closed Storage Requirement by the estimated total square footage of rented Closed Storage Space.

8.13 **Rent for Publicly-Accessible Offices and VIP Lounges.** The Rental Rate for use of Publicly-Accessible Offices and VIP Lounges shall be the Terminal Rental Rate for Group B space.

8.14 **Calculation of Passenger Loading Bridge Fees.**

8.14.1 Calculation of Average Passenger Loading Bridge Cost. Each year the Port shall calculate the estimated Average Passenger Loading Bridge Cost for the following Fiscal Year by dividing the sum of the budgeted Capital Costs and O&M Expenses allocable to Port-owned passenger loading bridges by the number of Port-owned passenger loading bridges.

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8.14.2 Preferential Passenger Loading Bridge Fee. The annual fee for the use of any Port-owned passenger loading bridge serving a Preferential Use Gate shall equal the Average Passenger Loading Bridge Cost.

8.14.3 Common Use Passenger Loading Bridge Rate. The Common Use Passenger Loading Bridge Rate for the use of any Port-owned passenger loading bridge serving a Common Use Gate shall be calculated by multiplying the Average Annual Passenger Loading Bridge Cost by the total number of Port-owned passenger loading bridges serving Common Use Gates and then dividing by the estimated total number of Turns on Common Use Gates with Port-owned passenger loading bridges. The Port may use the most recent available historical numbers of Turns on such Gates or forecasts that reflect reasonable Port management judgment in calculating the estimated Common Use Passenger Loading Bridge Rate.

8.15 Calculation of the Ramp Tower Fee.

8.15.1 Each year the Port shall calculate the estimated Ramp Tower Fee for the next Fiscal Year by dividing the budgeted Capital Costs and O&M Expenses allocable to the ramp tower by the estimated total number of landings for the following Fiscal Year. The Port may use the most recent available historical number of landings or forecasts that reflect reasonable Port management judgment in calculating the estimated Ramp Tower Fee.

8.16 Calculation of the Passenger Airline Apron Fee. Each year the Port shall calculate the estimated Passenger Airline Apron Fee for the next Fiscal Year as follows:

8.16.1 The Airfield Apron Area Requirement shall be computed as the total Capital Costs and O&M Expenses allocable to the Airfield Apron Area, less Ramp Tower Revenues, less any Non-Signatory Premium paid in Apron Fees under Section 8.21, and less RON Parking Revenues in the Airfield Apron Area.

8.16.2 The estimated Passenger Airline Apron Fee shall then be calculated by dividing the Airfield Apron Area Requirement by the estimated total MGLW for Passenger Carriers for the following Fiscal Year. The Port may use the most recent available historical MGLW or forecasts of MGLW that reflect reasonable Port management judgment in calculating the estimated Apron Fee.

8.17 Mid-year Adjustments.

If it appears to the Port on the basis of information it is able to accumulate during the course of any Fiscal Year that the budgeted Capital Costs or O&M Expenses or projected levels of Air Carrier activity it has used to calculate the rates and charges set forth in this Article 8 are likely to vary significantly (higher or lower) from actual results, the Port may make adjustments to such rates and charges at mid-year or at such other time during the calendar year (a) as the need for such an adjustment becomes apparent to the Port or (b) the variance between the budgeted Capital Costs or O&M Expenses or projected levels of Airline activity and actual results is expected to be ten percent (10%) or more. The Port shall provide the AAAC with at least thirty (30) days advance written notice (“Mid-Year Adjustment Notice”) of any adjustments to be made under this Section 8.17. The AAAC may, within fifteen (15) days of receipt of the

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Mid-Year Adjustment Notice, request a meeting with the Port to review the information that the Port used as the basis for an adjustment under this Section 8.17 and if the AAAC does so, the Port shall meet with the AAAC within fifteen (15) days of the AAAC's request.

8.18 Annual Adjustments-to-Actual.

8.18.1 Within sixty (60) days after completion of the audit for the preceding Fiscal Year, the Port shall recalculate the rates and charges as set forth in this Article 8 on the basis of actual Capital Costs and O&M Expenses, Air Carrier activity and other factors affecting the prescribed calculations and shall determine the amount of any overpayment (credit) or underpayment (debit) due to or from Airline. Any resulting credit will be issued to Airline, and any resulting debit will be invoiced to and payable by Airline.

8.18.2 If the Port levies Debt Service Coverage Charges in any given Fiscal Year, the Port shall in subsequent Fiscal Years as part of the annual adjustments-to-actual process credit each Signatory Airline with its proportionate share of such charges as soon as, and to the extent, the Airport's Net Revenue exceeds 125% of its annual debt service for a given Fiscal Year. Credits for past Debt Service Coverage Charges can only be used by a Signatory Airline, including Airline, as an offset against amounts due to the Port in the following order of priority: first, against any amounts due to the Port for Terminal Rents; second, against any Landing Fees due to the Port; and third against any other any other fees, rents or charges due to the Port, except for PFC remittance. Credits for past Debt Service Coverage Charges will not be issued in cash. Such credits must be used within twelve (12) months after they are issued and expire immediately if Airline ceases operations at the Airport for any reason other than the closure of the Airport. Any unused credits that expire shall be applied by the Port against any outstanding amount due on account of Airline's use of Terminal space or use of the airfield at the Airport, except for PFC remittance.

8.18.3 For Fiscal Year 2034, the final year of the Term, the Port shall make an adjustment-to-actual in accordance with Section 8.18.1, and any resulting credit will be issued to Airline and any resulting debits will be invoiced to payable by Airline notwithstanding the termination of the Agreement on December 31, 2034.

8.19 Airport Employee Parking Stabilization. The Port is planning to expand airport employee parking at the Airport. Parking fees for use of airport employee parking lots are based on cost recovery. To stabilize airport employee parking rates that are expected to increase as a result of any expansion of airport employee parking, the Port agrees to the following in the event the Port acquires, by purchase or lease, real estate after September 30, 2024 that is used for expanded airport employee parking:

(a) The Port will exclude the lease payments or purchase price for the acquisition of such real estate from the costs that that would otherwise be allocated to the airport employee parking cost center and recovered through airport employee parking fees by up to a maximum amount of approximately \$6.8 Million annually (escalated by 3% annually) over the Term of the Agreement; and

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(b) The Port will also exclude a total of \$26.8 Million from the costs that may otherwise be recovered through airport employee parking fees during the first six (6) years of this Agreement in order to stabilize increases in the employee parking rate. The Port will determine the amount to apply each year based on the Port's then-current forecast of employee parking rates through Fiscal Year 2030 and the Port's goal of minimizing substantial increases in year-to-year airport employee parking rates, but in any event utilize the entire \$26.8 Million by the end of Fiscal Year 2030.

Any costs excluded from recovery through airport employee parking fees under (a) and (b) above will not otherwise be recovered by the Port by charging the costs to Airline Rate Bases.

8.20 Activity Reports.

8.20.1 Flight Information Management System. Airline shall provide the Port with the information for the Port's Flight Information Management System ("FIMS") by providing *real time* data output from Airline's internal flight information display system, computer reservations system, cargo load message transmission, ARINC or SITA transmissions, or other information systems (including commercial information systems) on a per flight basis. Airline flight information shall be in a format prescribed by the Port and shall include, at least, the following information about the Airline's operations and activities at the Airport. For each *arriving* flight: (a) flight number and Airport Gate utilized, (b) aircraft registration number and aircraft type, (c) actual time of arrival at the Airport (wheels-on) and actual time of arrival at the Gate (aircraft parked at the Gate), (d) baggage claim number, (e) scheduled time of arrival, (f) estimated time of arrival, (g) aircraft parking position, (h) international or domestic flight indicator, (i) pre-cleared flight indicator, (j) code share information if applicable and (k) flight routing. For each *departing* flight: (a) flight number and Airport Gate utilized, (b) aircraft registration number and aircraft type, (c) actual time of departure from Gate (aircraft pushback) and actual time of departure from Airport (wheels-off), (d) scheduled time of departure, (e) estimated time of departure, (f) aircraft parking position (g) code share information if applicable and (h) flight routing.

8.20.2 Airline Reporting. Airline shall provide to the Port, on or before the 10th day of each and every month, an accurate summary report of Airline's operations at the Airport during the preceding month ("Monthly Activity Report"). Airline's Monthly Activity Report shall be in a format prescribed by the Port and shall include at least the following information: (a) the aircraft make, model and series, Maximum Gross Landed Weight ("MGLW"), seating capacity and configuration of every aircraft type operated by Airline at the Airport during the preceding month; (b) the total MGLW of all passenger aircraft and, separately, all cargo aircraft landing at the Airport by Airline; (c) the total number of domestic and international enplaned and deplaned passengers served by Airline at the Airport (including the breakdown of FIS Facility and non-FIS Facility deplaned passengers and revenue and non-revenue passengers); (d) the total amount (in pounds or kilograms) of domestic and international cargo and mail enplaned and deplaned by Airline at the Airport; (e) the total number of revenue and non-revenue aircraft operations by Airline; and (f) total Airline use of Common Use Gates by date and time, including gate, aircraft type and registration (tail) number.

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8.20.3 **Failure to Report.** If Airline fails timely to furnish the Port with any Monthly Activity Report under subsections 8.20.1, 8.20.2 or Section 9.1, whichever may be applicable, Airline's Landing Fees, Terminal Rents and any other charges due under this Agreement shall be determined by assuming that Airline's activity in any month for which Airline has failed to report its activity equaled the Airline's maximum activity during any of the previous twelve (12) months for which Airline submitted a Monthly Activity Report to the Port. Any necessary adjustments in the Airline's charges shall be calculated after an accurate report is delivered to the Port by Airline for the month in question. Resulting credits or debits shall be applied to the appropriate invoices in the next billing period.

8.21 **Non-Signatory Premium.** Non-Signatory Airlines shall pay a twenty-five percent (25%) premium on all rates and charges set forth under this Article 8.

8.22 **Air Service Incentive Program.** Notwithstanding any other provision in this Agreement and, in order to enhance and attract new air service to the Airport, the Port reserves the right to adopt and implement a program of air service incentives at the Airport, consistent with applicable federal requirements, which may include rates and charges incentives and marketing support ("Air Service Incentive Program"). The Air Service Incentive Program, if implemented, shall be offered to all eligible Air Carriers on a nondiscriminatory basis. The Port will use non-aeronautical Airport revenues or Airfield Commercial Area revenues to fund the Air Service Incentive Program and any fee waivers will not adversely impact Airline Rate Bases. Notwithstanding the foregoing, Airline agrees that any airline incentive agreements that are in effect on January 1, 2025 and for which the Port is recovering the costs through Airline Rate Bases, shall remain in effect until the earlier of (a) the expiration of that agreement or (b) January 1, 2027, and the Port will continue to recover the costs through Airline Rate Bases through that period of time.

8.23 **Affiliates.** In the event Airline contracts with an Affiliate, it shall be considered a Contracting Carrier, and all of the following provisions applicable to Contracting Carriers shall apply to Airline:

8.23.1 Airline may not use an Affiliate without first notifying the Port that it intends to designate an Affiliate and ensuring that the Affiliate must enter into an Affiliate Operating Permit with the Port, and that Airline also signs that agreement as the Contracting Carrier. Airline is also responsible to notify the Port when it ceases to use the Affiliate. Affiliates signing a Signatory Lease and Operating Agreement will be bound by that Agreement for its entire term.

8.23.2 All Affiliates using the Airport must enter into an Affiliate Operating Permit with the Port. The Contracting Carrier must also sign the Affiliate's Operating Permit with the Port. An Affiliate shall be considered an agent of the Contracting Carrier.

8.23.3 All Landing Fees, Terminal Rents and other charges and fees due from the Affiliate and all reports required to be made for payment of Landing Fees and Terminal Rents shall be made by the Contracting Carrier. The Contracting Carrier will remain liable to the Port for the payment of all Landing Fees and Terminal Rents due from the Affiliate, and any such past due payments (including PFCs) will be subtracted from any reimbursement due to the

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Contracting Carrier by the Port. Notwithstanding the foregoing, the Affiliate shall directly report and pay to the Port all PFCs that it collects. If the Contracting Carrier fails to make payment or submit reports on behalf of the Affiliate, the Affiliate remains fully responsible and liable to the Port for both reporting and payment. As long as the Contracting Carrier is making all payments of Landing Fees and Terminal Rents, and submitting the activity reports for the Affiliate, then that Affiliate activity will count toward the Contracting Carrier's activity.

8.23.4 Any Air Carrier who operates under its own name and sells any seats in its own name will not be deemed an Affiliate. An Affiliate may work for more than one (1) Signatory Airline at a time, or from time to time, but any Signatory Airline for whom the Affiliate is working must sign the Affiliate's Operating Permit, agreeing to be responsible for reporting and paying for the Affiliate's operations on its behalf. Notwithstanding anything to the contrary, an Air Carrier's status as Affiliate of the Airline at the Airport may be terminated by the Airline upon not less than thirty (30) days written notice to the Port. Any Affiliate who sells any seats in its own name will be required to sign a Signatory Lease and Operating Agreement, or will be deemed a Non-Signatory Airline, and Section 8.23 shall not apply.

8.23.5 Because the Affiliate is operating on behalf of a Signatory Airline(s) who reports and pays for all Terminal Rents and Landing Fees associated with the Affiliate's operations, the Affiliate will not be required to pay a Non-Signatory premium on its Landing Fees and Terminal Rents, except as provided in this Section 8.23. The Landing Fees and Terminal Rents paid by the Contracting Carrier on behalf of its Affiliate(s) are subject to all the provisions of Article 8.

8.23.6 If an Affiliate chooses to lease space directly from the Port, the Affiliate must become a Signatory Airline or a Non-Signatory Airline, but in either case relinquishes its status as an Affiliate.

8.24 **Airfield Commercial Area.** The Port shall treat the Airfield Commercial Area as a separate, compensatory cost center.

8.25 **Space Determinations.** Each Fiscal Year during the Term, at the time the Port reviews the Airport budget with the AAAC (in July or September each year), the Port shall, if requested by the Chair of the AAAC, provide Airline and the AAAC with the Port's annual space update, displaying the Port's then-current determinations of the characterization, locations and measurements of each type of Terminal space leased to any Air Carrier or otherwise affecting the calculation of rates and charges under this Article 8. If Airline believes in good faith that the Port's space determinations are erroneous, Airline may bring its concerns and any supporting information to the attention of the Port by written notice to the Port's Aviation Property Manager. If the Port's Aviation Property Manager and Airline's property representative are unable to resolve such concerns within fifteen (15) days of Airline's written notice to the Port, the matter shall be presented to the Managing Director, whose decision shall be binding. Any error in the Port's determination of space identified by the Managing Director shall be adjusted by the Port for the Fiscal Year in which the error is acknowledged. The Managing Director may, after consultation with the Chair of the AAAC, appoint a Terminal Space Review Committee, with representatives of the Port and the AAAC, to provide

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recommendations about the characterization, locations or measurements of space within the Terminal or the resolution of particular concerns about space determinations raised by any Airline.

ARTICLE 9

PAYMENTS

9.1 Payment of Landing Fees and Terminal Rents.

Airline shall pay to the Port Landing Fees and Terminal Rents calculated in accordance with Article 8 as follows. Beginning on the Effective Date, Airline shall pay to the Port on a monthly basis the Landing Fee and Terminal Rents established by the Port in accordance with this Agreement.

9.1.1 All payments of Terminal Rents (except rentals for use of Common Use Premises and the FIS, for which Airline shall pay as noted below) shall be made in advance no later than the first (1st) day of the month without awaiting an invoice from the Port. If Airline received a revised Premise Notice from the Port for prior month(s), any adjustment invoice arising from the revised Premise Notice shall be due and payable within 30 days of the Port's adjustment invoice date.

9.1.2 Airline shall provide to the Port by no later than the tenth (10th) day of each and every month Airline's Monthly Activity Report for the preceding month. Airline shall pay to the Port the Landing Fees due for the preceding month by no later than the thirtieth (30th) day of each and every month (or, for February, the last day) without awaiting an invoice from the Port. In the event Airline fails to provide to the Port the Monthly Activity Report required under this Section and subsection 8.20.2, the Port shall determine the Landing Fee payment due in accordance with the provisions of subsection 8.20.3 of this Agreement.

9.1.3 The Port shall invoice Airline as of the thirtieth (30th) day of each month (or, for February, the last day) for the actual rentals associated with Airline's use of Common Use Premises and the FIS during the prior month. Airline's payment of actual rentals for the Common Use Premises and the FIS shall be due and payable within thirty (30) days of the Port's invoice date.

9.1.4 All payments of both Terminal Rents (including rentals for use of Common Use Premises and the FIS) and Landing Fees shall be made to the Port at its Payment Address or at such other place as the Managing Director may from time to time designate in writing. All amounts shall be paid in lawful money of the United States, and all payments must be made by electronic funds transfer, check or credit card. Credit card payments shall be inclusive of any associated service fee, which is subject to change. All amounts paid shall be free from all claims, demands, fees, expenses, set-offs or counterclaims of any kind. Any amounts owed under this Section 9.1 that are not paid when due, and following a ten (10) day grace period thereafter, shall be subject to an interest charge equal to the rate of one and one-half percent (1½%) per month, with a minimum of Five Dollars (\$5.00). The Port's acceptance of any payment under this Agreement shall not constitute a waiver of Airline's default on the

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overdue amount or prevent the Port from exercising any of its rights and remedies under this Agreement.

9.2 Passenger Facility Charges.

9.2.1 The Port expressly reserves the right to impose passenger facility charges (“PFCs”) in accordance with 49 U.S.C. § 40117 and applicable implementing regulations adopted by the FAA, 14 CFR Pt. 158, as they may be amended from time to time (the “PFC Regulations”).

9.2.2 Airline shall hold in trust for the Port the net principal amount of all PFCs that are collected by Airline or its agents on behalf of the Port pursuant to 49 U.S.C. § 40117 and the PFC Regulations. For purposes of this Section 9.2, net principal amount shall mean the total principal amount of all PFCs that are collected by Airline or its agents on behalf of the Port, reduced by any amount that Airline is permitted to retain pursuant to § 158.53(a) of the PFC Regulations. PFCs collected by the Airline shall be remitted to the Port at its Payment Address or at such other place as the Managing Director may from time to time designate in writing. For PFCs not timely remitted to the Port as of the date due, and following a ten (10) day grace period thereafter, the Port will assess an interest charge against the unpaid PFCs at the rate described in Section 9.1.4, from the date remittance of PFCs was first due through the date PFCs are paid in full.

9.3 Payment of VIP Lounge Percentage Fees.

On or before the fifteenth (15th) day of each calendar month, each Airline shall pay to the Port the following percentage fees on the sale of all alcoholic beverages or other beverages, and any related food service items sold at or within the VIP Lounge: ten percent (10%) of the Gross Revenues received by Airline from beer and wine sales, ten percent (10%) of the Gross Revenues received by Airline from all liquor sales and fourteen percent (14%) of the Gross Revenues received by Airline from all other (if any) sales, excluding sales of day passes or fees to other Air Carriers, incurred during said preceding month. Airline shall submit to the Port, together with the required payment, a detailed statement showing Gross Revenues received by Airline from all alcoholic beverages or other beverages, and any related food service items sold at or within the VIP Lounge during the preceding calendar month. The monthly statements shall show such reasonable detail and breakdown as may be required by the Port.

9.4 Payment of Invoices for Damage Caused by Airline.

In the event the Port invoices Airline for cost incurred by the Port related to damage at the Airport caused by Airline for which Airline did not receive prior notice and an opportunity to review and respond, Airline shall have 45 days to review, investigate, and make payment to the Port or dispute the charge. During this 45-day period interest charges shall not accrue.

ARTICLE 10

AUDIT

Airline shall maintain separate and accurate daily records of Airline's operations at the Airport for a period of three (3) years after the close of each calendar year throughout the Term, *provided*, however, that in the event the Port gives Airline written notice of a claim for payment under this Agreement, Airline shall retain all of its records relating to its daily operations at the Airport that might pertain to the claim until the claim has been finally resolved. This record-keeping obligation shall survive the expiration or termination of this Agreement. All such books and records, including current and detailed records of all receipts in connection with items sold at the VIP Lounge which are material or relevant in computing and verifying the percentage fees provided for in subsection 9.3, shall be kept in accordance with generally accepted accounting principles, consistently applied, showing in detail all business done or transacted in, on, about or from or pertaining to the Airport, and shall be sufficient to permit the Port to calculate and verify the Landing Fees, Terminal Rents and other charges due under this Agreement. Upon the Managing Director's written request, Airline shall make available to the Port or its auditors any and all books, records and accounts pertaining to its operations under this Agreement. If the requested books, records and accounts are not made available at the Airport, and the Port or its auditors are required to travel elsewhere to review them, the Port may require that Airline reimburse the Port for the reasonable costs of such review of Airline's books, records and accounts, provided that the Port demonstrates an underpayment of five percent (5%) or more.

ARTICLE 11

PIPELINES AND UTILITIES

11.1 Reservations by Port.

It is understood and agreed that the Port reserves and retains the right with reasonable advance written notice to Airline to construct, reconstruct, install, repair, remove, renew, operate and use pipelines, utility lines, copper wire, fiber-optic and/or high-speed wireless networks, roadways or structures for Airport purposes anywhere within the Airport, provided that any such activities by the Port shall not have a substantial and material adverse effect on Airline's operations at the Airport or its rights hereunder.

11.2 Relocation of Pipelines.

In the event that any pipeline, utility line or appurtenance installed by Airline is so located that it shall be necessary to change, alter, relocate or reconstruct it in order to allow the Port, or an independent party through an arrangement with Port, to install sewer or drain lines or other utility lines, such change, alteration, relocation or reconstruction shall be made by Airline as requested by the Port at the Port's sole cost and expense.

11.3 Utilities.

11.3.1 The Port shall provide the following utility services to the Premises in reasonable amounts and at pressures appropriate for airline operations: water, electricity, fire suppression systems, sewage outlets, heating, ventilation and air conditioning. The Port shall determine the points in the Premises where such services will be made available to Airline. In the event Airline desires to change the points of supply by Port, the expense of making such changes or alterations shall be at the sole cost of Airline. Any additional utility services requested by Airline and not otherwise provided by the Port shall be provided only with the Port's approval and shall be subject to separate tariffs.

11.3.2 Except where, and to the extent, caused by the negligence or intentional wrongdoing of Port, its agents, employees, contractors, officers, directors or predecessors in interest, Airline expressly waives any and all claims against the Port for damages arising or resulting from failures or interruptions of utility services or any failure of performance by an independent party providing utility services to the Premises, including electricity, gas, water, plumbing, sewage, telephone, communications, heat, ventilation, air conditioning, or for the failure or interruption of any public or passenger conveniences.

ARTICLE 12

DEVELOPMENT, MAINTENANCE AND REPAIR OF AIRPORT

12.1 Port Right to Alter Airport.

Subject to the terms of this Agreement, Airline acknowledges and agrees that the Port shall have the right at all times to change, alter, expand or contract the Airport and that the Port has made no representations, warranties or covenants to Airline regarding the design, construction, pedestrian traffic, or views of the Airport.

12.2 Condition of Premises and Janitorial Services.

Airline agrees to keep the Premises, including the fixtures and equipment in Premises, in a clean, neat, safe, and sanitary condition, and in good order, at all times, except for damages or loss due to reasonable wear and tear, fire or other casualty or other cause beyond Airline's control. Airline shall not store nor allow accumulation of trash or debris on any portion of the Premises, nor use Port's trash containers without the Managing Director's prior consent. Airline agrees to arrange for the daily disposal, at its own expense, of all waste material. All lawful requirements of the State of Washington relating to health or sanitation adopted by any legal authority with jurisdiction, including the Port, shall be fully met by Airline, and Airline upon request shall give access for inspection purposes to any duly authorized representative of any such legal authority or of the Port. The Port shall provide pest control services to all Premises and Airline agrees to provide Port with reasonable access to the Premises, upon reasonable notice from the Port, for pest control activities, including Premises inspections under subsection 12.6. Janitorial services, carpet cleaning, maintenance and repair and window washing on the Premises will be furnished by the Port or its designee except for Exclusive Premises, if any, assigned to Airline. Airline shall be

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responsible for janitorial services, carpet cleaning, maintenance and repair and window washing in Exclusive Premises, if any, assigned to Airline.

12.3 Airline Improvements.

12.3.1 General Provision. Airline shall make no alterations or improvements upon the Premises or install fixtures without first obtaining the written consent of the Port. In no event may Airline make any alterations or improvements to any Common Use Premises. In the event any alterations or improvements shall be made or fixtures (other than trade fixtures) shall be installed by Airline, they shall at once become part of the realty and become the property of the Port. Moveable furniture, equipment and all trade fixtures shall be and remain the property of the Airline, and the Airline, at its expense, upon the expiration or prior termination of this Agreement, shall promptly remove any such furniture and trade fixtures and, at the Port's request, shall restore the Premises to its condition prior to the installation of any such property.

12.3.2 Visual Artists Rights Act. With respect to construction or installation of any improvements at the Premises that might implicate the requirements of the federal Visual Artists Rights Act of 1990, 17 U.S.C. §§ 106A and 113, as they may be amended from time to time ("VARA"), Airline agrees that it shall not (i) hire any artist or permit any sublessee to hire any artist for the purpose of installing or incorporating any work of art into or at the Premises, or (ii) permit the installation or incorporation of any work of art into or at the Premises, without the prior written approval of the Port. Airline shall provide such reasonable documentation as the Port may request in connection with any such approval, and the approval of the Port may be conditioned upon the execution by the artist of a waiver of the provisions of the VARA, in form and substance acceptable to the Port.

12.4 Repair.

12.4.1 Except as otherwise expressly provided herein, Airline specifically acknowledges and agrees that the Port is permitting the use of the Premises by Airline on an "as is with all faults" basis and that Airline is not relying on any representations or warranties of any kind whatsoever, express or implied, from the Port, as to any matters concerning the Premises.

12.4.2 In all Exclusive Premises assigned to Airline, Airline shall at its own expense redecorate and paint the interior of the space and replace electric light bulbs, worn carpeting, or other floor coverings, curtains, draperies, blinds or other furnishings and equipment as their conditions may require. Airline may paint Preferential Use Ticket Counters back wall assigned to it after first obtaining the Port's approval of the paint color and back wall graphics, and Airline shall be responsible for all associated maintenance.

12.4.3 The Port agrees to keep, operate and maintain the Terminal, including its foundation, structure, outside walls, roof and utility systems. The Port will also keep and maintain (i) all Port-standard fixtures, furnishings, light bulbs, equipment, paint and carpeting or other floor coverings located in the Terminal (except those in Airline's Exclusive Premises) and in Airline's Preferential Premises, in a neat, clean and operating condition replacing all Port-standard worn-out fixtures, furnishings, carpeting and other floor coverings, machinery and equipment as may be required; *provided*, however, that, if Airline requests that the Port install

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non-Port standard fixtures, furnishings, equipment, carpeting or other floor covering in Airline's Preferential Use Premises, Airline shall be responsible for all associated maintenance and repair costs throughout the Term of this Agreement and, consistent with the provisions of subsection 12.4.2, for painting Airline's Preferential Use Premises.

12.4.4 Gate Ramp Maintenance. The Port agrees to provide striping and maintain the industrial waste system on the Gate Ramp. The Port shall also keep, operate and maintain the concrete infrastructure and structural integrity of the Gate Ramp.

12.5 Damage or Destruction.

12.5.1 Damage. If any portion of the Terminal in which Airline occupies Premises under this Agreement is damaged by fire, earthquake or other casualty, but is not rendered unfit for use by Airline, the damage shall be repaired by the Port. If the damage renders the Premises unfit for use by Airline, and if the damage is repairable using reasonable diligence within four months from the date of the occurrence, the Premises shall be repaired by the Port.

12.5.2 Destruction. If any portion of the Terminal in which Airline occupies Premises under this Agreement is completely destroyed by fire, earthquake or other casualty, or damaged to such extent that such damage cannot be repaired within four months from the date of the occurrence, the Port shall have the option to terminate this Agreement to the extent that it shall apply to the particular Premises. The Port shall within thirty (30) days of such occurrence provide written notice to Airline that it intends to (i) terminate the Agreement or (ii) repair or reconstruct the Premises. If the Port elects to repair or reconstruct the Premises, it shall begin any work necessary to do so and shall use reasonable efforts to provide the Airline with temporary substitute space while the repairs are being completed. If the Port elects to terminate this Agreement, such termination shall be effective as to the Premises, sixty (60) days after the occurrence of the damage, *provided*, however, that before electing to terminate, upon request of Airline the Port shall use reasonable efforts to provide Airline with substitute space for the remaining Term.

12.5.3 Rent Abatement. For the period from the occurrence of any damage to the Premises to the date of completion of the repairs to the Premises (or to the date of termination of the Agreement as to such portions of the Premises if the Port shall elect not to restore them), the rental allocable to the particular Premises involved shall be abated in the same proportion as the unusable portion of the Premises bears to the whole, or, if the damage or destruction has rendered the entire Premises unusable, said rental shall be abated entirely, and upon termination of the Agreement as to such damaged or destroyed Premises, the Airline shall have no further obligation to pay the rental allocable thereto. The costs assigned to such unusable Premises under subsection 8.3.2 shall be evenly redistributed for the duration of such rent abatement among all of rented space in the corresponding Group under subsection 8.3.2. The Port may charge a reasonable rental for any temporary substitute space it furnishes. In the event that the Port shall elect to terminate the Agreement as to the portion of the Premises damaged or destroyed as provided above, and in the event the loss of use thereof by the Airline will have a substantial adverse effect on Airline's use of the remainder of the Premises and its business and operations at the Airport, the Airline may within thirty (30) days after receipt of the Port's notice of termination, terminate this Agreement in its entirety by giving the Port written notice thereof.

12.6 Inspections.

The Port may, upon reasonable notice to Airline, cause the Premises and Airline's operations at the Airport to be inspected and may conduct an inspection of Airline's operations at the Airport, including pest inspections pursuant to subsection 12.2, to confirm that such operations comply with the requirements set forth in this Agreement. The Port shall use reasonable efforts not to interfere with Airline's operations during any such inspection, and Airline shall cooperate with such inspection. In the event such inspection shows that Airline is not substantially complying with such requirements, without limiting the Port's ability to call a default hereunder, the Port may require that Airline reimburse the Port for the reasonable costs of such inspection. Airline shall promptly remedy any noncompliance shown in any such inspection.

12.7 Future Airline Consortia.

The Port acknowledges that from time to time during the Term, a group of Air Carriers may seek to provide airport services currently provided by the Port through an airline consortium. Any such group may present its proposal to the AAAC and request that the Chair of the AAAC submit a written proposal to the Port. The written proposal to the Port must specify the proposed services, the business case for providing the services through an airline consortium, the estimated costs of providing the service, the mechanism for recovering costs including recovery through rates and charges (which may be approved by the Port without amendment to this Agreement), an operational plan and any other information reasonably requested by the Port. The Port will review the proposal and the Managing Director will provide a written response within sixty (60) days that (a) directs Port staff to proceed with discussions on agreements and other documentation necessary to establish the airline consortium, which shall be subject to review and approval by Managing Director and the Port Commission in their sole discretion, (b) rejects the proposal or (c) requests additional information.

ARTICLE 13

COMPLIANCE WITH LAW

13.1 General Laws.

At all times, Airline shall, with respect to its operations at the Airport, comply with all applicable present and future federal, state and local laws, rules, regulations and ordinances, as they may be amended from time to time, whether foreseen or unforeseen, ordinary as well as extraordinary, including without implied limitation those relating to (i) health and safety; (ii) the environment; and (iii) disabled access, including the Americans with Disabilities Act, 42 U.S.C. §§ 12101 *et seq.*

13.2 Airport Rules and Regulations.

The use by Airline of the Premises, the Public Areas, the Airfield and all other areas of the Airport shall be subject to such Airport Rules and Regulations as are now or may in the future be adopted by the Port, provided that such Rules and Regulations do not conflict with applicable provisions of state or federal law and do not directly conflict with any express provision of this

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Agreement. Except in the case of changes required to comply with regulations or other legal obligations or to address safety concerns or an emergency, the Port shall present to the AAAC any proposed Rules and Regulations that would affect Air Carrier operations at the Airport before any such proposed Rules and Regulations are adopted by the Port. The Port will distribute the proposed changes in writing at the AAAC meeting. Within thirty (30) calendar days after the Port's presentation to the AAAC, the Chair of the AAAC or their designee (and not Airline individually), shall submit to the Port, in writing, objections to or concerns about the proposed Rules and Regulations on behalf of objecting Air Carriers and the Port will host a meeting with the AAAC within fifteen (15) calendar days after the Port's receipt of the AAAC's objections and concerns to discuss them. If the AAAC's objections and concerns are not resolved or addressed, the Port shall provide the proposed Rules and Regulations and the AAAC's objections to the Port Commission prior to implementation, and the AAAC shall have twenty (20) days to comment to the Port Commission on its objections. After the AAAC comments to the Port Commission on its objections, or if the AAAC fails to comment to the Port Commission during the allotted twenty (20) day period, the Port shall implement the proposed Rules and Regulations after consideration of any Air Carrier comments. This Agreement shall not be interpreted as a waiver of any right of Airline to challenge any future Rules and Regulations of the Port on the basis of the Airline Deregulation Act, 49 U.S.C. § 41713.

ARTICLE 14

INDEMNIFICATION - LIABILITY INSURANCE

14.1 Indemnification of Port by Airline.

Except where, and to the extent, caused by the negligence or intentional wrongdoing of Port, its agents, employees, contractors, officers, directors or predecessors in interest, the Port and its officers, employees and agents, shall not be liable for any injury (including death) to any persons or for damage to any property regardless of how such injury or damage may be caused, sustained or alleged to have been sustained by Airline or by others, including but not limited to all persons directly or indirectly employed by Airline, or any agents, contractors, subcontractors, licensees and invitees of Airline, as a result of any condition (including existing or future defects in the Premises) or occurrence (including failure or interruption of utility service) whatsoever related in any way to the Premises or the areas adjacent thereto or related in any way to Airline's use or occupancy of the Premises and of areas adjacent thereto. Airline agrees to defend (with counsel reasonably acceptable to the Port) and hold and save the Port harmless from all liability and expenses (including attorney's fees, costs, and all expenses of litigation) in connection with any such actual or alleged injury or damage, except where, and to the extent, caused by the negligence or intentional wrongdoing of the Port, its agents, employees, contractors, officers, directors or predecessors in interest. All indemnities provided in this Agreement shall survive the expiration or any earlier termination of this Agreement. Any final judgment rendered against the Port for any cause for which Airline is liable hereunder shall be conclusive against Airline as to liability and amount upon the expiration of the time for appeal therefrom.

14.1.1 Industrial Insurance Laws. Airline shall comply with the statutory requirements of Chapter 51 of the Revised Code of Washington ("RCW") regarding workers

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compensation coverage for its employees. In any and all claims against the Port by an employee of Airline, the indemnification obligation of Section 14.1 of this Agreement shall not be limited in any way by any limitation on the amount or type of damages or compensation benefits payable by or for the Airline under applicable worker's or workmen's compensation, benefit, or disability laws (including but not limited to RCW 51 Industrial Insurance). Airline expressly waives any immunity Airline might have under such laws and, by agreeing to enter into the Agreement, acknowledges that the foregoing waiver has been mutually negotiated by the parties.

14.2 Liability Insurance.

During the Term, Airline shall provide to the Port at the address set forth in Section 1.1, pay for and maintain with companies, reasonably satisfactory to Port, aircraft liability insurance on each aircraft, including all owned, non-owned and hired aircraft, and commercial general liability insurance covering bodily injury, personal injury, property damage, product/completed operations, premises liability and contractual liability. Insurance liability limits shall not be less than \$750 million per occurrence for each passenger aircraft with 150 or more seats and \$500 million per occurrence for (i) each passenger aircraft with fewer than 150 seats or (ii) each aircraft used for cargo operations only, and not less than \$10 million per occurrence for commercial general liability insurance. Insurance shall be placed with companies reasonably satisfactory to the Port in terms of financial strength, rating and solvency. The Port shall be named as an additional insured (using ISO Form 20 26 11 85 or equivalent endorsement acceptable to the Port), and shall be furnished with appropriate written evidence to establish that Airline's insurance obligations as required by this Section have been and continue to be met, and that the insurance coverage required by this Section is not subject to cancellation, nonrenewal or material reduction in coverage without at least thirty (30) days' advance written notice to the Port. The inclusion of the Port as an additional insured shall not create any premium liability for the Port. In addition to the foregoing, Airline shall provide the Port's Risk Management Department, within ten (10) days of the Port's written request, contact information for the claims department of the insurer(s) that issued policies under which the Port is an additional insured if insurer contact information has not been previously provided by the required certificate of insurance. The liability insurance required by this Section 14.2 shall not contain a deductible or self-insured retention in excess of \$1.5 Million without the prior written approval of the Port. This defense and coverage shall be primary and noncontributory from any coverage the Port has from any of its insurance policies. All deductibles and self-insured retentions shall be paid by, assumed by, for the account of, and at Airline's sole risk. To the extent that Airline relies on excess or "umbrella" policy of insurance to satisfy the requirements of this Section, any such policy shall be no less broad than the underlying policy and shall include a drop-down provision.

14.3 Automobile Liability Insurance.

During the Term, Airline shall provide to the Port at the address set forth in Section 1.1, pay for and maintain with companies reasonably satisfactory to Port, commercial automobile liability insurance covering all owned, non-owned and hired automobiles, trucks and trailers in the minimum single limit of \$5 million for operations outside the Airfield Movement Area but within the Air Operations Area and \$10 million for operations inside the Airfield Movement Area and hereafter in such increased amounts or on such revised terms and conditions as the Port may from

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time to time specify. As used herein, “Air Operations Area” shall mean any area enclosed by the Airport security fence, including ramps, aprons, runways, taxiways, gate positions, airport parking areas, and FAA facilities. The policy shall specifically be endorsed to cover all “mobile equipment” utilized by Airline at the Airport. The Port shall be named as an additional insured using an appropriate policy form or endorsement, and shall be furnished with appropriate written evidence to establish that Airline’s insurance obligations as required by this Section have been and continue to be met, and that the insurance coverage required by this Section is not subject to cancellation, nonrenewal or material reduction in coverage without at least thirty (30) days’ advance written notice to the Port. In addition to the foregoing, Airline shall provide the Port’s Risk Management Department, within ten (10) days of the Port’s written request, contact information for the claims department of the insurer(s) that issued policies under which the Port is an additional insured if insurer contact information has not been previously provided by the required certificate of insurance. The inclusion of the Port as an additional insured shall not create any premium liability for the Port. The liability insurance required by this Section shall not contain a deductible or self-insured retention in excess of \$1.5 Million without the prior written approval of the Port. All deductibles and self-insured retentions shall be paid by, assumed by, for the account of, and at Airline’s sole risk. To the extent that Airline relies on excess or “umbrella” policy of insurance to satisfy the requirements of this Section, any such policy shall be no less broad than the underlying policy, and shall include a drop-down provision.

14.4 Other Forms of Insurance.

Airline shall also obtain all other forms of insurance required for its particular use of the Airport or as required by law.

14.5 Termination, Renewal and Additional Insurance.

Should any insurance required under this Agreement be terminated, cancelled, or not renewed, Airline will have five (5) business days to obtain replacement insurance from the date of termination, cancellation, or non-renewal notice Airline receives from its insurer(s). In the event the insurance is not replaced within the five (5) business days, the Port reserves the right, after consultation with Airline, to provide additional insurance and charge the cost of any premiums for such coverage to the Airline. The Port’s right under this Section 14.5 includes, but is not limited to, the Port purchasing higher limits for its own insurance program to account for erosion in limits by Airline.

14.6 No Representation of Adequacy.

The Port makes no representation that limits or forms of insurance coverage specified or required under this Agreement are adequate to cover Airline’s property or Airline’s liabilities or obligations under this Agreement.

14.7 Port’s Right to Request Information from Insurance Company.

If at any time the Port requests a written statement from the insurance company as to any impairments to the aggregate limit, Airline shall promptly authorize and have delivered such statement to the Port. Airline authorizes the Port and its insurance consultant to confirm with

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Airline’s insurance agents, brokers and insurance companies all information furnished the Port, as to Airline’s compliance with the Port’s insurance requirements.

14.8 Primary Coverage.

All insurance policies required under this Agreement shall be endorsed to state that Airline’s policy is primary and not contributory with any insurance carried by the Port.

ARTICLE 15

WAIVER OF SUBROGATION

The Port and Airline (for themselves and on behalf of anyone claiming through or under them by way of subrogation or otherwise) hereby release each other from liability and waive all right of recovery against each other for any loss to real or personal property located anywhere on or about the Airport from perils which can be insured against under a standard form commercial property or fire insurance policy (specifically including hull insurance or the like) with extended perils coverage endorsements generally available in Washington at the time the loss occurs. The effect of the release and waiver of the right to recover damages shall not be limited by whether the party incurring the loss has actually obtained such insurance, by the amount of insurance carried, or by any deductibles applicable thereto. If a party’s applicable insurance policies do not allow the insured to waive the insurer’s rights to recovery, the party shall cause each insurance policy to be endorsed to allow the waiver of subrogation required by this section.

ARTICLE 16

INCREASE IN COST OF INSURANCE

Airline shall not use the Premises in any manner not contemplated by this Agreement so as to increase the existing rates of insurance applicable to the buildings or structures of which the Premises are a part. If it nevertheless does so, then, at the option of the Port, the full amount of any resulting increase in premiums paid by the Port with respect to the buildings or structures of which the Premises are a part, and to the extent allocable to the Term, shall be paid by Airline to the Port. Conversely, the Port shall not use the Public Areas in any manner not contemplated by this Agreement so as to increase the existing rates of insurance applicable to the Airline’s Premises. If it nevertheless does so, then, at the option of the Airline, the full amount of any resulting increase in premiums paid by the Airline with respect to the buildings or structures of which the Premises are a part, and to the extent allocable to the Term, shall be paid by Port to the Airline.

ARTICLE 17

FEDERAL CIVIL RIGHTS AND OTHER FEDERAL OBLIGATIONS

For the purposes of this Article 17 only, the use of the word “Contractor” shall mean Airline, the use of the words “Sponsor” and “Owner” shall mean the Port and “FAA” shall mean the Federal Aviation Administration.

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17.1 General Civil Rights Provisions.

In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964. If Contractor transfers its obligation to another, the transferee is obligated in the same manner as Contractor. The above provision obligates Contractor for the period during which the Premises is owned, used or possessed by Contractor and the Airport remains obligated to the Federal Aviation Administration.

17.2 Title VI Clauses for Transfer of Real Property Acquired or Improved Under the Activity, Facility, or Program.

The Contractor for itself and its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the property described in this Agreement for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, Contractor will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Title VI List of Pertinent Nondiscrimination Acts and Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

17.3 Title VI Clauses for Construction/Use/Access to Real Property Acquired Under the Activity, Facility or Program.

The Contractor for itself and its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Contractor will use the premises in compliance with all other requirements imposed by or pursuant to the Title VI List of Pertinent Nondiscrimination Acts and Authorities.

17.4 Compliance with Nondiscrimination Requirements.

During the performance of this Agreement and to the extent applicable, Contractor, for itself, its assignees, and successors in interest agrees as follows:

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17.4.1 Compliance with Regulations. Contractor will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Agreement.

17.4.2 Nondiscrimination. Contractor, with regard to the work performed by it during the Agreement, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the agreement covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

17.4.3 Solicitations for Subcontracts, including Procurements of Materials and Equipment. In all solicitations, either by competitive bidding, or negotiation made by Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by Contractor of Contractor's obligations under this Agreement and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

17.4.4 Information and Reports. Contractor will provide all reasonably requested information and reports required by the Title VI List of Pertinent Nondiscrimination Acts and Authorities and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the FAA to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of Contractor is in the exclusive possession of another who fails or refuses to furnish the information, Contractor will so certify to the Sponsor or the FAA, as appropriate, and will set forth what efforts it has made to obtain the information.

17.4.5 Sanctions for Noncompliance. In the event of a Contractor's noncompliance with the nondiscrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

- (a) Withholding payments to the Contractor under the contract until the Contractor complies; and/or
- (b) Cancelling, terminating, or suspending a contract, in whole or in part.

17.4.6 Incorporation of Provisions. Contractor will include the provisions of paragraphs 17.4.1 through 17.4.6 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Title VI List of Pertinent Nondiscrimination Acts and Authorities, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with

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litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, Contractor may request the United States to enter into the litigation to protect the interests of the United States.

17.5 Title VI List of Pertinent Nondiscrimination Acts and Authorities.

During the performance of this Agreement, Contractor, for itself, its assignees, and successors in interest agrees to comply with the following nondiscrimination statutes and authorities; including but not limited to:

17.5.1 Title VI of the Civil Rights Act of 1964 (42 USC § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);

17.5.2 49 CFR part 21 (Non-discrimination in Federally-assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);

17.5.3 The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

17.5.4 Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 et seq.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27;

17.5.5 The Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq.) (prohibits discrimination on the basis of age);

17.5.6 Airport and Airway Improvement Act of 1982 (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

17.5.7 The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

17.5.8 Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 USC §§ 12131 – 12189) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;

17.5.9 The Federal Aviation Administration’s Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

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17.5.10 Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

17.5.11 Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, Contractor must take reasonable steps to ensure that LEP persons have meaningful access to Contractor's programs (70 Fed. Reg. at 74087 to 74100);

17.5.12 Title IX of the Education Amendments of 1972, as amended, which prohibits Contractor from discriminating because of sex in education programs or activities (20 USC 1681 *et seq*).

17.6 Subordination to Agreements with the United States.

This Agreement is subject and subordinate to the provisions of any agreement heretofore or hereafter made between the Port and the United States, including without limitation the terms of any "Sponsor's Grant Assurances" or like agreement, the execution of which is required to enable or permit the transfer of rights or property to the Port for airport purposes, or the expenditure of federal grant funds for Airport improvement, maintenance, or development. Airline shall reasonably abide by the requirements of agreements entered into between the Port and the United States and shall consent to amendments and modifications of this Agreement to the extent required by such agreements or to the extent required as a condition of the Port's entry into such agreements.

17.7 PFC Act and Assurances.

17.7.1 Notwithstanding anything to the contrary in this Agreement, no provision of this Agreement shall impair the authority of the Port to impose a Passenger Facility Charge or to use the Passenger Facility Charge revenue as and to the extent provided in the Aviation Safety and Capacity Expansion Act of 1990, 49 U.S.C. § 40117 (the "PFC Act").

17.7.2 Airline acknowledges that the Port has given to the United States of America, acting by and through the FAA, certain assurances set forth in the PFC Act and implementing regulations at 14 C.F.R. Part 158 ("PFC Assurances"), and Airline agrees that this Agreement shall be subordinate and subject to the PFC Assurances.

17.7.3 In the event that the FAA or its successors require any modifications or changes in this Agreement as a condition precedent to the collection of PFCs or otherwise complying with the PFC Act, Airline shall not withhold its consent to such amendments, modifications, revisions, supplements or deletions of any of the terms, conditions or requirements of this Agreement as may reasonably be required to collect PFCs or comply with

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the PFC Act. The Port agrees to provide Airline with advance written notice of any provisions that would adversely modify material terms of this Agreement.

17.8 Security and Payment of Fines for Violation of Federal Regulations

17.8.1 Airline acknowledges that security is of primary importance at the Airport and that security requirements are likely to change during the Term. Airline, its officers, employees, representatives, agents, servants, subtenants, consultants, contractors, successors, assigns and suppliers and those under its control, shall comply with security measures (a) required of Airline by the FAA or the TSA or by the Port in accordance with applicable requirements of the FAA or the TSA or their authorized successor(s) or (b) contained in any Airport master security plan approved by the FAA or the TSA or their authorized successor(s). Airline shall comply, at its own expense, with the TSA's security requirements applicable to Airline at the Airport including, but not limited to, employee security training, badging, criminal background checks, access control, screening and inspections. Airline shall cooperate with the TSA on all security matters.

17.8.2 Compliance with such security measures and requirements shall not relieve Airline of its responsibility for maintaining proper security for the above-noted items, nor shall it be construed as limiting in any manner Airline's obligations with respect to all Applicable Laws and its duty to undertake reasonable action to establish and maintain secure conditions at and around the Premises. To comply with any applicable TSA requirements for areas under Airline's exclusive control, Airline hereby agrees to execute a reasonable exclusive area agreement pursuant to 49 C.F.R. 1542.111 with the Port in form and substance which is reasonably acceptable to the parties. Airline accepts security responsibility to use commercially reasonable efforts to prevent unauthorized access to or from the Premises. Airline shall be responsible for preventing unauthorized persons from gaining access to the restricted areas of the Airport through the Premises during times and to the extent that Airline has control of the Premises.

17.8.3 Airline understands and agrees that security requirements may affect Airline's air transportation business operations and costs. Airline shall be strictly liable for the payment of any fines assessed by the Port or the payment of (or reimbursement of Port for any payments of) any civil penalties assessed against Port or Airline relating to security and resulting from the negligence or intentional acts of omission or commission of Airline's officers, employees, representatives, agents, servants, subtenants, consultants, contractors, successors, assigns and suppliers and those under its control, and Airline shall be solely and fully responsible for any and all breaches of security and the consequences thereof resulting from the negligence or intentional acts of omission or commission of its officers, employees, representatives, agents, servants, subtenants, consultants, contractors, successors, assigns and suppliers and those under

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its control; provided, however, that Airline shall have the right to contest, protest, or negotiate any such fines or civil penalties.

17.8.4 The Port may impose and Airline agrees to pay a reasonable non-discriminatory cost-based user fee, if any, for the privilege of using identification cards or badges to gain access to the Airport security access control system.

ARTICLE 18

ASSIGNMENT AND SUBLETTING

Airline shall not assign or transfer this Agreement or any interest therein nor sublet the whole or any portion of the Premises without first obtaining the Port's written consent, nor shall this Agreement or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court, or otherwise without the consent of the Port first had and obtained, which consent shall not be unreasonably withheld, conditioned or delayed. Airline further agrees that if at any time during the Term more than one-half (1/2) of the outstanding shares of any class of stock of Airline's corporation shall belong to any stockholders other than those who own more than one-half (1/2) of the outstanding shares of that class of stock at the time of the execution of this Agreement or to members of their immediate families, such change in ownership of the stock of Airline shall be deemed an assignment of this Agreement within the meaning of this Section (unless Airline is a corporation whose stock is listed on the New York Stock Exchange or other major stock exchange, in which case such an event will not be considered an assignment of this Agreement). Airline's entering into any operating agreement, license or other agreement whereunder a third party, other than a subsidiary, affiliate, or code share partner of Airline is given rights or privileges to utilize portions of the Premises shall be considered an attempted assignment or subletting within the meaning of this Section.

ARTICLE 19

SECURITY DEPOSIT

19.1 Required Deposit.

If Airline has operated at the Airport for less than twenty-four (24) consecutive months prior to the Effective Date of this Agreement, or Airline does not meet the criteria set forth in Section 19.2 for exemption from the Security Deposit requirement, then Airline shall obtain and deliver to the Port at the address set forth in Section 1.1, a Security Deposit to secure Airline's full performance of this Agreement, including but not limited to all rates, charges and rents now or in the future payable to the Port under this Agreement, including fees for services subject to tariffs such as utilities and parking, and damages for breach or rejection of this Agreement. The amount of the Security Deposit for Passenger Carriers shall be equivalent to: (i) three (3) months of estimated rental charges for Airline's use of its Preferential Use Premises and Exclusive Premises, plus (ii) three (3) months estimated rental charges for Airline's use of Common Use Premises and the FIS, plus (iii) three (3) months of Airline's estimated Landing Fees. The amount of the Security Deposit for Cargo Carriers shall be equivalent to (i) three (3) months of Airline's estimated Landing Fees, plus (ii) three (3) months of estimated charges for Airline's use of Common Use

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Hardstands. The amount, form, provisions and nature of the Security Deposit, including if appropriate the identity of the surety or other obligor thereunder, shall at all times be subject to the Port's approval. The Security Deposit shall be made in advance by cash, letter of credit, surety bond or other instrument acceptable to the Port and shall remain in place at all times throughout the Term and throughout any holdover period. The Port shall not pay interest on the Security Deposit, and the Port shall not be required to keep the Security Deposit separate from its other accounts. No trust relationship is created with respect to the Security Deposit. The Security Deposit is a part of the consideration for execution of this Agreement. If Airline shall have fully performed all terms and conditions of this Agreement, any cash deposit shall be paid to Airline within thirty (30) days following the termination or expiration of this Agreement, without interest; otherwise the Port shall, in addition to any and all other rights and remedies available under this Agreement or at law or equity, retain the Security Deposit. The Port may apply all or part of the Security Deposit to any unpaid sum due under this Agreement or to cure other Events of Default (defined in Article 20) except that Events of Defaults shall include any event that would constitute an Event of Default upon the giving of written notice and the passage of time even if the notice and passage of time has not occurred. If the Port depletes the Security Deposit in this way, Airline shall restore the Security Deposit within ten (10) days after the receipt of the Port's written request to do so. Notwithstanding the foregoing, in the event the Port depletes the Security Deposit and an unpaid sum remains due under this Agreement, the Port shall have the right to recover the total of such unpaid sum through the rates and charges mechanism set forth in Article 8; *provided*, however, this shall not release nor in any way affect the liability of Airline for such unpaid sums.

19.1.1 If, Airline maintains the Security Deposit required by Section 19.1 for a period of twenty-four (24) consecutive months, during which period Airline has provided continuous service to and from the Airport, and Airline does not commit an Event of Default under Section 20.1 then, at the end of said twenty-four (24) month period, the Port shall return the Security Deposit to Airline, and Airline will be exempt from providing a Security Deposit. *Notwithstanding the foregoing*, if at any time after Airline is exempt from the Security Deposit requirement, Airline commits an Event of Default under Section 20.1, Airline shall once again be subject to the Security Deposit requirement in accordance with Section 19.3.

19.2 Exemptions.

The Port shall not require a Security Deposit where Airline meets all of the criteria in subsections (a) *or* (b) of this Section 19.2 as of the Effective Date. Airline shall have the burden of proving, to the Port's reasonable satisfaction, that Airline is not required to provide a Security Deposit pursuant to this Section. Airline further acknowledges and agrees that in the event of a default by a Signatory Airline that does not have a Security Deposit pursuant to this Section, Airline and all other Signatory Airlines shall be responsible for the payment of any costs, losses, amounts associated with the default or breach by any Signatory Airline in accordance with Article 8 of this Agreement.

(a) Airline is in good standing without any uncured Event of Default under Section 20.1 of the 2018-2024 Signatory Lease and Operating Agreement; Airline is not in bankruptcy; and Airline has been operating at the Airport for a minimum of twenty-four (24) consecutive months as of the Effective Date; *or*

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(b) Airline has not provided service to and from the Airport for a period of twenty-four (24) consecutive months prior to the Effective Date, *and* Airline provides written certified proof to the Port that: (i) Airline has provided such service to at least ten (10) other airports in the United States during the twenty-four (24) consecutive months prior to the Effective Date; *and* (ii) Airline has not been delinquent in payment of PFCs, landing fees, terminal rents or any other rate or charge due at any of such other airports during said twenty-four (24) consecutive months.

19.3 Events of Default – Security Deposit Required.

If, at any time during the Term of this Agreement, Airline shall commit an Event of Default under Section 20.1 that is not fully cured in accordance with the applicable provisions of Section 20.1, then the Port shall have the right to immediately impose or reimpose the Security Deposit requirements of Section 19.1, and shall provide Airline with notice thereof. In such event, Airline shall provide the Port with the required Security Deposit no later than ten (10) calendar days after receipt of the Port’s notice imposing the Security Deposit requirement. Airline shall maintain such Security Deposit for the remainder of the Term of this Agreement. The Port’s rights under this Section shall be in addition to all other rights and remedies provided to the Port under this Agreement or otherwise provided by law.

ARTICLE 20

TERMINATION

20.1 Airline Defaults.

20.1.1 The occurrence of any one or more of the following events shall constitute a breach of this Agreement and an “Event of Default” under this Agreement:

20.1.2 Airline shall fail duly and timely to pay any Landing Fees, Terminal Rent or any other rate or charge due under this Agreement, when due to Port, and such failure shall continue for five (5) days beyond Airline’s receipt, pursuant to Section 24.20, of a written notice of such breach or default from the Managing Director. Notwithstanding the foregoing, in the event there occur two (2) defaults in the payment of Landing Fees, Terminal Rent or other rate or charge due under this Agreement in any twelve (12) month period, thereafter Airline shall not be entitled to, and Port shall have no obligation to give, notice of any further payment defaults. In such event, there shall be deemed to occur an “Event of Default” immediately upon Airline’s failure timely to pay Landing Fees, Terminal Rent or other payment due under this Agreement.

20.1.3 Airline shall fail duly and timely to remit to the Port passenger facility charges (“PFCs”) collected by Airline from its passengers in accordance with 49 U.S.C. § 40117 and applicable implementing regulations adopted by the FAA, 14 CFR Pt. 158, as they may be amended from time to time.

20.1.4 Airline shall become insolvent, take the benefit of any present or future insolvency statute, make a general assignment for the benefit of creditors, file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement for its reorganization or

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the readjustment of its indebtedness under the federal bankruptcy laws, or under any other law or statute of the United States or of any state, or consent to the appointment of a receiver, trustee, or liquidator of any or substantially all of its property, or petition under any part of the federal bankruptcy laws, or an action under any present or future insolvency law or statute shall be filed against Airline and shall not be dismissed within ninety (90) days after the filing thereof.

20.1.5 There shall occur a transfer subject to Article 18 without the prior approval of the Port.

20.1.6 Airline shall abandon, desert, or vacate the Premises.

20.1.7 Any lien shall be filed against the Premises as a result of an act or omission of Airline, and shall not be discharged within sixty (60) days after receipt of notice by Airline.

20.1.8 Airline shall fail to obtain and maintain the insurance required by this Agreement, or provide copies of the policies or certificates to Port as required.

20.1.9 Airline shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Agreement, and such failure shall continue for a period of more than five (5) days after delivery by the Managing Director of a written notice of such failure or if satisfaction of such obligation requires activity over a period of time, if Airline fails to commence the cure of such failure within five (5) days after receipt of such notice, or thereafter fails to diligently prosecute such cure, or fails to actually cause such cure within thirty days after the giving of such notice.

20.2 Port Remedies.

20.2.1 General Remedies – Applicable to All Portions of the Premises.

(a) Whenever any default shall occur (other than a default pursuant to subsection 20.1.4 upon which termination of this Agreement, at the Port's option, shall be effective immediately without further notice), this Agreement and all of Airline's rights thereunder shall terminate if the written notice of default so provides. The Port shall be entitled to recover from Airline all unpaid rent and fees and damages incurred because of such default, including, but not limited to, attorneys fees and costs ("Termination Damages"), together with interest on all Termination Damages at the rate of 18% per annum, or the maximum rate permitted by applicable law, whichever is lower, from the date such Termination Damages are incurred by the Port.

(b) In addition to Termination Damages, and notwithstanding termination, Airline's liability for all rent and fees which, but for termination of the Agreement, would have become due over the remainder of the Agreement ("Future Charges") shall not be extinguished and Airline agrees that the Port shall be entitled, upon termination for default, to collect as additional damages a Rental Deficiency. As used in this subsection 20.2.1, a "Rental Deficiency" shall mean: an amount or amounts equal to Future Charges less the amount or amounts of rental, if any, which the Port shall receive during the remainder of the Term from

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others to whom the Premises may be rented, in which case such Rental Deficiency shall be computed and payable at Port's option either: (i) in an accelerated lump sum payment or (ii) in monthly installments, in advance, on the first day of each calendar month following termination of the Agreement and continuing until the date of which the Term would have expired but for such termination, and any suit or action brought to collect any portion of Rental Deficiency attributable to any particular month or months, shall not in any manner prejudice the Port's right to collect any portion of Rental Deficiency by a similar proceeding.

(c) The Port's action pursuant to this subsection 20.2.1 shall not in any way limit the Port in the pursuit of any other additional right or remedy available to the Port in law or in equity by reason of Airline's default.

20.2.2 Additional Remedies for Exclusive Premises.

(a) Whenever any default shall occur (other than a default pursuant to subsection 20.1.4 upon which termination of this Agreement, at the Port's option, shall be effective without further notice), this Agreement and all of Airline's rights thereunder shall terminate if written notice of the default so provides. In the event such default involves space occupied by Airline on an Exclusive Use basis, in addition to those remedies for default set forth in subsection 20.2.1, above, upon termination the Port may re-enter and take exclusive possession of any such Exclusive Premises and remove all persons and property from such Exclusive Premises, without Port being liable to Airline for damage or loss thereby sustained by Airline. The Port shall be entitled to recover from Airline, in addition to Termination Damages, additional damages incurred because of such default, including but not limited to the costs of removing or storing any personal property from the Exclusive Premises, the cost of re-letting the Exclusive Premises and the costs of any necessary renovations or repairs and related expenses ("Additional Termination Damages"), together with interest on all Additional Termination Damages at the rate of 18% per annum, or the maximum rate permitted by applicable law, whichever is lower, from the date such Additional Termination Damages are incurred by the Port. Airline shall have no right to or claim upon any improvements that may have been previously installed by Airline in or on the Exclusive Premises.

(b) If this Agreement terminates as a result of Airline's default, the Port shall use reasonable efforts to relet the Exclusive Premises or any part thereof, alone or together with other Exclusive Premises, for such term or terms and for such use or uses as the Port in its sole discretion may determine. Airline's obligations hereunder shall not be discharged by reason or failure of Port to relet the Exclusive Premises.

(c) The Port's actions pursuant to this subsection 20.2.2 shall not in any way limit the Port in pursuant of any other additional right of remedy available to the Port in law or in equity by reason of Airline's default.

20.3 **Termination.** This Agreement may be terminated in advance of its Expiration Date in the following events:

20.3.1 In the event the Port, in its sole discretion, shall require the use of the Premises or any substantial portion of the Premises for a major capital improvement for public or

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private use in connection with the operation of the business of the Port, this Agreement may be terminated by the Port by written notice delivered or mailed by the Port to Airline not less than one (1) year before the termination date specified in the notice; or

20.3.2 In the event that any federal, state or local government or agency or instrumentality thereof shall, by condemnation or deed or conveyance in lieu thereof, take title, possession or the right to possession of the Premises or any substantial portion of the Premises, the Port may, at its option, terminate this Agreement as of the date of such taking; or

20.3.3 In the event that any court having jurisdiction in the matter shall render a decision which has become final and which will permanently or for a substantial period of time prevent the performance by the Port of any of its material obligations under this Agreement, then either party hereto may terminate this agreement by written notice. This right of termination shall be and remain effective whether or not the Port, by taking affirmative action or by inaction, could have prevented the rendering of the decision or could have caused the decision to be vacated before it became final.

20.3.4 Reserved.

20.3.5 In the event of termination of this Agreement under any of the above subsections, all rights and obligations of the parties (with the exception of any undischarged rights and obligations that accrued prior to the effective date of such termination) shall terminate, and if Airline is not in default under any of the provisions of this Agreement on the effective date of termination, any rent prepaid by Airline shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Airline.

20.3.6 In the event of termination of this Agreement under subsection 20.3.1, the Port shall reimburse Airline for the unamortized costs of any improvements to the Terminal constructed by Airline with the Port's consent during the Term, *provided*, however, that the costs of any such improvements shall be amortized on such reasonable basis as the Port may specify in writing when the Port's consent for the improvement is given to Airline under subsection 12.3.1 of this Agreement unless Airline has previously been reimbursed by the Port for the costs of such improvements.

20.4 **[Intentionally Omitted]**

20.5 **[Intentionally Omitted]**

20.6 **Port's Right to Perform.** All agreements and obligations to be performed by Airline under any of the terms of this Agreement shall be at its sole cost and expense and without any abatement of Terminal Rent or Landing Fees. If Airline shall fail to make any payment or perform any act on its part to be performed hereunder and such failure shall continue for ten (10) days (or such longer period of time as is expressly provided under this Agreement), after written notice, Port may, but shall not be obligated to do so, and without waiving or releasing Airline from any obligations of Airline, make any such payment or perform any such other act on Airline's part to be made or performed as provided in this Agreement. All sums so paid by Port and all necessary incidental costs shall be deemed additional rent hereunder and shall be payable

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to Port on demand, and Port shall have (in addition to any other right or remedy of Port) the same rights and remedies in the event of the nonpayment thereof by Airline as in the case of default by Airline in the payment of Terminal Rent or Landing Fees.

20.7 Rights Related to Termination. In the event of any termination based on any breach by Airline of the covenants, terms and conditions contained in this Agreement, all rights, powers and privileges of Airline under this Agreement shall cease, and Airline shall immediately vacate any portions of the Premises occupied by it under this Agreement. Airline shall have no claim of any kind whatsoever against Port by reason of such termination or by reason of any act by Port related to such termination.

ARTICLE 21

SURRENDER OF POSSESSION

Airline agrees to yield and deliver to Port possession of the Premises or, as applicable, a portion of the Premises as a result of: (i) the termination of this Agreement; (ii) the reallocation, recapture or reduction of Premises under Article 4 and/or Article 5; or (iii) the termination of any holdover period. Upon surrender, all Premises shall be in good condition in accordance with Airline's obligations under this Agreement, except for damage or loss due to reasonable wear and tear, fire or other casualty, or other cause beyond Airline's control, and Airline shall have the obligation within thirty (30) days after the surrender of said Premises to remove all furniture, equipment and trade fixtures; subject, however, to any valid lien which Port may have thereon for unpaid rentals or fees. For the avoidance of doubt, Port shall have no rights to a lien on or a right to sell Airline's aircraft. Such removal shall not damage the Premises. If damage results from such removal, Airline shall restore the Premises to as good condition as they were prior to removal, normal wear and tear excepted.

ARTICLE 22

HOLDING OVER

If Airline shall, with the consent of Port, hold over after the expiration or sooner termination of this Agreement, the resulting tenancy shall, unless otherwise mutually agreed, be on a month-to-month basis and may be terminated by the Port or Airline at any time on thirty (30) days written notice to the other party. During such month-to-month tenancy, Airline shall continue to pay Terminal Rent and Landing Fees and shall be bound by all of the provisions of this Agreement, insofar as they may be pertinent, unless different terms and conditions shall be agreed upon.

ARTICLE 23

ENVIRONMENTAL STANDARDS

23.1 Definitions. For purposes of this Article 23, the following terms shall have the following meanings:

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23.1.1 “Environmental Law” means any environmentally related state or federal law, regulation, ordinance, permit or order (including without limitation any final order of any court of competent jurisdiction), now or hereafter in effect.

23.1.2 “Hazardous Substances” means any substance or material defined or designated as a hazardous waste, toxic substance, or other pollutant or contaminant by any Environmental Law.

23.1.3 “Release” means any spilling, leaking, pumping, pouring, emitting, discharging, leaching, dumping or disposing into or on any property or the environment. Petroleum spills of less than five (5) gallons are excluded unless water or soil are impacted.

23.2 Restriction on Hazardous Substances. Airline shall not allow the presence or Release on the Airport of any Hazardous Substance that is in violation of any Environmental Law. Airline shall not allow any Hazardous Substances first Released during the Term to migrate off the Airport or allow the Release of any Hazardous Substances into adjacent surface waters, soils, underground waters or air in violation of any Environmental Law. At the reasonable written request of the Port, Airline shall provide the Port with Airline’s USEPA Waste Generator Number. Airline shall immediately notify the Port in writing should Airline become aware of: (1) any Release of any Hazardous Substances or the occurrence of any other environmental problem or liability with respect to the Airport or any real property adjoining or in the vicinity of the Airport; (2) any notice given to Airline from any third party with respect to any Release or threat of Release of any Hazardous Substances; or (3) the commencement of any litigation or any information relating to any threat of litigation relating to any alleged unauthorized Release of any Hazardous Substances or other environmental contamination, liability or problem with respect to the Airport. In addition to any remedy provided in this Agreement, the Port shall be entitled to full reimbursement from Airline whenever the Port incurs any reasonable costs directly attributable to Airline’s use or management of Hazardous Substances at the Airport, including but not limited to, costs of clean-up or other remedial activities, fines or penalties assessed directly against the Port, and injuries to third persons or other properties.

23.3 Compliance and Remediation. Airline shall at all times conduct its business at the Airport in compliance with all applicable Environmental Laws and if Airline or the Premises 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.

23.4 Port Remedies. If Airline, or the Premises because of actions that occur during the Term, is in violation of any Environmental Law concerning Hazardous Substances and Airline does not act promptly to take such action as is reasonably necessary to remedy and cure the violation, the Port has the right, but not the obligation, to come onto the Premises, to act in place of the Airline (Airline hereby appoints the Port as its agent for such purposes) and to take such action reasonably necessary to cure the violation. If the Port has a reasonable belief that Airline’s actions or inactions present a threat of violation or a threat of damage to the Premises,

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

23.5 Access to Premises. At the forty eight (48) hour advance request of the Port, the Airline shall grant access to the Premises to conduct an annual environmental inspection. The Port shall conduct the inspection in a manner that does not unduly interfere with Airline's operation. In addition, Airline shall permit the Port access to the Premises at any reasonable time upon reasonable notice for the purpose of conducting environmental testing. Prior to conducting environmental testing, the Port shall provide written notice to Airline concerning the planned testing procedures and locations. The results of such testing shall be provided to Airline as well. In the event of an emergency, Airline shall immediately grant the Port access to the Premises for any necessary environmental response activities, including environmental testing needed in response to the emergency.

23.6 Vacating of Premises. Prior to vacating the Premises, in addition to all other requirements under this Agreement, Airline shall remove any Hazardous Substances placed on the Premises during the Term by Airline, or as a result of Airline's use or occupancy of the Premises and shall demonstrate such removal to the Port's reasonable satisfaction. This reasonable removal and demonstration shall be a condition precedent to the Port's return of any portion of the Security Deposit, if any, to Airline upon termination or expiration of this Agreement.

23.7 Environmental Indemnity. Without limiting any indemnities provided in this Agreement for other than environmental matters, and except for Excluded Environmental Claims, as hereinafter defined, Airline agrees to defend, indemnify and hold the Port free and harmless from 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 actually incurred 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 existence or discovery of any Hazardous Substance on the Premises or at the Airport, or the Release of any Hazardous Substance from the Premises to other properties or into the surrounding environment or from any other violation of Environmental Law, whether made, commenced or incurred during the Term, or made, commenced or incurred after the expiration or termination of this Agreement, directly attributable to Airline's actions during the Term or any holdover period. For purposes of this Section 23.7, "Excluded Environmental Claims" shall mean, any claims, causes of action, demands, liabilities, fines, penalties, costs, expenses or any other liabilities, to the extent caused by or arising from (A) the migration of Hazardous Substances not first Released during the Term; and (B) the movement of Hazardous Substances first Released outside the Premises onto or under the Premises due to leaching or the flow of groundwater, provided that Airline is not otherwise responsible for the off-Premises Release that introduced the migrating Hazardous Substances into the environment.

ARTICLE 24

MISCELLANEOUS PROVISIONS

24.1 No Personal Liability.

No director, officer, agent or employee of either party shall be charged personally or contractually liable by or to the other party under any term or provision of this Agreement or because of any breach of this Agreement or because of their execution or attempted execution of this Agreement.

24.2 Governing Law.

This Agreement shall be deemed to have been made in, and be construed in accordance with the laws of, the State of Washington.

24.3 No Waiver.

No waiver of default of any of the terms, covenants and conditions of this Agreement to be performed, kept and observed by the other party shall be construed as, or operate as, a waiver of any subsequent default of any of the terms, covenants or conditions of this Agreement to be performed, kept and observed by the other party.

24.4 No Exclusive Remedy.

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

24.5 SEC Rule 15c2-12.

Airline, upon request by the Port, shall provide the Port with such information as the Port may reasonably request in writing to comply with the Port'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 the Port to an Airline or SEC website where the requested information is then currently available.

24.6 Force Majeure.

Neither the Port nor Airline shall be deemed in violation of this Agreement if it is prevented from performing any of its obligations under this Agreement by reason of strikes, boycotts, labor disputes subject to the provisions of Section 24.21, embargoes, shortages of material, pandemic or epidemic, acts of terrorism, riots, rebellion, sabotage or any other casualty which is not within its control; *provided*, however, that these provisions shall not excuse Airline from payment of the Landing Fees, Terminal Rents and other rates and charges specified in Article 8.

24.7 Severability.

In the event any covenant, condition or provision in this Agreement is held to be invalid by a court of competent jurisdiction, the invalidity of any such covenant, condition or provision

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shall in no way affect any other covenant, condition or provision in this Agreement, provided the invalidity of any such covenant, condition or provision does not materially prejudice either the Port or Airline in their respective rights and obligations contained in the valid covenants, conditions and provisions of this Agreement.

24.8 Headings.

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

24.9 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, except that, subject to the terms and provisions of this Agreement, Airline shall have the right to exclusive possession of any Exclusive Premises made available to Airline under the provisions of this Agreement.

24.10 Withholding Required Approvals.

Whenever the approval or consent of the, Port or Airline is required by this Agreement, no such approval or consent shall be unreasonably refused, withheld or delayed.

24.11 Successors and Assigns.

All of the terms, provisions, covenants, stipulations, conditions and considerations in this Agreement shall extend to and bind the legal representatives, successors, and assigns of each party to this Agreement.

24.12 Taxes.

Airline recognizes and understands that this Agreement may create a possessory interest subject to property taxation, including state leasehold tax, and that Airline may be subject to the payment of property taxes levied on such interest. Airline shall be liable for, and shall pay throughout the Term, all taxes payable for, or on account of, the activities conducted by Airline on the Airport and all taxes on the personal property of Airline on the Premises and any taxes on the Premises or on any property interest created by this Agreement and any taxes levied in lieu of a tax on any such property interest and any taxes levied on, or measured by, the Terminal Rents and other charges payable under this Agreement, whether imposed on Airline or on the Port. Airline shall reimburse the Port for all such taxes paid or payable by the Port. With respect to any such taxes payable by the Port that are levied on, or measured by, the Terminal Rents or other charges payable under this Agreement, Airline shall pay to the Port with each payment an amount equal to the tax levied on, or measured by, that particular payment. All other tax amounts for which the Port is or will be entitled to reimbursement from Airline shall be payable by Airline to the Port at least fifteen (15) days prior to the due dates of the respective tax amounts involved, provided that

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Airline shall be entitled to a minimum of ten (10) days written notice of the amounts payable by it.

24.13 Exhibits.

All exhibits referred to in this Agreement and which may, from time to time, be referred to in any duly executed amendment to this Agreement are (and with respect to future amendments, shall be) by such reference incorporated in this Agreement and shall be deemed a part of this Agreement as fully as if set forth within it.

24.14 Entire Agreement.

This Agreement supersedes the 2018 SLOA, if any, between Airline and the Port; *provided*, however, that any approvals obtained from either party under the provisions of the 2018 SLOA shall survive its termination. The parties intend that this Agreement shall be the final expression of their agreement with respect to its subject matter and may not be contradicted by evidence of any prior or contemporaneous written or oral agreements or understandings. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts of the Agreement) may be introduced in any judicial, administrative or other legal proceeding involving this Agreement.

24.15 Amendments.

Except as specifically provided herein, neither this Agreement, nor any of its term or provisions, may be changed, waived, discharged or terminated, except by a written instrument signed by the party against which the enforcement of the change, waiver, discharge or termination is sought.

24.16 No Third-Party Beneficiaries.

There are no third-party beneficiaries to this Agreement.

24.17 No Joint Venture.

It is expressly agreed that the parties are not, in any way or for any purpose, partners and therefore do not assume any responsibilities for one another.

24.18 Attorneys' Fees.

In the event that either party shall be required to bring any action to enforce any of the provisions of this Agreement, or shall be required to defend any action brought by the other party with respect to this Agreement, and in the further event that one party shall substantially prevail in such action, the losing party shall pay all of the prevailing party's reasonable costs and reasonable attorneys fees as determined by the court. In the event the Port or Airline is represented by in-house attorneys in such action, such attorneys' fees shall be computed at hourly rates charged by attorneys of comparable experience in private practice in Seattle; *provided*, however, that Airline

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shall only be required to pay to the Port the difference between the total attorneys fees owed by Airline and the amount direct billed to the Port by its in-house counsel.

24.19 Liens and Encumbrances.

Airline shall keep the Premises free and clear of any liens and encumbrances arising or growing out of Airline's use and occupancy of the Premises or activities at the Airport. Airline agrees to fully indemnify and defend the Port in connection with any such liens filed against the Premises. At the Port's request, Airline shall furnish the Port with written proof of payment of any item that would or might constitute the basis for such a lien on the Premises if not paid.

24.20 Notices.

All notices hereunder shall be in writing and shall be delivered personally, by certified or registered mail, or by recognized overnight courier. For any notice directed to the Port, the address shall be as provided in Section 1:

For any notice directed to Airline, the address shall be as set forth in Section 1.1 of this Agreement. Either party may, however, designate a different address from time to time by providing written notice thereof. Notices shall be deemed delivered (i) when personally delivered; (ii) on the third day after mailing when sent by certified or registered mail and the postmark affixed by the United States Postal Service shall be conclusive evidence of the date of mailing; or (iii) on the first business day after deposit with a recognized overnight courier if deposited in time to permit overnight delivery by such courier as determined by its posted cutoff times for receipt of items for overnight delivery to the recipient. Payments may be made in the manner provided for notice or may be delivered by regular mail (postage prepaid); provided, payments made by regular mail (postage prepaid) shall be deemed delivered when actually received by the Port.

Notices hereunder may also be delivered by electronic mail (email) with acknowledgment of receipt requested to the email address (a) in the case of the Port, of the Director of Aviation Business and Properties, the Assistant Director of Airline Affairs and Aviation Properties, or such other email address as hereinafter provided by the Port in writing, or (b) in the case of Airline, to the email address or addresses hereinafter provided by the Airline in writing. Notices by email shall be deemed delivered when dispatched by the sender to the email address specified by the recipient prior to 5:00 p.m. (local time at the Airport) on any business day, or, if after 5:00 p.m. (local time at Airport), on the next business day. Provided, however, if the sender of the email notice receives a machine-generated message that delivery failed, or if the sender does not receive an acknowledgement of receipt within twenty four (24) hours of sending the email notice, the email notice will nevertheless be deemed to have been received when originally dispatched, as provided above, if no more than five (5) business days after the date of dispatch the sender delivers a tangible copy of that notice via mail or overnight courier as set forth in Section 24.20.1 above.

24.21 Labor Disputes.

Airline agrees to use reasonable efforts to avoid disruption to the Port, its tenants or members of the public, arising from labor disputes involving Airline, and in the event of a strike, picketing, demonstration or other labor difficulty involving Airline, to use its good offices,

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including the utilization of available legal remedies, to minimize or eliminate any disruption to the Port, its tenants or members of the public, arising from such strike, picketing, demonstration or other labor difficulty.

24.22 Agreement Not to Grant More Favorable Terms.

During the Term, the Port agrees not to enter into any lease, contract or other agreement with any other Air Carrier conducting operations at the Airport that contains rates and charges more favorable to such Air Carrier than the rates and charges payable by Airline under this Agreement, unless the Port also makes those more favorable terms available to Airline. The provisions of this Section 24.22 shall in no way limit, impair or interfere with the Port's ability to charge or establish such rates and charges as the Port may deem applicable when entering into any lease, contract or other agreement with any party that is not an Air Carrier.

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

PORT OF SEATTLE

a municipal corporation

By: _____

Name: _____

Title: _____

AIRLINE: <Airline Legal Name>

<Company Type and State>

By: _____

Name: _____

Title: _____

