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WAYNE COUNTY AIRPORT AUTHORITY

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November 4, 2008

Mr. Frank SanMartin, Manager
Airports Financial Assistance Division
Federal Aviation Administration
800 Independence Avenue, S.W.
Washington D.C. 20591

Mr. Matthew J. Thys, Manager
Detroit Airports District Office
Federal Aviation Administration
11677 South Wayne Road
Suite 107
Romulus, MI 48174

Dear Mr. SanMartin and Mr. Thys:

Pursuant to the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21), Pub. L. 106-181 and the Federal Aviation Administration's Program Guidance Letter 04-08 ("PGL 04-08"), enclosed on behalf of the Wayne County Airport Authority (the "Authority") are two copies of a Competition Plan Update for the Detroit Metropolitan Wayne County Airport. PGL 04-08 requires the submission of this Competition Plan Update because the Authority has executed a new master lease and use agreement with the airlines operating in our new North Terminal. The Authority presents the information in this submission in accordance with PGL 04-08.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Lester W. Robinson".

Lester W. Robinson
Chief Executive Officer

Enclosures

WAYNE COUNTY AIRPORT AUTHORITY

COMPETITION PLAN UPDATE

for

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

November 4, 2008

INTRODUCTION AND BACKGROUND INFORMATION

The Wayne County Airport Authority (the "Authority") hereby submits to the Federal Aviation Administration (the "FAA") this Competition Plan Update ("2008 Plan Update") for the Detroit Metropolitan Wayne County Airport (the "Airport"), pursuant to Section 155 of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21), Pub. L. 106-181 ("AIR-21"), and in accordance with the FAA's Program Guidance Letter 04-08 dated September 30, 2004, Requirement for Airline Competition Plans ("PGL 04-08").

On October 1, 2000, the County of Wayne, Michigan ("Wayne County") submitted the initial Competition Plan for the Airport, which, at the request of the FAA, was supplemented with additional information by letter to the FAA dated December 8, 2000 (the "Competition Plan"). By letter from the FAA dated February 14, 2001, the FAA notified Wayne County that the Competition Plan was in conformity with the requirements of Section 155 of AIR-21.

On October 2, 2001, Wayne County submitted the first Competition Plan Update for the Airport (the "FY 2002 Plan Update") to the FAA. On August 9, 2002, pursuant to the Public Airport Authority Act, Public Act 90, Michigan Public Acts of 2002, the Authority assumed operational jurisdiction of the Airport from Wayne County, and acquired, succeeded to and assumed the exclusive right, responsibility and authority to occupy, operate, control and use the Airport. By letter from the FAA dated August 21, 2002, the FAA notified the Authority that the FAA had determined that the FY 2002 Plan Update was in accordance with the requirements of Section 155 of AIR-21.

On February 20, 2004, the Authority submitted the second Competition Plan Update for the Airport (the "FY 2004 Plan Update"). By letter from the FAA dated May 18, 2004, the FAA notified the Authority that the FAA had determined that the FY 2004 Plan Update was in accordance with the requirements of Section 155 of AIR-21.

The Authority's Competition Plan and the FY 2004 Plan Update are posted on the Authority's website at www.metroairport.com, with links to the plan and the update.

On September 30, 2004, the FAA issued PGL 04-08, which cancelled the FAA's Program Guidance Letter 03-01, Requirements for Airline Competition Plans, dated

November 19, 2002. Under PGL 04-08, once the FAA has accepted an initial Competition Plan and two Plan updates, a “covered airport” (the Airport is a “covered airport”) is required to submit an additional written update only if one of two special circumstances exist—the airport has submitted a report of denial of access under section 424 of Vision 100 or the airport has executed a new master lease and use agreement or a significantly amended lease and use agreement.

The Authority is submitting this 2008 Plan Update because of the existence of one of the two above-described special circumstances. The Authority has executed a new Airport Use and Lease Agreement with each of AirTran Airways, American Airlines, Southwest Airlines, Spirit Airlines, United Air Lines, and US Airways (collectively, the “North Terminal Airlines”), which new agreements were effective as of September 17, 2008 (collectively, the “North Terminal Agreement”). As required by PGL 04-08, a copy of the North Terminal Agreement, including all exhibits, is attached to this 2008 Plan Update.

SUMMARY OF NORTH TERMINAL AGREEMENT

Background Information

Until September 17, 2008, the North Terminal Airlines, all of which are "Signatory Airlines" at the Airport, operated in the L.C. Smith Terminal at the Airport, pursuant to Amended Airport Agreements with an expiration date of January 1, 2009 (the "Old Airport Agreements").

The other passenger Signatory Airlines, Continental Airlines, Delta Air Lines, KLM Royal Dutch Airlines and Northwest Airlines (collectively, the "McNamara Terminal Airlines"), operate in the McNamara Terminal at the Airport, which opened in February 2002. Northwest, Continental and Delta each are parties to an Airport Use and Lease Agreement with the Authority (collectively, the "McNamara Terminal Agreement"), which has an expiration date of September 30, 2032. KLM still is a party to an Old Airport Agreement but has been offered the opportunity to sign the McNamara Terminal Agreement.

In June 2001, the requisite Signatory Airlines approval was received to finance and construct the new North Terminal, which would replace the old Smith Terminal. At the time, the North Terminal Airlines agreed that, prior to the opening of the North Terminal, they would enter into new Airport Use and Lease Agreements for the North Terminal, which would contain provisions substantially similar to the terms and conditions of the McNamara Terminal Agreement, including a term extending to 2032.

The North Terminal opened on September 17, 2008, with twenty-three (23) operational gates. Fifteen (15) of the gates are leased to the North Terminal Signatory Airlines and to one non-Signatory Airline, Frontier Airlines. Three (3) of the gates are common use gates under the control of the Authority. These common use gates are used for international operations and charter operations, including those of Lufthansa German Airlines and USA3000 Airlines, and the operations of any other airline not leasing a gate. Five (5) of the gates currently are vacant. In the Spring of 2009, three (3) additional gates will be opened, two (2) of which will be additional common use gates and one (1) which will be vacant.

Changes in Lease Terms and Leasing Practices

The Old Airport Agreements. The provisions of the Old Airport Agreements that are relevant for purposes of this 2008 Plan Update are the following:

► ***Leasing Practices***

Gates, ticket counters and office space in the Smith Terminal generally were leased to airlines on an exclusive basis for the entire term of the Old Airport Agreements.

► *Rates and Charges Methodology*

Under the Old Airport Agreements, the Authority operated on a “single cash register” approach to the calculation of airline rates and charges for the Airport. Prior to October 1, 2008, all of the Signatory Airlines, including the North Terminal Airlines, paid relatively low fixed rental rates for the use of terminal space in the Smith Terminal and the McNamara Terminal, and landing fees were established on a Airport-wide residual basis.

► *Approval of Capital Projects*

Under the Old Airport Agreements, the Authority could issue bonds to pay for capital projects, and the Signatory Airlines could be charged for the debt service on the bonds *only if* a Weighted Majority of the Signatory Airlines approved the capital projects.

Weighted Majority approval requires a positive vote of Signatory Airlines with 85% of the landed weight of all Signatory Airlines in the preceding 12-months or, alternatively, all Signatory Airlines in number except one without regard to landed weight.

The North Terminal Agreement. The following are the pertinent terms and conditions of the North Terminal Agreement.

- ***Term*** commenced on opening of the North Terminal on September 17, 2008, and expires September 30, 2032.
- ***Preferential lease*** by the North Terminal Airlines of ticket counters, gate holdrooms, operations space and baggage service offices.
- ***Shared use*** by all airlines operating in the North Terminal of domestic bag claim facilities, international bag claim facilities and inbound/outbound bag room.
- ***Common use space*** in the terminal includes common use ticket counters, and five (5) gate holdrooms, four (4) of which have sterile corridor access to the FIS facility in the North Terminal.
- ***Authority has the right to force accommodation*** of new entrants and expanding carriers on North Terminal Airlines’ preferentially leased premises if no other space available.
- ***Authority has the right to take back preferentially leased premises*** from a North Terminal Airline if the airline does not meet a minimum gate use requirement for a rolling three (3) calendar month period. The minimum gate use requirement is based on average daily narrow body-equivalent aircraft departures from a gate.

If a North Terminal Airline leases one (1) gate, it must have at least four (4) average daily narrow body-equivalent aircraft departures from its gate; if it leases two (2) or three (3) gates, it must have at least five (5) average daily narrow body-equivalent aircraft departures from its gates; and if it leases four (4) or more gates, it must have at least six (6) average daily narrow body-equivalent aircraft departures from its gates.

- ▶ ***A North Terminal Airline has the right to give back preferentially leased premises*** once every five (5) years, provided that a North Terminal Airline giving back space must continue to lease at all times at least one (1) gate and an allocated amount of ticket counter and other operational space.
- ▶ ***Common use gate access procedures*** are included in the agreement.
- ▶ ***Authority has the right to consent to all subleases and assignments of leased space***
- ▶ ***Creation of three cost centers required*** — South Terminal Cost Center (includes McNamara Terminal), North Terminal Cost Center and Airport Cost Center.
- ▶ ***Authority must allocate*** between the South Terminal Cost Center and the North Terminal Cost Center all annual terminal-related operation and maintenance (“O&M”) expenses and all annual McNamara Terminal bond debt service and North Terminal bond debt service, net of debt service to be paid from passenger facility charges (PFCs).
- ▶ ***Guarantee by North Terminal Airlines of net cost*** of operating the North Terminal, through the payment of terminal rentals for preferentially leased space.
- ▶ ***North Terminal rental rate per square foot*** for North Terminal Airlines equals

sum of North Terminal O&M costs and bond debt service allocated to the North Terminal

minus

PFCs used to pay North Terminal bond debt service, North Terminal international facilities use fees, North Terminal shared use space fees and fees for use of North Terminal common use facilities

divided by

total number of square feet leased to North Terminal Airlines

- ▶ **Shared use fee** per enplaned passenger charged to each air carrier operating in the North Terminal for the use of the shared use baggage facilities. The fee is based on the number of square feet of North Terminal shared use space and the allocated cost of that space, and the estimated number of enplaned passengers in the North Terminal each year.
- ▶ **Common use gate fee** per narrow body-equivalent aircraft departure from a common use gate charged to each air carrier using the common use gates in the North Terminal. The fee is based on the number of square feet of North Terminal common use space and the allocated cost of that space, and an assumption that three (3) narrow body-equivalent aircraft will depart daily from each common use gate.
- ▶ **Airport-wide residual landing fee calculation**, under which the Authority must break-even from the financial operations of the Airport. As a general matter, each year, the Authority's annual expenses are off-set by the non-airline revenues collected (e.g., concession revenues and parking revenues), and the break-even amount is that year's Signatory Airline landing fee requirement. More specifically, the annual Signatory Airline landing fee rate equals

sum of all O&M expenses, all debt service on bonds (net of debt service paid by PFCs and federal grants), all Authority Discretionary Fund and Airport Development Fund deposit requirements, and all other requirements for maintaining specific reserves (as legally required under the Authority's Bond Ordinance)

minus

sum of all non-airline revenues (e.g., concession and parking fees), airline terminal rental payments, other rental payments, non-Signatory Airline landing fee payments, international facility use fee payments, shared use fee payments and common use fee payments

divided by

landed weight of all Signatory Airlines

- ▶ **Required use of PFCs to pay debt service** on bonds for McNamara Terminal, North Terminal and certain other capital projects, in an agreed upon priority order of use.
- ▶ **Bonds may be issued** to pay for capital projects, and the Signatory Airlines may be charged for the debt service on the bonds, *only if* a Weighted Majority of the Signatory Airlines approves the capital projects.

- ▶ **Weighted Majority approval** definition is the same as in the Old Airport Agreements.

The Authority believes that the leasing practices contained in the North Terminal Agreement are very flexible and give the Authority the necessary ability to accommodate new entrants and expanding air carriers and promote airline competition at the Airport.

AIRPORT USE AND LEASE AGREEMENT

BETWEEN

WAYNE COUNTY AIRPORT AUTHORITY

AND

DATED AS OF _____, 2008

[North Terminal Agreement]

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EXHIBITS

- Exhibit A — Airport
- Exhibit B — Common Use Gate Access Procedures
- Exhibit C-1 — Lessee's Preferential North Terminal Space
- Exhibit C-2 — Shared Use North Terminal Space
- Exhibit C-3 — Common Use Gate Holdrooms and Common Use Ticket Counters
- Exhibit D — Protocol for Use of International Gates at the Airport
- Exhibit E — Allocation of O&M Expenses and Bond Debt Service
- Exhibit F — Airport Parcels to be Sold
- Exhibit G — North Terminal Cost Recovery Rate Formula
- Exhibit H — Required Use of PFCs
- Exhibit I — Facilities Use Fees
- Exhibit J — Terminal Cost Centers

AIRPORT USE AND LEASE AGREEMENT

This **AIRPORT USE AND LEASE AGREEMENT** (this "Agreement") made and entered into this _____ day of _____, 2008, by and between the **WAYNE COUNTY AIRPORT AUTHORITY**, a Michigan public body corporate, with principal offices located at the Detroit Metropolitan Wayne County Airport, hereinafter referred to as "Lessor", and _____, a _____ corporation, with principal offices located at _____, hereinafter referred to as "Lessee". Unless defined elsewhere in this Agreement, capitalized terms shall have the meanings set forth in Article XXVIII hereof.

Witnesseth:

WHEREAS, pursuant to the provisions of the Aeronautics Code of the State of Michigan, Lessor, as successor in interest to the Charter County of Wayne, Michigan (the "County"), operates and maintains the Detroit Metropolitan Wayne County Airport (the "Airport"), said airport being more fully described in **Exhibit A** attached hereto and hereby made a part hereof, with the power to lease premises and facilities and to grant rights with respect thereto; and

WHEREAS, Lessee is engaged in the Air Transportation business; and

WHEREAS, Lessor is constructing the North Terminal at the Airport;

WHEREAS, Lessor and Lessee desire to enter into this Agreement for the lease of terminal space in the North Terminal and the granting to Lessee of certain rights and privileges with respect to the use and operation of the Airport, all as hereinafter provided;

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants and agreements herein contained, and other valuable considerations, as of the effectiveness of this Agreement Lessor does hereby grant, demise and let unto Lessee, and Lessee does hereby hire and take from Lessor, certain premises and facilities, rights, licenses, services and privileges hereinafter described in connection with and upon the Airport.

ARTICLE I

PREMISES

A. USE OF AIRPORT: In common with others so authorized, Lessee shall have the use of the common areas of the Airport and its appurtenances, together with all facilities, equipment, improvements and services which have been, or may hereafter be, provided at or in connection with the Airport from time to time, including, without limiting the generality hereof and subject to the rules and regulations of Lessor promulgated in accordance with Article XI hereof, the landing field and any extensions thereof or additions thereto, passenger and cargo ramp areas and facilities, aircraft parking areas and facilities, roadways, runways, aprons, taxiways, sewage and water facilities, floodlights, landing lights, beacons, control tower, signals, radio aids, and all other conveniences for flying, landings and take-offs of aircraft of Lessee, which use, without limiting the generality hereof, shall include:

1. The right to operate thereat and therefrom a transportation system by aircraft for the carriage of persons, property, cargo and mail;
2. The right to repair, maintain, condition, service, test, park or store aircraft or other equipment of Lessee, or of any other scheduled air transportation company, or aircraft of the U.S. Armed Forces or the FAA within such areas as

are designated by Lessor; provided, that such right shall not be construed as authorizing the conduct of a separate business by Lessee, but shall permit Lessee to perform such functions as an incident to its conduct of Air Transportation;

3. The right to train, subject to rules and regulations as promulgated under Article XI hereof, on the Airport, personnel in the employ of or to be employed by Lessee or any scheduled air transportation company, or of the U.S. Armed Forces, or of the FAA, provided, that such right shall not be construed as authorizing the conduct of a separate business by Lessee, but shall permit Lessee to perform such functions as an incident to its conduct of Air Transportation;

4. The right to sell, dispose of or exchange Lessee's aircraft, engines, accessories, supplies or other personal property; provided, that such right shall not be construed as authorizing the conduct of a separate business by Lessee, but shall permit such sales as an incident to its conduct of Air Transportation or accommodation to others engaged therein;

5. The right, subject to the terms and conditions hereof, to purchase or otherwise obtain personal property of any nature (including aircraft, engines, accessories, gasoline, oil, greases, lubricants, other fuel or propellant, food, beverages, other equipment and supplies and any articles or goods) reasonably necessary or convenient for its operations, from any supplier of its choice;

6. The right to service, by Lessee or others selected by Lessee, Lessee's aircraft or other equipment by truck or otherwise, with gasoline, oil, greases,

lubricants, or any other fuel or propellant or other supplies, required by Lessee; such right to include, without limiting the generality thereof, the right to install and maintain on the Airport, separately or in common with others, appropriate pipes (including a pipeline or lines between Lessee's sources of supply and its storage facilities for gasoline, oil, greases, lubricants or other fuel or propellant and from such storage facilities to the point or points of servicing), pumps, motors, filters and other appurtenances incidental to the use thereof, either through construction and maintenance by Lessee or by a nominee of Lessee in accordance with plans and specifications therefor approved by Lessor; provided, however, that Lessor shall not be responsible for the cost of excavation, construction, installation and maintenance of any such storage facilities, pipes or pipelines, pumps, motors, filters or other appurtenances;

7. The right to land, take-off, fly, taxi, tow, park, load, and unload Lessee's aircraft and other equipment used in the operation of schedule, shuttle, courtesy, test, training, inspection, emergency, special, charter, sightseeing and other flights;

8. The right to transfer, load and unload persons, cargo, property and mail to, from and at the Airport by such loading and unloading devices, motor cars, buses, trucks or other means of conveyance as Lessee may choose or require in the operation of its Air Transportation system; with the non-exclusive right to designate and enter into arrangements with any carrier or carriers of its choice to transport to and from the Airport, passengers and their baggage, cargo, property and mail carried or to be carried by air by Lessee provided that with respect to

passengers, Lessee shall not enter into arrangements with a carrier for transportation to or from the Airport except for such period or periods during which there is no satisfactory ground transportation service provided by bus or limousine operator selected by the Lessor;

9. The right to install, maintain and operate, without cost to Lessor, by Lessee alone, or in conjunction with any other air transportation companies who are lessees at the Airport, or through a nominee, communication systems between suitable locations in the aircraft loading areas and suitable locations in or about Lessee's hangar, and between any or all of said locations and Lessee's offices;

10. The right to install, maintain and operate, without cost to Lessor, by Lessee alone, or in conjunction with any other air transportation companies that are lessees at the Airport, or through a nominee, suitable Lessee-owned aircraft air-conditioning equipment, including, but not limited to, trucks, or a suitable airplane air-conditioning system in the loading area.

11. The right to provide in any hangar or other non-public space leased by Lessee without cost to Lessor, by Lessee alone, a subsidiary of Lessee or by contract with a supplier or caterer, foods and beverages for consumption by employees and occasional invitees of Lessee on such premises for business purposes. Without limiting the generality of the foregoing, said right shall include the right to install, maintain, and operate, or cause to be installed, maintained and operated without cost to Lessor, in any hangar on premises leased to Lessee at the Airport, vending machines, a cafeteria, restaurant or other plant for

the purpose of preparing, cooking, and dispensing of foods and beverages for consumption as aforesaid;

12. The right to provide, without cost to Lessor, by Lessee alone, a subsidiary of Lessee, or by contract with a supplier or caterer of its choice, food and beverages for consumption on aircraft of Lessee; provided, however, that if Lessee shall purchase such foods and beverages by contract with a supplier or caterer other than an Airport food concessionaire (Airport food concessionaires include in-flight caterers with whom Lessor has an in-flight catering concession contract), Lessee shall require such supplier or caterer, other than its wholly-owned subsidiary, to pay to Lessor the same percentage commission as would be paid to Lessor by an Airport food concessionaire;

13. The right to install and operate, at Lessee's expense, a reasonable number and type of company identification signs, subject to the right of Lessor to reasonably approve the same as to type and location;

14. The right to install, maintain and operate, at Lessee's expense, by Lessee alone, or in conjunction with any other air transportation companies who are lessees at the Airport, or through a nominee, such radio communications, meteorological and aerial navigation equipment and facilities in or on premises preferentially leased to Lessee, and, subject to the approval of Lessor's Chief Executive Officer with respect to location of installation, elsewhere on the Airport as may be necessary or convenient in the opinion of Lessee for its operations; provided, however, that such approval shall not be withheld unless such

installation, maintenance and operation at the location selected by Lessee shall interfere with the reasonable use of the Airport by other authorized persons;

15. The right to conduct operations or activities other than those enumerated in Subparagraphs (1) to (14), inclusive, of this paragraph, reasonably related to the landing, taking off, flying, moving, loading, unloading, or servicing of aircraft which are reasonably necessary or convenient to the conduct by it of Air Transportation; provided, however, that all such other operations and activities shall be subject to the approval of Lessor's Chief Executive Officer.

B. LEASE OF SPACE:

1. PREFERENTIAL USE PREMISES.

(a) Grant of Rights. Lessor hereby grants to Lessee, its employees, agents, guests, patrons and invitees, the preferential use of space, improvements and facilities in the North Terminal consisting of the Preferential North Terminal Space identified on **Exhibit C** attached hereto (hereinafter referred to as "Lessee's Preferential North Terminal Space"). Lessee shall have the right to permit its Operating Affiliates to have access to Lessee's Preferential North Terminal Space. **Exhibit C** shall be amended, effective as of the Date of Beneficial Occupancy of all of Lessee's Preferential North Terminal Space, to include all of such space not then reflected on **Exhibit C**, which amendment may be entered into by the Chief Executive Officer of Lessor without further approvals of Lessor's Board.

(b) Accommodation of Other Airlines. Lessee's Preferential North Terminal Space shall be available to Lessee in accordance with the following preferential use provisions:

(i) Lessee shall have priority in using such space, subject to the provisions of subsection (iii) below. In addition, Lessor hereby grants to Lessee, and Lessee hereby accepts from Lessor, for so long as Lessee leases such space, the preferential right to use the aircraft parking positions adjacent to such space, as shown on **Exhibit C**, for the parking of aircraft and support vehicles and the loading and unloading of passengers and cargo.

(ii) Lessor intends to maintain a policy of providing open access to the Airport and achieving a balanced utilization of Airport facilities. To achieve that goal, Lessor reserves the right to require shared use of Preferential Use Premises as described in subsection (iii) below.

(iii) (A) If an airline, including any airline seeking to expand its service or an airline seeking entry into the Airport, is in need of space or facilities at the Airport, which need cannot be met by use of then unleased premises, if any, in the South Terminal or the North Terminal, Lessor shall direct such airline to request the use of leased space or facilities of all Signatory Airlines on a voluntary basis. Lessee and the other Signatory Airlines shall make

reasonable efforts to accommodate such requests in a timely manner from any Preferential Use Premises leased to them.

(B) In the event (I) Lessor receives a written request from an airline requesting space or facilities of a type granted to Signatory Airlines on a preferential use basis, (II) the requesting airline demonstrates to Lessor that it has contacted all Signatory Airlines and has exhausted all reasonable efforts to find reasonable accommodation for its proposed operations and the space or facilities it needs, and (III) Lessor through its Chief Executive Officer reasonably determines that (x) such requesting airline needs the requested space or facilities to accommodate passengers or aircraft and (y) Lessor cannot provide such space or facilities to such airline on a timely basis, then, subject to the provisions of subparagraph (F) below, Lessor may grant such requesting airline the right of temporary or shared use of a designated portion of Lessee's Preferential North Terminal Space, including, but not limited to, the use of passenger loading bridges and other appurtenant equipment which are reasonably necessary for the effective use of such space, whether owned by Lessee or Lessor, as well as the aircraft parking positions adjacent to such space and Lessee's ticket counters, but excluding Lessee's member-only airline clubs within Lessee's Preferential North Terminal Space.

(C) In the event Lessor determines that a requesting airline's needs require granting such requesting airline the right to share or temporarily use Preferential Use Premises, Lessor shall serve written notice to all Signatory Airlines of that determination and notice of Lessor's intention to make a further determination, in not less than 15 calendar days, as to how the requesting airline will be accommodated.

(D) In accordance with the rules and priorities set forth in subparagraph (F) below, Lessor may grant the requesting airline the right of shared or temporary use of a designated portion of Lessee's Preferential North Terminal Space, including Lessee's Preferential Use Gates and ticket counters (but not including Lessee's member-only airline clubs), as well as rights of ingress and egress, the right to use the aircraft parking positions adjacent thereto and the right to use passenger loading bridges and other appurtenant equipment which are reasonably necessary for the effective use of such space, provided, that Lessee shall have no obligation to permit or make available shared use of its facilities unless and until:

(I) such proposed user provides Lessee with indemnification and proof of insurance satisfactory to Lessee (including, in the case of insurance, proof of compliance with all insurance requirements imposed on Lessee under this

Agreement); provided, however, that Lessee may not require any indemnification more favorable to it than that which Lessee provides to Lessor hereunder;

(II) such proposed user agrees to pay Lessee the sum of the following:

(x) an amount equal to a pro rata share of the sum of the terminal rentals and any other applicable payments, fees or taxes payable by Lessee hereunder with respect to such areas during such shared or temporary use period as calculated herein; and

(y) additional amounts sufficient to recover Lessee's direct costs and operation and maintenance expenses, if any, of such shared or temporary use, including a reasonable allocation of any capital and equipment costs for property and equipment owned by Lessee;

(III) such proposed user enters into a written agreement with Lessee therefor, which agreement shall not be inconsistent with the terms and conditions stated herein and shall be submitted to Lessor for written approval prior to the effective date thereof.

(E) Lessee agrees to make reasonable efforts to facilitate the temporary or shared accommodation of the requesting airline's scheduled operations, including the use of passenger loading bridges used or owned by Lessee and other portions of Lessee's Preferential North Terminal Space (excluding Lessee's member-only airline clubs) as may be reasonably necessary to accommodate the requesting airline in the event Lessor requires such use. In the event that the requesting airline and Lessee are not able to agree to a form of written agreement pursuant to subparagraph (D)(III) above after reasonable efforts by both parties, Lessor shall have the right, after consultation with both parties, to set the final terms of such written agreement, which shall provide no less protection of Lessee's interests than Lessee provides for Lessor's interest hereunder, and be binding on both the requesting airline and Lessee.

(F) In the event that, pursuant to subparagraph (B) above, Lessor reasonably determines that a requesting airline is in need of facilities to accommodate passengers or aircraft and such facilities should be made available from Preferential Use Premises, Lessor will follow the following rules and priorities in designating the specific premises for temporary or shared use by the requesting airline:

(I) Preferential Use Premises shall be designated for temporary or shared use in the reverse order of the magnitude of the then present utilization by Signatory Airlines.

(II) In assessing the degree of such utilization by Signatory Airlines, Lessor will consider all factors deemed relevant, which at a minimum will include: (t) the average number of flight arrivals and departures per aircraft parking position per day; (u) flight scheduling considerations; (v) potential labor conflicts and union work rules; (w) competitive relationships; (x) the number, availability and type (e.g. wide-body or narrow body) of aircraft parking position locations; (y) the preferences of the Signatory Airlines as to which of their specific premises are designated for temporary or shared use by the requesting airline and (z) other operational needs, requirements, facilities, resources and capacities of the airlines.

(III) In the event Lessee is required to share Lessee's Preferential North Terminal Space, Lessee shall have priority in all aspects of usage of such shared premises over all other airlines; provided that Lessee shall not change its scheduling or ordinary course usage of such premises for

the purpose of interfering with the usage of such premises by a requesting airline sharing such premises.

(G) The foregoing provisions of this Article IB.1.(b)(iii) notwithstanding, Lessor may grant a requesting airline the right to temporarily use a designated portion of Lessee's Preferential North Terminal Space (excluding Lessee's member-only airline clubs) in non-recurring emergency or safety-related circumstances, so long as such use will not unreasonably adversely affect Lessee's Air Transportation operations at the Airport and subject to the requesting airline's satisfaction of insurance, indemnity and payment requirements consistent with the requirements of this Agreement.

(H) During the use of Lessee's Preferential North Terminal Space or other related facilities by other airlines scheduled by Lessor pursuant to this Article IB.1. (b), Lessee shall not be held liable by Lessor with regard to any claim for damages or personal injury arising out of or in connection with such requesting airline's use of Lessee's Preferential North Terminal Space or other related facilities, unless caused by the negligence of Lessee, its employees or agents.

(c) Recapture of Preferential Use Premises.

(i) Notwithstanding the provisions of Article I.B.1.(a) and (b) above, Lessor will have the right, exercisable by the Chief

Executive Officer of Lessor, beginning six (6) months after the Date of Beneficial Occupancy of the North Terminal, to delete from Lessee's Preferential North Terminal Space, and either convert to a North Terminal Common Use Gate, reassign to another Signatory Airline or lease on a short term basis to another air carrier that is not a Signatory Airline, one or more of Lessee's Preferential Use Gates if:

(A) Lessee does not meet the Gate Use Requirement (as defined in subparagraph (ii) below) for its Preferential Use Gates, as measured by average daily scheduled aircraft departures, using the six (6) days of each week during which Lessee operates the greatest number of departing flights, for a rolling three (3) calendar month period, provided that, for purposes of the calculation as to whether Lessee has met the Gate Use Requirement for its Gates, scheduled flights that are cancelled due to inclement weather or due to security incidents at the Airport, or elsewhere which result in the cancellation of flights at the Airport, will be deemed to have operated as scheduled, and

(B) Lessor through its Chief Executive Officer reasonably determines that there is a need to either accommodate another airline on such Preferential Use Gate(s), whether such other airline is a new entrant airline or is another

Signatory Airline increasing its existing service, or a need to convert such Preferential Use Gate(s) to Common Use Gates, and

(C) Lessor through its Chief Executive Officer reasonably determines, based on the facts available to the Chief Executive Officer at the time of such determination (such as available published flight schedules or representations of authorized representatives of successor user(s) of such Gate(s)), that the use of such Gate by another Signatory Airline or a non-Signatory Airline, or as a Common Use Gate will meet the Gate Use Requirement on a continuous basis for at least the twelve (12) month period following the deletion of such Gate(s) from Lessee's Preferential North Terminal Space.

The foregoing notwithstanding, if Lessee operates certain of its flights on a daily frequency during the same period every year but does not operate such flights on a year-round basis, the calculation of the Gate Use Requirement applicable to Lessee's Preferential Use Gates shall apply only during the period of the year when Lessee is operating its year-round flights as well as its seasonal flights.

(ii) The "Gate Use Requirement" for a Signatory Airline's Preferential Use Gates shall mean the continuous operational use

by such Signatory Airline, as evidenced in the Multi-User Information Display System flight database reports for the North Terminal and in the Official Airline Guide, of each of such Signatory Airline's Preferential Use Gates for an average, for the six (6) days of each week during which Lessee operates the greatest number of departing flights, of at least the number of daily Narrow Body-Equivalent Aircraft Departures set forth below, depending on the number of Preferential Use Gates leased by such Signatory Airline:

<u># of Gates Leased</u>	<u>Required Average Daily Narrow Body-Equivalent Aircraft Departures</u>
1	4
2 or 3	5
4 or more	6

For purposes of determining whether a Signatory Airline has met the Gate Use Requirement for its Preferential Use Gates, the number of such Signatory Airline's Narrow Body-Equivalent Aircraft departures will include the number of Narrow Body-Equivalent Aircraft Departures of such Signatory Airline's Operating Affiliates operating from such Signatory Airline's Preferential Use Gates. In addition, if an international flight of a Signatory Airline departs from a Common Use Gate rather than from a Preferential Use Gate of such Signatory Airline, such departure will count toward the calculation of the Gate Use Requirement for such Signatory Airline

so long as such international departure is the departing leg of a turnaround flight that arrived at the Common Use Gate and is then scheduled to depart from the same Gate.

(iii) Under the circumstances described in subparagraph (i) above, Lessor's Chief Executive Officer may notify Lessee in writing of Lessor's intent to delete from Lessee's Preferential North Terminal Space one or more of Lessee's Preferential Use Gates. Except under the circumstances described below in this subparagraph (iii), Lessee shall have 90 days from the date of such notice from Lessor to adjust its schedule and demonstrate to Lessor that it is meeting, or has begun and will continue to meet, the Gate Use Requirement for its Preferential Use Gates, so as not to be subject to such deletion. If Lessee does not so adjust its schedule within such 90-day period, Lessor shall have the right to delete from Lessee's Preferential North Terminal Space that number of Lessee's Preferential Use Gates as may be necessary to cause Lessee to meet the Gate Use Requirement on its remaining Preferential Use Gates. If Lessee does so adjust its schedule within such 90-day period, but then at any time within the 12-month period following the end of such 90-day period Lessee again fails to meet the Gate Use Requirement as set forth in subparagraph (i) above, Lessor shall have the right to delete Preferential Use Gates from Lessee's Preferential North Terminal Space as aforesaid

without first affording Lessee another 90 days to adjust its schedule.

(iv) In the event that Lessor deletes any of Lessee's Preferential Use Gates pursuant to the foregoing provisions, Lessor and Lessee also shall agree as to what, if any, other leased premises should be deleted from Lessee's Preferential North Terminal Space in order for the efficient utilization of the deleted Preferential Use Gates(s). The amount of additional space to be deleted will take into account Lessee's (a) historical, current and reasonably projected frequency of operations, (b) the number of Lessee's enplaning and deplaning passengers, (c) the number of Lessee's remaining Preferential Use Gates after the deletion and (d) the linear feet of ticket counter space, square feet of holdroom space and square feet of other North Terminal premises.

(v) If a Gate is deleted from Lessee's Preferential North Terminal Space, Lessee shall not be responsible for any facility costs associated with conversion of such gate to a Common Use Gate (e.g., gate re-striping, millwork, common use equipment), the lease of the Gate by another air carrier or the use of other space deleted from Lessee's Preferential North Terminal Space pursuant to subparagraph (iv) above.

(vi) When any Gates or other space are deleted from Lessee's Preferential North Terminal Space, Lessor's Chief Executive Officer

shall deliver to Lessee an amended **Exhibit C** to this Agreement, and this Agreement shall be deemed to be amended without any further approvals of Lessor or Lessee.

(vii) If Lessee exceeds the Gate Use Requirement with respect to all of its Preferential Use Gates by an average of at least two (2) aircraft daily departures for at least six (6) consecutive months, and Lessee demonstrates to Lessor that it would meet or exceed the Gate Use Requirement for all of its Preferential Use Gates if another Gate was added to its Preferential North Terminal Space, Lessee may request that Lessor add another Gate to Lessee's Preferential North Terminal Space; provided, however, Lessor shall have no obligation to do so unless another Signatory Airline is not meeting the Gate Use Requirement as set forth in subparagraph (i) above, in which case Lessor shall use the provisions set forth in subparagraphs (i), (ii) and (iii) above to delete a Gate from another Signatory Airline's Preferential North Terminal Space and add it to Lessee's Preferential North Terminal Space, or Lessor, in its sole discretion, determines to convert a North Terminal Common Use Gate to a Preferential Use Gate and preferentially lease such Gate to Lessee hereunder.

(d) Periodic Reduction of Lessee's Preferential North Terminal Space.

On the date that is six (6) months after the fifth (5th) anniversary of the Date of Beneficial Occupancy of the North Terminal (the "First Space

Reassessment Date”) and on every fifth (5th) anniversary of the First Space Reassessment Date, Lessee shall have the right to reduce its Preferential North Terminal Space by vacating a portion (but not all) of Lessee’s such space, provided that at all times during the term of this Agreement Lessee must lease at least one (1) Preferential Use Gate (except if Lessee is an airline that operates only to destinations outside the United States, uses the Common Use Gates and Common Use Ticket Counters in the North Terminal and does not lease a Preferential Use Gate) and an amount of ticket counter and other terminal space reasonably allocable to the use of at least one (1) Preferential Use Gate. Should Lessee determine to delete some of its Preferential North Terminal Space pursuant to this provision, Lessee must deliver written notice of its intent to do so to Lessor not later than 120 days prior to the date on which Lessee is entitled to reduce its Preferential North Terminal Space hereunder. Lessor and Lessee must agree prior to the deletion of space that the Preferential North Terminal Space to be deleted is in sufficient area for it to be usable by other tenants and in a location accessible from a common corridor or exterior door. The cost associated with the deletion of space when initiated by Lessee hereunder will be borne directly by Lessee. These costs include, but are not limited to, design, permitting, construction and relocation costs necessary to make the space available to Lessor. In implementing the space reductions hereunder, Lessee shall use its best efforts to minimize disruptions to other tenants’ operations and

to preserve the operational integrity of other tenants' premises during and after such space reductions. When any Gates or other space is deleted from Lessee's Preferential North Terminal Space hereunder, Lessor's Chief Executive Officer shall deliver to Lessee an amended **Exhibit C** to this Agreement, and this Agreement shall be deemed to be amended without any further approvals of Lessor or Lessee.

2. **SHARED USE PREMISES.** Lessor hereby grants to Lessee, its employees, agents, guests, patrons and invitees, the shared use, along with all other air carriers operating Air Transportation businesses in the North Terminal to whom Lessor grants such shared use, of the Shared Use North Terminal Space.

C. COMMON USE GATES:

1. Lessor intends to operate certain Gates in the North Terminal as Common Use Gates. The use of the Common Use Gates by airlines operating in the North Terminal shall be governed by Common Use Gate access procedures adopted by the Chief Executive Officer of Lessor. The Common Use Gate access procedures that will be in effect as of the Date of Beneficial Occupancy of the North Terminal are attached hereto as **Exhibit B**. Lessor reserves the right to revise such Common Use Gate access procedures, provided that prior to any revision, Lessor shall notify the airlines then operating in the North Terminal of such revision, and prior to implementing any revisions thereto shall give due consideration to any suggestions and comments made by such airlines with respect to such revisions.

2. The Protocol for the Use of International Facilities at the Airport attached hereto as **Exhibit D** also shall apply to the Common Use Gates that are useable for international arriving flights. If a conflict arises in the application of the terms of **Exhibit D** and the Common Use Gate access procedures for the North Terminal then in effect, the provisions of and the priorities in **Exhibit D** shall control.

D. PUBLIC SPACE: Lessee, its employees, passengers, guests, patrons and invitees, in common with others, shall have the use of all public space in the terminals at the Airport, and all additional public space which may thereafter be made available therein and in any additions thereto, including, without limiting the generality thereof, common areas for passenger movement, concessions areas, entrances, exits, lobbies, public waiting areas, public restrooms, hallways and other premises for other public and passenger convenience.

E. PARKING SPACE: Vehicular parking spaces shall be provided (adequate in Lessor's judgment, considering the number of vehicles and traffic to be accommodated) for the use of Lessee's employees and passengers, in common with any other scheduled air transportation companies' employees and passengers. Lessor or its concessionaires may make a reasonable charge to passengers for the use of the parking space provided for them, but no charges shall be made for use of such adequate parking spaces as are designated by Lessor for the respective use of Lessee's employees.

F. RIGHT OF INGRESS AND EGRESS: Subject to the reasonable rules and regulations promulgated by Lessor in accordance with Article XI hereof, Lessee shall

have the right and privilege over the Airport of ingress to and egress from the premises and facilities described in this Article I for its employees, agents, passengers, guests, patrons and invitees, its or their suppliers of materials and furnishers of service, its or their aircraft, equipment, vehicles, machinery and other property, and, except as herein otherwise specifically provided, no charges, fees or tolls of any nature, direct or indirect, shall be imposed by Lessor upon Lessee, its employees, agents, passengers, guests, patrons and invitees, its or their suppliers of materials and furnishers of service for such right of ingress and egress, or for the privilege of purchasing, selling or using any materials, or services purchased or otherwise obtained by Lessee, or for transporting, loading, unloading or handling persons, property, cargo or mail in connection with Lessee's business or exercising any right or privilege granted by Lessor hereunder. Nothing in this Article I shall limit Lessor's right to impose, collect and use PFCs.

ARTICLE II

TERM

- A.** Subject to approval of this Agreement by Lessor's Board, if this Agreement is executed by Lessee and delivered to Lessor on or prior to the Date of Beneficial Occupancy of the North Terminal, this Agreement shall become effective and binding upon the parties hereto on the Date of Beneficial Occupancy of the North Terminal.
- B.** If this Agreement is executed by Lessee and delivered to Lessor after the Date of Beneficial Occupancy of the North Terminal, this Agreement shall become effective and binding upon the parties hereto as of the date this Agreement is approved by Lessor's Board.
- C.** If the Date of Beneficial Occupancy of the North Terminal is before September 30, 2008, then, for the period commencing on the Date of Beneficial Occupancy of the

North Terminal and ending on September 30, 2008, Lessee shall continue to pay to Lessor the terminal rentals it would otherwise have paid if Lessee were continuing to occupy and use its leased premises in the L.C. Smith Terminal at the Airport, and Lessee shall commence paying Terminal Rentals pursuant to Article III as of October 1, 2008.

D. If the Date of Beneficial Occupancy of the North Terminal is after September 30, 2008, then, for the month in which the Date of Beneficial Occupancy of the North Terminal occurs, Lessee shall continue to pay to Lessor the terminal rentals it would otherwise have paid if Lessee were continuing to occupy and use its leased premises in the L.C. Smith Terminal at the Airport, and Lessee shall commence paying Terminal Rentals pursuant to Article III as of the first day of the month following the month in which the Date of Beneficial Occupancy of the North Terminal occurs.

E. Unless sooner terminated as provided herein, this Agreement shall terminate on September 30, 2032.

ARTICLE III

RENTALS, FEES AND CHARGES

Subject to the provisions of Article II.C and Article II.D above, Lessee agrees to pay to Lessor for the use of the premises, facilities, rights, licenses, services and privileges granted hereunder, the following rentals, fees and charges, all payable in monthly installments in accordance with paragraph I. below. In the event that the termination of the term with respect to any of the particular premises, facilities, rights, licenses, services or privileges as herein provided falls on any date other than the first or last day of a calendar month, the applicable rentals, fees and charges for that month shall be paid for said month pro rata according to the number of days in that month

during which the particular premises, facilities, rights, licenses, services or privileges were enjoyed. No rentals, fees, charges or tolls imposed by Lessor other than those specifically provided in this Agreement are payable by Lessee for the use of or access to the Airport, provided that the foregoing shall not be construed to prohibit Lessor from imposing and collecting charges and fees from passengers for the use of the public auto parking areas on the Airport, from operators of ground transportation to, from and on the Airport or from any concessionaire at the Airport in accordance with the terms of a contract with Lessor for the operation of such concession; and provided, further, that Lessor reserves the right to impose and use PFCs; and provided, further, that the foregoing shall not preclude Lessor from imposing or levying any permit or license fee not inconsistent with the rights and privileges granted to Lessee hereunder.

A. COST CENTERS:

Lessor will create the following cost centers for the purpose of allocating the cost of operating, maintaining and developing the Airport among the users thereof:

1. North Terminal Cost Center;
2. South Terminal Cost Center; and
3. Airport Cost Center.

B. ALLOCATION METHODOLOGY:

Lessor shall maintain accurate records identifying O&M Expenses for each Fiscal Year and allocating O&M Expenses, Bond Debt Service and Other Available Moneys for each Fiscal Year between (1) the North Terminal Cost Center, (2) the South Terminal Cost Center, and (3) the Airport Cost Center. Lessor will allocate O&M Expenses, Bond

Debt Service and Other Available Moneys in accordance with **Exhibit E** attached hereto.

C. TERMINAL RENTALS:

1. NORTH TERMINAL RENTALS.

(a) Lessee's Terminal Rentals for each Fiscal Year (or portion thereof on a pro rated basis) for its Preferential North Terminal Space shall be an aggregate amount equal to the product of the number of square feet of Lessee's Preferential North Terminal Space, multiplied by the North Terminal Rental Rate for such Fiscal Year.

(b) The North Terminal Rental Rate for each Fiscal Year shall be determined by dividing the Cost of the North Terminal for such Fiscal Year, calculated pursuant to subparagraph (c) below, by the total number of square feet of Preferential North Terminal Space leased to all Signatory Airlines (excluding member-only airline clubs leased to Signatory Airlines).

(c) The Cost of the North Terminal for each Fiscal Year will be an amount equal to the sum of, for such Fiscal Year:

(i) O&M Expenses allocated to the North Terminal Cost Center;

and

(ii) Bond Debt Service allocated to the North Terminal Cost Center;

minus, for such Fiscal Year:

- (iii) Other Available Moneys allocated to the North Terminal Cost Center and used by Lessor in such Fiscal Year to pay Bond Debt Service allocated to the North Terminal Cost Center;
- (iv) the total amount of North Terminal International Facilities Use Fees collected by Lessor for such Fiscal Year;
- (v) the total amount of North Terminal Authority-Controlled Airline Space Revenue and North Terminal Rental Revenue for such Fiscal Year; and
- (vi) the total amount of North Terminal Shared Use Fees collected by Lessor for such Fiscal Year.

2. SOUTH TERMINAL RENTALS.

(a) Commencing with the Rental Rate Change Date, Lessor shall charge each Signatory Airline leasing Preferential South Terminal Space, Terminal Rentals for each Fiscal Year (or portion thereof on a pro rated basis) for such space in an aggregate amount equal to the product of the number of square feet of such Signatory Airline's Preferential South Terminal Space, multiplied by the South Terminal Rental Rate for such Fiscal Year.

(b) Commencing with the Rental Rate Change Date, the South Terminal Rental Rate for each Fiscal Year shall be determined by dividing the Cost of the South Terminal for such Fiscal Year, calculated pursuant to subparagraph (c) below, by the sum of (i) the total number of square feet

of Preferential South Terminal Space leased to all Signatory Airlines, and

(ii) the total number of square feet of Shared Use South Terminal Space.

(c) The Cost of the South Terminal for each Fiscal Year will be an amount equal to the sum of, for such Fiscal Year:

(i) O&M Expenses allocated to the South Terminal Cost Center;

and

(ii) Bond Debt Service allocated to the South Terminal Cost Center;

minus, for such Fiscal Year:

(iii) Other Available Moneys allocated to the South Terminal Cost Center and used by Lessor in such Fiscal Year to pay Bond Debt Service allocated to the South Terminal Cost Center;

(iv) the total amount of South Terminal International Facilities Use Fees collected by Lessor for such Fiscal Year; and

(v) the total amount of South Terminal Authority-Controlled Airline Space Revenues and South Terminal Rental Revenue for such Fiscal Year.

D. NORTH TERMINAL SHARED USE FEES: Lessor will charge each air carrier operating in the North Terminal a North Terminal Shared Use Fee per enplaned passenger of such air carrier for the use of the Shared Use North Terminal Space. The North Terminal Shared Use Fee for each Fiscal Year shall equal the quotient arrived at by dividing (1) the product of the total number of square feet of Shared Use North Terminal Space multiplied by the Cost Recovery Rate for such Fiscal Year, calculated

as set forth in subparagraph 27 of Article XXVIII, by (2) the total estimated number of enplaned passengers of all air carriers operating at the North Terminal during such Fiscal Year, as set forth in the Projection for such Fiscal Year. Nothing contained in this section shall prohibit Lessor from adding a reasonable surcharge to the North Terminal Shared Use Fee payable by non-Signatory Airlines.

E. NORTH TERMINAL COMMON USE GATE FEES: Lessor will charge each air carrier (including, but not limited to, Signatory Airlines) using the Common Use Gates, the Common Use Ticket Counters and/or the Common Use Passenger Processing System a Common Use Gate Fee per Narrow Body-Equivalent Aircraft Departure of such air carrier, for such use. For purposes of payment of Common Use Gate Fees, if an air carrier's aircraft arrives at a Common Use Gate and is towed to and departs from a Gate that is not a Common Use Gate, such aircraft nevertheless will be deemed to have departed from a Common Use Gate. The Common Use Gate Fee for each Fiscal Year shall equal the quotient, rounded up to the nearest dollar, arrived at by dividing:

1. the product of (a) the Cost Recovery Rate for such Fiscal Year, calculated as set forth in subparagraph 27 of Article XXVIII, multiplied by (b) the total number of square feet of the Common Use Gate Holdrooms and the Common Use Ticket Counters;

by

2. the product of (a) the number of Common Use Gates, multiplied by (b) the Assumed Number of Narrow Body Equivalent Aircraft Departures for such Fiscal Year.

Nothing contained in this section shall prohibit Lessor from adding a reasonable surcharge to the Common Use Gate Fee payable by non-Signatory Airlines.

F. ACTIVITY FEES:

1. For each Fiscal Year, Lessee's Activity Fee for the landing of aircraft operated by Lessee shall be an amount equal to the product of the number of thousand pounds of Approved Maximum Landing Weight of aircraft landed by Lessee at the Airport in such Fiscal Year, multiplied by the Activity Fee Rate for such Fiscal Year.

2. The Activity Fee Rate for each Fiscal Year shall be the quotient arrived at by dividing (a) the Revenue Requirement, as below defined, for such Fiscal Year by (b) the aggregate amount of Approved Maximum Landing Weight of aircraft, in units of one thousand pounds, of all Signatory Airlines, for such Fiscal Year. The unit thus arrived at shall be the Activity Fee Rate per thousand pounds of Approved Maximum Landing Weight payable by Lessee to Lessor for such of Lessee's aircraft, as have landed at the Airport during the Fiscal Year for which such calculation is made. The Activity Fee as herein established shall not be subject to further adjustment except by agreement of the parties hereto, or as provided in Article III.I.4. below.

3. The "Revenue Requirement" for any Fiscal Year as used herein shall mean that amount of Revenue required to produce total net Revenue equal to the sum of:

- (a) O&M Expenses for such Fiscal Year; plus
- (b) (i) one hundred twenty-five percent (125%) of the amount of principal and interest due (net of any capitalized interest) for such Fiscal Year on all then outstanding Bonds, less (ii) any unencumbered amounts

on deposit in the Revenue Fund on the last day of the Fiscal Year preceding such Fiscal Year that are useable to satisfy the rate covenant requirements of any Bond Ordinance under which Bonds have been issued, and less (iii) Other Available Moneys used in such Fiscal Year to pay Bond Debt Service; plus

(c) deposits into the Bond Reserve Account, the Junior Lien Bond Reserve Account, the Operation and Maintenance Reserve Fund and the Renewal and Replacement Fund required for such Fiscal Year pursuant to the provisions of all applicable Bond Ordinances; plus

(d) an amount equal to \$5 million (which amount has been escalated each Fiscal Year beginning in Fiscal Year 2002, and shall be escalated each Fiscal Year hereafter to reflect percentage increases in the Producer Price Index during the most recently ended 12-month period for which such index is available); plus

(e) \$350,000; minus

(f) an amount equal to the sum of (i) all Terminal Rentals and South Terminal Use Charges collected by Lessor for such Fiscal Year (taking into account all end-of-year payments by the Signatory Airlines or end-of-year refunds by Lessor, as the case may be, as set forth in Article III.1.5. below, of Terminal Rentals and South Terminal Use Charges for such Fiscal Year), (ii) all North Terminal Shared Use Fees, International Facilities Use Fees, Authority-Controlled Airline Space Revenues, North Terminal Rental Revenue and South Terminal Rental Revenue collected

by Lessor during such Fiscal Year, (iv) all concession and parking revenue, and (v) all other Revenue received (or receivable if Lessor is on an accrual accounting basis) during such Fiscal Year, except (A) up to but not exceeding \$2.5 million of Revenue attributable to an automated vehicle identification program for the entire Airport, and (B) all proceeds received by Lessor from the sale of certain parcels of Airport property located on the West side of the airfield and shown on **Exhibit F**.

G. INTERNATIONAL FACILITIES USE FEES – FIS FACILITIES: Lessor will charge each air carrier operating at the Airport an International Facilities Use Fee per deplaned international passenger of such air carrier for the use of the FIS Facilities at the Airport. The Facilities Use Fees will be charged in accordance with the schedule attached as **Exhibit I**.

H. CONTINUING RENTAL OBLIGATION:

1. Should any scheduled air carrier, including Lessee, having an agreement with Lessor substantially similar to this Agreement, terminate its operations at the Airport by reason of the loss of its operating authority to serve the Detroit Metropolitan Area and exercise the right of cancellation provided for in such case in Article XV of such agreement, its continued obligation to pay to Lessor charges thereafter due under this Agreement, including space rentals and Activity Fees, shall thereupon terminate. Payment of rentals and Activity Fees thereafter required shall be the responsibility of such of the other aforesaid scheduled air carriers which continue to provide air transportation service to the Airport.

2. Should (a) all such aforesaid air carriers lose their operating authority to serve the Airport, or (b) should Lessor fail to maintain the necessary certifications required to permit scheduled air carrier operations at the Airport, and all of such air carriers exercise the right of cancellation provided for in either of such cases in said Article XV, the obligation to pay such aforesaid charges shall terminate.

I. PAYMENT OF TERMINAL RENTALS, NORTH TERMINAL SHARED USE FEES AND ACTIVITY FEES:

1. INFORMATION ON SIGNATORY AIRLINES' OPERATIONS.

(a) Not earlier than 120 days nor later than 90 days prior to the last day of each Fiscal Year, each Signatory Airline shall furnish Lessor with an estimate for the next ensuing Fiscal Year of (i) the total Approved Maximum Landing Weight of all aircraft to be landed at the Airport by such Signatory Airline, (ii) the total number of such Signatory Airline's domestic enplaned passengers and international enplaned passengers, (iii) for Signatory Airlines operating in the South Terminal, the number of domestic and the number of international deplaned passengers of such Signatory Airline that are estimated to use each of the Shared Use Domestic South Terminal Space, the Shared Use International South Terminal Space and the Shared Use Swing South Terminal Space, as the case may be, (iv) the total number of arriving and departing domestic and international flights of such Signatory Airline, and (v) the total number, if any, of such Signatory Airline's Narrow Body-Equivalent Aircraft Departures from the Common Use Gates.

(b) No later than the 20th day of each calendar month, each Signatory Airline shall transmit to Lessor a report, certified by such Signatory Airline, setting forth (i) the actual number of such Signatory Airline's enplaned passengers and the actual number of such Signatory Airline's deplaned passengers for the preceding calendar month, (ii) for Signatory Airlines operating in the South Terminal, the actual number of such Signatory Airline's enplaned passengers and deplaned passengers that used each of the Shared Use Domestic South Terminal Space, the Shared Use International South Terminal Space and the Shared Use Swing South Terminal Space, as the case may be, for the preceding calendar month, (iii) the actual aggregate Approved Maximum Landing Weight for all aircraft operated by such Signatory Airline and landed at the Airport during the preceding calendar month, (iv) the actual number of such Signatory Airline's arriving and departing domestic and international flights for the preceding calendar month, and (v) the actual number, if any, of such Signatory Airline's Narrow Body-Equivalent Aircraft Departures from the Common Use Gates for the preceding calendar month.

2. PROJECTION OF RENTALS AND ACTIVITY FEES.

(a) Not later than 60 days prior to the end of each Fiscal Year, Lessor shall furnish each Signatory Airline with a projection and estimated calculation for the next ensuing Fiscal Year pursuant to Article III.C., D., E. and F. (the "Projection") of the North Terminal Rental Rate, the North Terminal Shared Use Fee per enplaned passenger, the North Terminal

Common Use Gate Fee per Narrow Body-Equivalent Aircraft Departure, the South Terminal Rental Rate, such Signatory Airline's South Terminal Shared Use Charges (if any), the Activity Fee Rate per thousand pounds of Approved Maximum Landing Weight, and such Signatory Airline's Activity Fees. The Projection shall be based on Lessor's estimates of O&M Expenses, Bond Debt Service, Other Available Moneys and Revenues for such Fiscal Year. The Projection will include Lessor's proposed Airport budget (including all sources of revenue and all expenses) for the next ensuing Fiscal Year, together with other information relevant thereto reasonably requested by Lessee.

(b) The projected North Terminal Rental Rate shall be calculated in accordance with the provisions of Article III.C.1., and shall be an amount equal to the result of such calculation, rounded up to the nearest dollar.

(c) The projected South Terminal Rental Rate shall be calculated in accordance with the provisions of Article III.C.2., and shall be an amount equal to the result of such calculation, rounded up to the nearest dollar.

(d) Lessor shall give due consideration to any suggestions and comments made by Lessee with respect to the Projection. The Projection, as revised by Lessor after considering Lessee's suggestions and comments, shall be the basis for computing the Signatory Airlines' Terminal Rentals, South Terminal Shared Use Charges, North Terminal Shared Use Fees and Activity Fees for the next ensuing Fiscal Year unless and until otherwise revised pursuant to paragraph 4 below.

3. PAYMENT OF TERMINAL RENTALS, NORTH TERMINAL SHARED USE FEES AND ACTIVITY FEES. Not later than the 20th day of each calendar month of each Fiscal Year, Lessee shall pay Lessor, without demand or invoice, an amount equal to (a) 1/12 of Lessee's aggregate Terminal Rentals for such Fiscal Year, computed in accordance with Article III.C.1.(a), as the Projection may have been revised pursuant to paragraph 4 below, plus (b) Lessee's aggregate Activity Fees for the preceding calendar month, calculated by multiplying the total Approved Maximum Landing Weight for aircraft landed by Lessee at the Airport during the preceding calendar month by the Activity Fee Rate for such Fiscal Year, computed in accordance with Article III.D., and based on the Projection, as the Projection may have been revised pursuant to paragraph 4 below, plus (c) Lessee's aggregate North Terminal Shared Use Fees for the preceding calendar month, calculated by multiplying Lessee's total enplaned passengers for the preceding calendar month by the North Terminal Shared Use Fee per enplaned passenger, as set forth in the Projection, as the Projection may have been revised pursuant to paragraph 4 below, plus (d) Lessee's aggregate Common Use Gate Fees for the preceding calendar month, if any, calculated by multiplying the total number, if any, of Lessee's Narrow Body-Equivalent Aircraft Departures from the Common Use Gates in the preceding calendar month by the Common Use Gate Fee per Narrow Body-Equivalent Aircraft Departure, as set forth in the Projection, as the Projection may have been revised pursuant to paragraph 4 below.

4. ADJUSTMENT OF TERMINAL RENTALS, NORTH TERMINAL SHARED USE FEES AND ACTIVITY FEES. Not later than the 150th day of each Fiscal Year, Lessor shall furnish each Signatory Airline with a revised Projection (the "Mid-Year Projection"), which shall reflect the most recently available information with regard to the amounts actually incurred or realized during such Fiscal Year for Bond Debt Service, O&M Expenses and the Revenue Requirement, together with the most recently available information with regard to Terminal Rentals, South Terminal Shared Use Charges, North Terminal Shared Use Fees, Activity Fees, International Facilities Use Fees, Authority-Controlled Airline Space Revenues, North Terminal Rental Revenue and South Terminal Rental Revenue actually received by Lessor. Lessor shall give due consideration to any suggestions and comments made by Lessee with respect to the Mid-Year Projection. If the Mid-Year Projection, as revised by Lessor after considering Lessor's suggestions and comments, indicates that aggregate payments of Terminal Rentals, South Terminal Shared Use Charges, North Terminal Shared Use Fees and Activity Fees at the then-existing rates would result in an overpayment or underpayment of the aggregate amount required to be generated by Lessor through Activity Fees, Lessor shall revise the Projection and adjust the rates set forth therein for such Fiscal Year to conform to the Mid-Year Projection.

5. PRELIMINARY ANNUAL SETTLEMENT AND FINAL AUDIT.

(a) Within 60 days after the end of each Fiscal Year, Lessor will furnish each Signatory Airline with a preliminary report, containing a preliminary

calculation, based on actual data, in accordance with this Agreement, of the South Terminal Rental Rate, the North Terminal Rental Rate (calculated pursuant to Article III.C.1. above) and the Activity Fee Rate, and the Terminal Rentals, South Terminal Shared Use Charges and Activity Fees estimated to be chargeable to such Signatory Airline for the preceding Fiscal Year, and setting forth the amount of Terminal Rentals, South Terminal Shared Use Charges and Activity Fees actually paid by such Signatory Airline for such period.

(b) If such report indicates that the aggregate amount of Terminal Rentals and Activity Fees actually paid by Lessee was greater than the aggregate amount of Terminal Rentals and Activity Fees chargeable to Lessee, then within 90 days after the end of such Fiscal Year Lessor shall refund, in cash, 80% of any such estimated excess to Lessee. If such report indicates that the aggregate amount of such Terminal Rentals and Activity Fees paid by Lessee was less than the aggregate amount of such Terminal Rentals and Activity Fees chargeable to Lessee, then within 90 days after the end of such Fiscal Year Lessee shall pay to Lessor 80% of the amount of any such estimated deficiency. Interest shall accrue at a rate of 7% per annum, and be payable by Lessee in cash, on any portion of any deficiency not paid by Lessee when due. Interest shall accrue at a rate of 7% per annum, and be payable by Lessor in cash, on any portion of any excess not refunded to Lessee when due.

(c) By the 180th day of each Fiscal Year, Lessor shall furnish to each Signatory Airline a copy of an annual audit report prepared by a nationally recognized accounting firm, covering the operation of the Airport for the preceding Fiscal Year (the "Final Audit"). Lessor shall prepare a calculation, based on the Final Audit, in accordance with this Agreement, of all Terminal Rentals and Activity Fees chargeable to Lessee for the preceding Fiscal Year, and setting forth the amounts actually paid by Lessee for such period, taking into account all payments and refunds pursuant to paragraph 5.(b) above. If aggregate Terminal Rentals and Activity Fees actually paid by Lessee were greater than the aggregate amounts chargeable to Lessee, then within 30 days after delivery of the Final Audit Lessor shall refund the amount of such overpayment to Lessee. If aggregate Terminal Rentals and Activity Fees actually paid by Lessee were less than the aggregate amount chargeable to Lessee, then within 30 days after receipt of the Final Audit Lessee shall pay to Lessor the amount of any such deficiency.

(d) The foregoing provisions of paragraphs 5.(b) and 5.(c) notwithstanding, for purposes of calculating the amount of end-of-year refunds by Lessor or end-of-year payments by the Signatory Airlines, as the case may be, for each Fiscal Year, (i) if the calculation of the South Terminal Rental Rate for such Fiscal Year would result in an increase or decrease to the projected South Terminal Rental Rate for such Fiscal Year of \$1.00 or less, the South Terminal Rental Rate used for purposes of

determination of such refunds or payments, as the case may be, shall be the projected South Terminal Rental Rate, and (ii) if the calculation of the North Terminal Rental Rate for such Fiscal Year would result in a rate that is more than or less than the Projected North Terminal Rental Rate for such Fiscal Year by less than \$1.00, then no North Terminal Rental refunds or payments, as the case may be, shall be made.

(e) The payment by Lessee of any fees and charges hereunder and the acceptance by Lessor thereof for any Fiscal Year shall not preclude either Lessee or Lessor from questioning, within a period of one (1) year from the date of receipt by Lessee of the Final Audit for such Fiscal Year, the accuracy of any report or statement on the basis of which such payment was made, or preclude Lessor from making any claim against Lessee for any additional amount payable by Lessee, or preclude Lessee from making any claim against Lessor for the return of any excess amount paid by Lessee.

ARTICLE IV

LESSOR COVENANTS; CAPITAL EXPENDITURES

A. Lessor covenants:

1. That it will provide efficient management and operation of the Airport on the basis of sound business principles and that it will not incur expense for Airport operation, maintenance and administration in excess of the amounts reasonably and necessarily required therefor.

2. That it shall operate the Airport in a manner so as to produce revenues from concessionaires, tenants, and users of a nature and amount which would be produced by a reasonably prudent operator of an airport.

3. That it will comply in all respects with the revenue retention requirement in § 511(a)(12) of the Airport and Airway Improvement Act of 1982, as amended, now codified at 49 U.S.C. § 47107(b).

4. That it will utilize competitive bidding procedures for the award of all maintenance and operation contracts and construction contracts for the Airport.

5. That all senior appointed Airport officials shall have professional qualifications commensurate with the responsibilities of the jobs to be performed by such officials.

6. That it will take all necessary actions to assure that the personnel of Lessor, whose wages and benefits are included in O&M Expenses, are actually performing work for the Airport as represented by such inclusion.

7. That it will operate Willow Run Airport only as a reliever airport for the Airport with no scheduled air carrier or public charter passenger service.

8. That in each Fiscal Year it will use PFCs to pay PFC-eligible Bond Debt Service due during such Fiscal Year in accordance with the provisions of **Exhibit H**.

9. That in each Fiscal Year it will make the following deposits into the following funds and accounts in addition to or in furtherance of those fund deposits required by any Bond Ordinance:

- (a) Three Hundred Fifty Thousand Dollars (\$350,000) shall be deposited annually into the Authority Discretionary Fund;
- (b) Deposits shall be made into the Bond Reserve Account, the Junior Lien Bond Reserve Account, the Operation and Maintenance Reserve Fund and the Renewal and Replacement Fund pursuant to the provisions of applicable Bond Ordinances; and
- (c) (i) Amounts includible each Fiscal Year in the Revenue Requirement pursuant to item (d) of the definition thereof in Article III.F.3, (ii) up to \$2.5 million of revenue received by Lessor each Fiscal Year that is attributable to an automated vehicle identification program for the entire Airport, and (iii) any proceeds received by Lessor during such Fiscal Year from the sale of the Airport property shown on **Exhibit F**, shall be deposited into the Airport Development Fund, to be established and held by Lessor for the purposes described in Article IV.D.2 below.

10. That it will subject all sales by it of the Airport property shown on **Exhibit F** to noise easements in the form customarily used by Lessor as part of its noise mitigation program.

B. Lessor may issue Bonds to finance the costs (including all reasonable costs incidental to the issuance and sale of such bonds) of capital projects and may include the Bond Debt Service (including, among other things, coverage requirements) on such Bonds in Lessee's fees hereunder only after first receiving approval of a Weighted Majority for such capital projects.

C. Lessor may assign, in accordance with any Bond Ordinance and the terms of this Agreement, certain of its interests in and pledge certain revenues and receipts of the Airport as security for payment of the principal of, premium, if any, and interest on Bonds. Except as set forth in the preceding sentence and except for residential property acquired by the Airport pursuant to the Airport's noise mitigation program, Lessor shall not pledge, sell, convey, mortgage, encumber, assign or otherwise transfer the Airport or any portion thereof during the term of this Agreement.

D. The following limitations shall apply to expenditures from the below-described funds and accounts:

1. Expenditures to be made from the Authority Discretionary Fund. Lessor may make expenditures from the Authority Discretionary Fund without approval by the air carriers for any lawful Airport-system purpose, except that expenditures for Willow Run Airport shall only be made if Lessor is in compliance with its covenant in Article IV.A.7.

2. Expenditures to be made from Airport Development Fund. Lessor may make capital expenditures from the Airport Development Fund without approval by the air carriers for any lawful Airport-system related purpose, provided that Lessor shall not pledge the Airport Development Fund as security for any Bond or other debt of Lessor without approval of a Majority-in-Interest of the air carriers, and provided, further, that capital expenditures for Willow Run Airport shall only be made if Lessor is in compliance with its covenant in Article IV.A.7.

E. In order to permit Lessor to issue Bonds in compliance with applicable securities laws, Lessee agrees that, upon the request of Lessor, Lessee shall provide to Lessor

such information with respect to Lessee as Lessor deems reasonably necessary in order for Lessor to issue Bonds in compliance with the requirements of Rule 15c-2(12) of the Securities and Exchange Commission.

ARTICLE V

CONSTRUCTION, MAINTENANCE AND REPAIR BY LESSEE

Lessee may construct or install at its own expense any equipment, improvements and facilities, and any additions thereto, upon all or any part of the premises hereunder leased to Lessee for its preferential use and may construct or install at its own expense, any equipment, improvements and facilities authorized under Article I hereof upon any Airport property not leased to Lessee for its preferential use at such locations as may be approved by Lessor. Plans and specifications of any proposed construction or installation of improvements and facilities (including any substantial alteration or addition thereto) shall be submitted to and receive the prior approval of Lessor. Lessor shall have the right to refuse approval of such plans and specifications if the external appearance of such improvements and facilities does not meet Lessor's reasonable requirements for substantial uniformity of appearance of improvements and facilities on the Airport, or, if the type or time of construction or installation, or the location thereof does not meet Lessor's reasonable requirements for safe use of the Airport and appurtenances by other authorized persons. Lessor may, at its own cost, inspect any such construction or installation.

Lessee shall keep and maintain all premises hereunder leased to Lessee for its preferential use and all such improvements and facilities and additions thereto, whether constructed or installed by it upon premises hereunder leased to it for its preferential use or upon Airport property not leased to it for its preferential use, in good condition

and repair, reasonable wear and tear excepted, and damage by fire or other casualty excepted. Lessee shall not be liable for the repair or restoration of damage to premises hereunder leased where such damage results from fire, structural defect, or other casualty for which Lessor has obtained and there is in effect adequate insurance protection covering such fire or other casualty. No restriction shall be placed upon Lessee as to the architects, builders or contractors who may be employed by it in connection with any construction, installation, alteration, repair or maintenance of any such equipment, improvements, facilities and additions.

Lessee shall keep such premises leased to Lessee for its preferential use in a sanitary and sightly condition, and shall provide all necessary janitor services with respect thereto.

In the event that Lessee fails to perform for a period of thirty days after written notice from Lessor so to do, any obligation required by this Article V to be performed by Lessee at Lessee's cost, or fails to correct any construction or installation by it of any equipment, improvements or facilities not completed in accordance with the plans and specifications approved by Lessor within thirty days of Lessor's notice to Lessee of a deviation from such plans and specifications and request for appropriate changes in such construction and installation, Lessor, upon the expiration of such thirty day period, may, but shall not be obligated to, enter upon the premises involved and perform such obligation of Lessee, charging Lessee the reasonable cost and expense thereof, and Lessee agrees to pay Lessor such charge in addition to any other amounts payable by Lessee hereunder; provided, however, that if Lessee's failure to perform any such obligation adversely affects or endangers the health or safety of the public or of

employees of Lessor, and if Lessor so states in its aforesaid notice to Lessee, Lessor may but shall not be obligated to perform such obligation of Lessee at any time after the giving of such notice and without awaiting the expiration of said thirty day period, and charge to Lessee, and Lessee shall pay, as aforesaid, the reasonable cost and expense of such performance. If Lessor shall perform any of Lessee's obligations in accordance with the provisions of this section, Lessor shall not be liable to Lessee for any loss of revenues to Lessee resulting from such performance.

ARTICLE VI

RIGHT OF ENTRY BY LESSOR

Lessor may enter upon the premises now or hereafter leased to Lessee hereunder at any reasonable time for any purpose necessary, incidental to, or connected with the performance of its obligations hereunder, in the exercise of its governmental functions, or in the event of any emergency. Any such entry on the premises shall be reasonably calculated to avoid or minimize inconvenience to or interference with Lessee's operations.

ARTICLE VII

MAINTENANCE, OPERATION AND REPAIR BY LESSOR

A. Lessor shall operate, maintain and keep in good repair the areas and facilities described in Article I hereof. Lessor shall keep the Airport free from obstruction, including, without limitation, the clearing and removal of snow, vegetation, stones and other foreign matter from the runways, taxiways, and loading areas and areas immediately adjacent to such runways, taxiways and loading areas, as may be reasonably necessary for the safe, convenient and proper use of the Airport by Lessee, and shall maintain and operate the Airport in all respects in a manner at least equal to

the highest standards or ratings issued by the FAA for airports of similar size and character and in accordance with all rules and regulations of the FAA.

B. Lessor shall provide and supply adequate heat to and air conditioning for the premises hereunder leased to Lessee for its preferential or shared use, and shall provide reasonable illumination and drinking water in the public and passenger space in the South Terminal and the North Terminal and, except as otherwise provided herein, for the areas and facilities adjacent thereto. Lessor shall also provide adequate lighting for the vehicular parking spaces and adequate field lighting on and for the Airport, including, without limiting the generality hereof, boundary lights, landing lights, flood lights and beacons. Lessor shall also provide all janitor services and other cleaners necessary to keep the vehicular parking spaces and the landing field of the Airport at all times clean, neat, orderly, sanitary and presentable.

C. Lessor shall provide adequate guards, at such times as may be required by the circumstances, at all parts of the Airport that Lessee is entitled to use jointly and in common with others.

D. The cost of the items required to be provided by Lessor in this Article VI shall be included in O& M Expenses.

E. In the event that Lessor fails to perform for a period of thirty days after written notice from Lessee so to do, any obligation required by this Article VII to be performed by Lessor at Lessor's cost, Lessee, upon the expiration of such thirty day period, may but shall not be obligated to perform such obligation of Lessor and deduct the reasonable cost to Lessee of performing such obligation from any rentals, fees or charges subsequently becoming due from Lessee to Lessor under this Agreement;

provided, however, that if Lessor's failure to perform any such obligation adversely affects or endangers the health or safety of Lessee or of any of any of its employees, agents, passengers, guests, patrons, invitees, or its or their suppliers of materials or furnishers of service or any of its or their property, and if Lessee so states in its aforesaid notice to Lessor, Lessee may but shall not be obligated to perform such obligation of Lessor at any time after the giving of said notice and without awaiting the expiration of said thirty day period, and Lessee may deduct its reasonable costs of performance thereof from any rentals, fees or charges as aforesaid.

F. Lessor shall have the right to relocate at its cost any equipment, improvements and facilities constructed or installed by Lessee upon the Airport property not leased hereunder to Lessee for its exclusive use or preferential use pursuant to authorization therefor under Article I hereof; provided, however, that such relocation shall be performed in such a manner and at such times as are calculated to reduce to the minimum possible under the circumstances any interference with Lessee's operations at the Airport, that the relocated equipment, improvements and facilities shall, when completed, be commensurate with the equipment, improvements and facilities existing prior to such relocation.

ARTICLE VIII

UTILITY SERVICES

Lessor shall, directly or by arrangement with appropriate utility companies or suppliers, supply Lessee with electrical current, gas, water, telephone and sewerage facilities. Lessor shall also supply electrical current to the ramp areas to be used by Lessee in common with others.

ARTICLE IX

SPACE FOR UNITED STATES WEATHER BUREAU, POSTAL SERVICE, FEDERAL AVIATION ADMINISTRATION, AND EXPRESS AGENCIES

Lessor shall, upon request of such persons or governmental or express agencies make available reasonable and convenient space and facilities at the Airport for the use of the United States Postal Service, or any person required to use such space by regulations thereof, and for the use of an express agency or agencies at a reasonable rental charge to such persons, governmental agency and express agencies; and Lessor shall in like manner make available reasonable and convenient space and facilities at the Airport for the use of the United States Weather Bureau and FAA.

ARTICLE X

AIRLINE CLUBS

Any other provision of this Agreement to the contrary notwithstanding, Lessee shall have the right to operate directly or through a designee, assignee or sub-lessee, member-only club facilities within such appropriate space leased to it in the North Terminal for such purposes, which club facilities shall be authorized to serve food and beverages; provided, however, food and beverages served in such member-only club facilities will be obtained by Lessee from an Airport food concessionaire to the extent that same are available for purchase from an Airport food concessionaire.

ARTICLE XI

RULES AND REGULATIONS

Lessor shall adopt and enforce reasonable and non-discriminatory rules and regulations and any reasonable amendments thereto, with respect to the use of the Airport, which shall provide for the safety of those using the Airport, and Lessee agrees

to observe and obey the same; provided, that such rules and regulations shall be consistent with safety, with the rights provided under this Agreement, and with rules, regulations and orders of regulatory agencies having jurisdiction with respect thereto, including but not limited to the FAA with respect to aircraft operations at the Airport; and provided further, that such rules and regulations shall not be inconsistent with the procedures prescribed or approved from time to time by the FAA with respect to the operation of Lessee's aircraft at the Airport. Lessee shall be given notice of all amendments to rules and regulations as are from time to time adopted by Lessor and no such amendment shall be effective as to Lessee until thirty (30) days after the date of such notice unless Lessor states in said notice that the amendment is of an emergency nature, in which case the amendment shall be immediately effective. Lessor shall enforce its rules and regulations in a non-discriminatory manner.

ARTICLE XII

CONTROL OF RATES, FARES OR CHARGES

Lessor shall have no control whatsoever over the rates or charges that Lessee may prescribe for any of its services to, from, through or at the Airport, or between the Airport and Lessee's ticket offices or other stopping places in the City of Detroit or the County of Wayne, or elsewhere, nor shall Lessor, except to the extent reasonably necessary to prevent physical damage or injuries to persons or property at the Airport, in any manner whatsoever, control the type, design, style, figuration, weight, allowable loads, specifications or means of propulsion of, or use of space on, the aircraft Lessee may operate to and from said Airport, or the point of origin or destination of flights operated by Lessee to or from the Airport.

ARTICLE XIII

DAMAGE OR DESTRUCTION OF PREMISES

Notwithstanding the provisions of Article V as to maintenance and repair of premises by Lessee, if any terminal at the Airport shall be partially damaged by fire, the elements, the public enemy or other casualty but not rendered untenable, the same shall be repaired with due diligence by Lessor at its own cost and expense. In case any such terminal is so damaged or destroyed by fire, the elements, the public enemy or other casualty, that it will or does become untenable, the said building shall be repaired, reconstructed or restored as the case may be, with due diligence by Lessor at its own cost and expense, and the rent payable hereunder with respect to said building shall be paid up to the time of such damage or destruction and shall thenceforth abate until such time as the said building shall be made tenantable. Lessor shall maintain insurance sufficient to enable it to fulfill its obligations under this Article.

In the event that the Airport or any other premises herein leased are rendered untenable or unusable because of the condition thereof, there shall be a reasonable and proportionate abatement of the rentals, fees and charges provided for herein during the period that the same are so untenable or unusable.

ARTICLE XIV

CANCELLATION BY LESSOR

Lessor may cancel this Agreement by giving Lessee sixty (60) days advance written notice to be served as hereinafter provided, upon or after the happening of any one of the following events:

- (a) The filing by Lessee of a voluntary petition in bankruptcy;

(b) The institution of proceedings in bankruptcy against Lessee and the adjudication of Lessee as a bankrupt pursuant to such proceedings if such adjudication shall remain unvacated or unstayed for a period of at least sixty (60) days;

(c) The taking by a court of competent jurisdiction of Lessee and its assets pursuant to proceedings brought under the provisions of any Federal reorganization act if the judgment of such court shall remain unvacated or unstayed for a period of at least sixty (60) days;

(d) The appointment of a receiver of Lessee's assets if such appointment by a court of competent jurisdiction shall remain unvacated or unstayed for a period of at least sixty (60) days;

(e) The divestiture of Lessee's estate herein by other operation of law;

(f) The abandonment by Lessee of its conduct of Air Transportation at the Airport for a period in excess of sixty (60) days;

(g) If the Lessee shall be prevented for a period of sixty (60) days (after exhausting or abandoning all appeals) by any action of any governmental authority, board, agency or officer having jurisdiction thereof from conducting Air Transportation at the Airport unless it is so prevented from conducting Air Transportation, either (1) by reason of the United States or any agency thereof acting directly or indirectly, taking possession of and operating, in whole or in substantial part, the premises and space leased or operated by the Lessee, or premises required for the actual operation of Lessee's aircraft to and from the Airport, or (2) if all or a substantial part of

the premises and space leased by the Lessee shall be acquired in the manner described in Article XXIV hereof;

(h) The default by Lessee in the performance of any covenant or agreement herein required to be performed by Lessee and the failure of Lessee to remedy such default for a period of sixty (60) days after receipt from Lessor of written notice to remedy the same; provided, however, that no notice of cancellation, as above provided, shall be of any force or effect if Lessee shall have remedied the default prior to receipt of Lessor's notice of cancellation;

Notwithstanding anything to the contrary herein contained, Lessor shall not have the right to cancel, or give notice of cancellation of, this Agreement solely by reason of Lessee's failure or refusal to pay any part of the rentals, fees or charges provided for in this Agreement if, within sixty (60) days after such failure or refusal, Lessee shall have given to Lessor a written notice stating that Lessee in good faith predicates such failure or refusal upon either or both of the following: (1) any provision of this Agreement granting to Lessee in specified events a reduction in or abatement of any rentals, fees or charges payable by Lessee to Lessor hereunder, or (2) any provision of this Agreement authorizing Lessee in specified events to deduct from any such rentals, fees or charges, the reasonable cost to Lessee of performing any obligation or obligations required by this Agreement to be performed by Lessor.

No waiver or default by Lessor of any of the terms, covenants or conditions hereof to be performed, kept and observed by Lessee shall be construed to be or act as a waiver of any subsequent default of any of the terms, covenants and conditions herein

contained to be performed, kept and observed by Lessee. The acceptance of rental by Lessor for any period or periods after a default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by Lessee, shall not be deemed a waiver of any right on the part of Lessor to cancel this Agreement for failure by Lessee to so perform, keep or observe any of the terms, covenants or conditions of this Agreement.

ARTICLE XV

CANCELLATION BY LESSEE

Lessee, in addition to any other right of cancellation herein given to Lessee or any other rights to which Lessee may be entitled by law or otherwise, may, so long as Lessee is not in default in any payments to Lessor hereunder, cancel this Agreement by giving Lessor sixty (60) days advance written notice to be served as hereinafter provided, upon or after the happening of any one of the following events:

- (a) The failure or refusal, for reasons beyond the control of Lessee, of the FAA, at any time during the term of this Agreement or any renewal thereof, to permit Lessee to operate into or from the Airport with any type of aircraft which Lessee may be licensed to operate into or from other airports of like size and character and which Lessee may reasonably desire to operate into or from the Airport;
- (b) Issuance by any court of competent jurisdiction of an injunction in any way substantially preventing or restraining the use of the Airport or any part thereof necessary for Lessee's operations, and the remaining in force of such injunction for a period of at least sixty (60) days at least after Lessor has exhausted or abandoned all appeals;

(c) The inability of Lessee due to circumstances beyond its control to use, for a period in excess of ninety (90) days, the Airport or to exercise any rights and privileges granted to Lessee hereunder and necessary to its operations because of any law or ordinance, or because of any order, rule, regulation or other action or any non-action of the FAA or any other governmental authority, or, because of earthquake, other casualty (excepting fire) or because of Acts of God or the public enemy;

(d) The default by Lessor in the performance of any covenant or agreement herein required to be performed by Lessor and the failure of Lessor to remedy such default for a period of ninety (90) days after receipt from Lessee of written notice to remedy the same; provided, however, that no notice of cancellation, as above provided, shall be of any force or effect if Lessor shall have remedied the default prior to receipt of Lessee's notice of cancellation.

Lessee's performance of all or any part of this Agreement for or during any period or periods after a default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by Lessor, shall not be deemed a waiver of any right on the part of Lessee to cancel this Agreement for failure by Lessor so to perform, keep or otherwise observe any of the terms, covenants, or conditions hereof to be performed, kept and observed by Lessor, or be construed to be or act as a waiver by Lessee of any subsequent default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by Lessor.

ARTICLE XVI

SUSPENSION AND ABATEMENT

In the event that Lessor's operation of the Airport or Lessee's operation at the Airport should be restricted substantially by action of any court of competent jurisdiction or by action of the federal government or any agency thereof, or by action of the State of Michigan or any agency thereof, then either party hereto shall have the right, upon written notice to the other, to a suspension of this Agreement and an abatement of a just proportion of the services and facilities to be afforded hereunder, or a just proportion of the payments to become due hereunder, from the time of such notice until such restriction shall have been remedied and normal operations restored. Ascertainment of all matters under this Article shall be determined by agreement or by arbitration as provided in Article XVII hereof.

ARTICLE XVII

ARBITRATION

If any controversy or claim should arise out of, under, or relating to, the provisions of Articles III or XVI of this Agreement, then either party may by notice in writing to the other, submit the controversy or claim to arbitration. The party desiring such arbitration shall give written notice to that effect to the other party, specifying in said notice the name and address of the person designated to act as arbitrator on its behalf. Within thirty (30) days after the service of such notice, the other party shall give written notice to the first party specifying the name and address of the person designated to act as arbitrator on its behalf. The arbitrators thus appointed shall appoint a third disinterested person of recognized competence in such field, and such three arbitrators shall as promptly as possible determine the controversy or claim.

If the two arbitrators appointed by the parties shall be unable to agree upon the appointment of a third arbitrator within fifteen (15) days after the appointment of the second arbitrator, then within fifteen (15) days thereafter either of the parties upon written notice to the other party, on behalf of both, may request the appointment of a disinterested person of recognized competence in the field involved as the third arbitrator by the then chief judge of the United States District Court for the Eastern District of Michigan, Southern Division, or upon his failure, refusal or inability to act, may request such appointment by the then miscellaneous presiding judge of the Circuit Court (Third Judicial Circuit) of the State of Michigan, County of Wayne, or, upon his failure, refusal or inability to act, may apply to the Circuit Court (Third Judicial Circuit) of the State of Michigan, County of Wayne for the appointment of such third arbitrator, and the other party shall not raise any question as to the court's full power and jurisdiction to entertain the application and make the appointment. If none of the parties shall so request such appointment of a third arbitrator within fifteen (15) days after the expiration of the period within which the two arbitrators are to appoint a third arbitrator as hereinabove provided, the rights of each party to arbitrate the matter shall be deemed to have been waived and either of the parties may proceed to enforce whatever remedies, legal or otherwise, it may otherwise have.

The decision in which any two of the three arbitrators so appointed and acting hereunder concur shall in all cases be binding and conclusive upon the parties. Each party shall pay the fees and expense of the arbitrator appointed by such party and one-half of the other expense of the arbitration properly incurred hereunder.

Each of the parties hereto agree that if, in the opinion of the other party, any separate agreement is required by law in order to effectuate or enforce the arbitration provisions hereinabove contained, it will execute such separate agreement provided that the same is not inconsistent with the terms and provisions of this Agreement.

ARTICLE XVIII

INDEMNITY

Lessee agrees to indemnify and hold Lessor harmless from and against all liability for injuries to persons or damage to property caused by Lessee's use and occupancy of or operations at the Airport; provided, however, that Lessee shall not be liable for any injury, damage or loss caused by the sole negligence of Lessor or its employees, agents or contractors, or by the joint negligence of Lessor and any person other than Lessee; and provided further that Lessor shall give to the Lessee prompt and timely notice of any claim made or suit instituted which in any way, directly or indirectly, contingently or otherwise, affects or might affect Lessee, and Lessee shall have the right to compromise and defend the same to the extent of its own interest.

ARTICLE XIX

INSURANCE

Lessee, at its own expense and in its own name, and in Lessor's name and in the name of the County as additional insureds, as their interests may appear, shall, at all times during the term of this Agreement, maintain and keep in effect the following policies of insurance issued by a financially responsible insurance company or companies authorized to do business in the State of Michigan, insuring Lessee against all liabilities to the public for loss resulting from injury to persons or damage to property arising out of or caused by Lessee's operations, acts or omissions or those of Lessee's

employees, agents or contractors, subject to the limitations set forth in Article XVIII hereof in respect of Lessor's negligence:

1. Commercial General Liability Insurance, which includes coverage for premises and operations, and a contractual liability endorsement covering the obligations assumed by Lessee under Article XVIII, said policy not to include any exclusions from liability other than those exclusions which are a part of the standard, basic, unamended and unendorsed commercial general liability policy and, in addition, shall not contain any exclusion for bodily injury to or sickness, disease or death of any employee of Lessee which would conflict with or in any way impair coverage under the contractual liability endorsement. Said policy shall provide combined bodily injury and property damage liability insurance with limits of not less than \$5,000,000 per person and \$10,000,000 per occurrence.

2. Aviation Public Liability Insurance:

Bodily Injury Liability:

For injury or wrongful death per person	\$5,000,000
For injury or wrongful death from any one occurrence	\$50,000,000

Property Damage Liability:

For all damages arising out of injury to or destruction of property in any one occurrence	\$10,000,000
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3. Workers Compensation Insurance coverage as required by the laws of the State of Michigan and Employer's Liability Insurance in an amount of not less than \$500,000.
4. All Risk Physical Damage Insurance for 100% of the replacement cost of all insurable fixed improvements located in Lessee's Preferential North Terminal Space.

Each of the above policies shall provide for at least thirty (30) days advance written notice to Lessor prior to any cancellation, termination, or material modification of the policy or any part thereof. Promptly upon approval of this Agreement by Lessor's Board and by the expiration date of any expiring policy, Lessee must deliver to the Contract Compliance Division of Lessor at Detroit Metropolitan Wayne County Airport, L. C. Smith Terminal, Mezzanine Level, Detroit, Michigan 48242, either a certificated copy of each insurance policy required hereunder or a certificate of insurance as evidence of compliance with this section. If, at any time, any of the policies fail to comply with the provisions of this Section, Lessee shall promptly obtain new policies complying with this Section. Compliance with this Section is a continuing condition to Lessee's enjoyment of the rights and privileges granted under this Agreement. In the event Lessee fails to maintain and keep in force insurance as required herein, Lessee will be deemed in default and, at Lessor's election, shall forewith cease all operations from and at all terminal space at the Airport, without abatement of rental, until such default is remedied.

ARTICLE XX

QUIET ENJOYMENT

Lessor agrees that on payment of the rentals, fees and charges as herein provided and performance of the covenants and agreements on the part of Lessee to be performed hereunder, Lessee shall peaceably have and enjoy the leased premises and all the rights and privileges of the Airport, its appurtenances and facilities granted herein.

ARTICLE XXI

TITLE TO EQUIPMENT, IMPROVEMENTS AND FACILITIES ERECTED BY LESSEE

It is agreed that title to any equipment, improvements, and facilities, and any additions thereto, irrespective of whether the same would otherwise become a fixture under Michigan law (including without limitation all buildings, hangars, structures, storage tanks, pipes, pumps, wires, poles, machinery and air-conditioning equipment), constructed or installed by Lessee upon the premises leased hereunder to Lessee for its exclusive or preferential use or upon other Airport property (other than equipment, improvements and facilities financed by Lessor, whether with the proceeds of Bonds, PFCs, Federal funds or otherwise), shall remain the property of Lessee, unless it has at any time during the term of this Agreement by written notice and election, vested title to all or any part thereof in Lessor. Lessee shall have the right at any time during the term of this agreement, or any renewal or extension hereof, to remove any or all of such equipment, improvements and facilities, provided Lessee is not at any such time in default in its payments to Lessor hereunder and subject further to Lessee's obligation to repair all damage, if any, reasonable wear and tear excepted, resulting from such

removal. If at any time during this Agreement, Lessee has exercised its right to vest title to such equipment, improvements and facilities in Lessor, it shall no longer have the right to remove such property. Lessee agrees to remove said equipment, improvements and facilities at the expiration or other termination of this Agreement irrespective of whether it has exercised its right of election to vest title to the same in Lessor, if so requested by Lessor, and, upon failure so to do, Lessor shall have the right to remove the same and charge to Lessee the actual cost of such removal and restoration of the site to its original condition, ordinary wear and tear excepted. Any such equipment, improvements or facilities not removed by Lessee prior to the expiration or other termination of this Agreement shall thereupon become the property of Lessor.

ARTICLE XXII

SURRENDER OF POSSESSION

Upon the expiration or earlier termination of this Agreement or any renewal hereof, Lessee shall forthwith surrender possession of the premises in as good condition as when received, reasonable wear and tear, damage by flood, fire, earthquake, other casualty, Acts of God or the public enemy, damage resulting solely from an act of Lessor or its employees, agents or contractors, and alterations made with Lessor's consent, excepted.

ARTICLE XXIII

MINERAL RIGHTS

It is agreed and understood that all water, gas, oil and mineral rights in and under the soil are expressly reserved to Lessor.

ARTICLE XXIV

CONDEMNATION

Upon the acquisition by condemnation or the exercise of the power of eminent domain under any Federal or state statute by the Federal Government, the State of Michigan, or any Federal or state agency or any other person vested with such power, of a temporary or permanent interest in all or any part of the Airport, Lessor and Lessee each shall have the right to appear and file claims for damages, to the extent of their respective interests, in the condemnation or eminent domain proceedings, to participate in any and all hearings, trials and appeals therein, and to receive and retain such amount as they may lawfully be entitled to receive as damages or payment as a result of such acquisition.

ARTICLE XXV

ASSIGNMENT AND SUBLETTING

A. Lessee shall not at any time assign this Agreement or any part hereof, or sublet any premises now or hereafter leased to Lessee, without the consent in writing of Lessor, which consent will not be unreasonably withheld; provided, that the foregoing shall not prevent the assignment of this Agreement to any corporation with which Lessee may merge or consolidate or which may succeed to the business of Lessee. No such assignment, subletting or use, however, shall release Lessee from its obligations to pay any and all of the rentals, charges, and fees provided or from any other obligation under this Agreement.

B. Except as provided in Article IV.C, Lessor shall not at any time assign this Agreement or any part hereof, or pledge, sell, convey, mortgage, encumber, assign or otherwise transfer the Airport or any portion thereof during the term of this Agreement.

ARTICLE XXVI

SUBSIDIARY COMPANIES

The right to use the premises and facilities leased to Lessee under Article I hereof, or which it may subsequently be entitled to use, in the manner specified in such Article and any other Articles of this Agreement, shall be extended to all of Lessee's subsidiary companies at no additional cost.

ARTICLE XXVII

NOTICES

Notices to Lessor provided for herein shall be sufficient if sent by registered mail, postage prepaid, addressed to Chief Executive Officer, Wayne County Airport Authority, Detroit Metropolitan Wayne County Airport, Detroit, Michigan 48242; and notices to Lessee, if sent by registered mail, postage prepaid, addressed to Lessee at the address set forth on page 1 of this Agreement, or to such other respective addresses as the parties may designate to each other in writing from time to time.

ARTICLE XXVIII

DEFINITIONS

1. **"Activity Fee"** shall mean, with respect to each Signatory Airline, the Activity Fee calculated pursuant to its Airport Agreement.
2. **"Activity Fee Rate"** shall mean the rate established pursuant to Article III.F.2.
3. **"Agreement"** shall mean this Airport Use and Lease Agreement.
4. **"Air Transportation"** shall mean the business of transporting natural persons, property, cargo and mail by aircraft.

5. **"Airport"** shall have the meaning set forth in the first "Whereas" clause of this Agreement.

6. **"Airport Agreement"** shall mean, collectively, this Agreement and each other airport use and lease agreement with respect to the Airport that is substantially the same as this Agreement, except with respect to specific leased premises thereunder.

7. **"Airport Development Fund"** shall mean the fund of such name established under the Master Bond Ordinance.

8. **"Airport-system"** shall mean the Airport and Willow Run Airport.

9. **"Approved Maximum Landing Weight"** for any aircraft shall mean the maximum landing weight approved by the FAA for landing such aircraft at the Airport.

10. **"Assumed Number of Narrow Body-Equivalent Aircraft Departures"** shall mean, for any Fiscal Year, 1,095 (or 1,098 if in such Fiscal Year the month of February has 29 days); provided that, the Chief Executive Officer of Lessor, at his sole discretion, may reduce the Assumed Number of Narrow Body-Equivalent Aircraft Departures for a Fiscal Year and, with the written approval of a majority of the number of Signatory Airlines operating in the North Terminal, may increase the Assumed Number of Narrow Body-Equivalent Aircraft Departures for a Fiscal Year.

11. **"Authority Act"** shall mean the Public Airport Authority Act, Public Act 90, Michigan Public Acts of 2002.

12. **"Authority-Controlled Airline Space"** shall mean South Terminal Authority-Controlled Airline Space and North Terminal Authority-Controlled Airline Space.

13. **“Authority-Controlled Airline Space Revenues”** shall mean revenue received by Lessor for the use of Authority-Controlled Airline Space.

14. **“Authority Discretionary Fund”** shall mean the fund of such name established pursuant to the Master Bond Ordinance.

15. **“Bond Debt Service”** shall mean, for any Fiscal Year, all amounts of any nature whatsoever payable during such Fiscal Year under the Master Bond Ordinance into the Bond Fund (including, but not limited to, the Bond Reserve Account), the Junior Lien Bond Fund (including, but not limited to, the Junior Lien Bond Reserve Account), the Operation and Maintenance Reserve Fund and the Renewal and Replacement Fund, any other payment required by Section 604 of the Master Bond Ordinance (including, but not limited to, amounts required to satisfy debt service coverage requirements), reduced in all cases by an amount equal to any interest payable on Bonds during such Fiscal Year from Bond proceeds.

16. **“Bond Fund”** shall mean the fund of such name established pursuant to the Master Bond Ordinance.

17. **“Bond Ordinance”** shall mean Ordinance 319, the Master Bond Ordinance and such ordinances enacted and amended from time to time under which Lessor is authorized to issue Bonds.

18. **“Bond Reserve Account”** shall mean the fund of such name established pursuant to the Master Bond Ordinance.

19. **“Bonds”** shall mean bonds issued by the County pursuant to Ordinance 319 prior to the Transfer, bonds, notes and other obligations issued by Lessor pursuant to the Master Bond Ordinance and such other bonds, notes and other obligations that

are secured by a pledge of Revenues or net Revenues, on a senior or subordinate lien basis. The term "Bonds" does not include bonds, notes and other obligations secured other than by Revenues and issued under a separate indenture or ordinance the proceeds of which bonds, notes or other obligations are used to finance capital projects at or related to the Airport, such as bonds issued to construct Special Facilities or bonds secured solely by PFC revenue.

20. "**Common Use Gate(s)**" shall mean the Gates that are not part of the Preferential North Terminal Space.

21. "**Common Use Gate Holdrooms**" shall mean the passenger holdrooms that are part of the Common Use Gates.

22. "**Common Use Gate Fee**" shall mean the fee charged to an air carrier in accordance with Article III.E.

23. "**Common Use Passenger Processing System**" or "**CUPPS**" shall mean the computerized system provided by Lessor and used by multiple air carriers to process passengers.

24. "**Common Use Ticket Counters**" shall mean the ticket counters that are not part of the Preferential North Terminal Space.

25. "**Cost Centers**" shall mean the South Terminal Cost Center, the North Terminal Cost Center and the Airport Cost Center, which shall be certain areas of the Airport grouped together for the purpose of accounting for Revenues, O&M Expenses and Bond Debt Service. Each such area is a Cost Center.

26. "**Cost of the North Terminal**" shall mean, for any Fiscal Year, the Cost of the North Terminal calculated for that Fiscal Year pursuant to Article III.C.1.

27. **“Cost of the South Terminal”** shall mean, for any Fiscal Year, the Cost of the South Terminal calculated for that Fiscal Year pursuant to Article IIIC.2.

28. **“Cost Recovery Rate”** shall mean, for each Fiscal Year, the quotient arrived at by dividing:

- (a) an amount equal to:
 - (i) the estimated O&M Expenses and Bond Debt Service allocable to the North Terminal Cost Center for such Fiscal Year;
minus, for such Fiscal Year,
 - (ii) the estimated Other Available Moneys allocable to the North Terminal Cost Center to be used in such Fiscal Year to pay Bond Debt Service allocated to the North Terminal Cost Center;
 - (iii) the total estimated amount of North Terminal International Facilities Use Fees;
 - (iv) the total estimated amount of North Terminal Rental Revenue; and
 - (v) the total estimated amount of rental for member-only airline clubs;

by

- (b) the sum of (i) the total number of square feet of Preferential North Terminal Space leased to all Signatory Airlines (excluding member-only airline clubs leased to Signatory Airlines), (ii) the total number of square feet of Shared Use North Terminal Space, (iii) the total number of square feet of Common Use Gate Holdrooms, Common Use Ticket Counters and (iv) the total number of square feet of leased North Terminal Authority-Controlled Airline Space.

The formula for calculating the Cost Recovery Rate is set forth on **Exhibit G**.

29. “**County**” shall mean the County of Wayne, Michigan.

30. “**Date of Beneficial Occupancy**” shall mean, with regard to any terminal facility, the date on which an air transportation company occupies such facility for the operation of its Air Transportation business.

31. “**FAA**” shall mean the Federal Aviation Administration, or any successor agency.

32. “**Final Audit**” shall have the meaning set forth in Article III.I.5.

33. “**FIS Facilities**” shall mean that portion of the terminals at the Airport consisting of facilities for the United States Custom Service, the United States Immigration and Naturalization Service, the United States Department of Health and Human Services and the United States Department of Agriculture, and any successor departments or services thereto, for the processing of arriving international passengers.

34. “**Fiscal Year**” shall mean October 1 of any year through September 30 of the following year or such other fiscal year as Lessor may adopt for the Airport.

35. “**Gate**” shall mean, collectively, a passenger holdroom and the passenger boarding bridge (if present) and aircraft parking position associated with such passenger holdroom at the North Terminal.

36. “**Gate Use Requirement**” shall have the meaning set forth in Article I.B.(c)(ii) above.

37. “**International Facilities Use Fees**” shall mean the fees for use of FIS Facilities charged pursuant to Article III.G.

38. “**June 6, 2001 Weighted Majority Request**” shall have the meaning set forth in **Exhibit H**.

39. “**Junior Lien Bond Fund**” shall mean the fund of such name established pursuant to the Master Bond Ordinance.

40. “**Junior Lien Bond Reserve Account**” shall mean the fund of such name established pursuant to the Master Bond Ordinance.

41. “**Lessee’s Preferential North Terminal Space**” shall have the meaning set forth in Article IB.1.(a).

42. “**Majority-in-Interest of the air carriers**” shall mean either (i) seventy-five percent (75%) of the Signatory Airlines who together have landed fifty-one percent (51%) of the total landed weight of all such Signatory Airlines during the immediately preceding calendar year (as such weight is reflected by official Airport records), or (ii) fifty-one percent (51%) of the Signatory Airlines who have together landed seventy-five percent (75%) of the total landed weight of all such Signatory Airlines during the immediately preceding calendar year (as such weight is reflected by official Airport records).

43. “**Master Bond Ordinance**” shall mean that Master Revenue Bond Ordinance adopted by the Authority Board on September 26, 2003, which assumed, amended, restated and superseded Ordinance 319, as the Master Bond Ordinance shall be amended or supplemented from time to time by series ordinances or otherwise.

44. “**Mid-Year Projection**” shall have the meaning set forth in Article III.I.4.

45. “**Narrow Body-Equivalent Aircraft Departure**” shall mean, for purposes of (a) calculating whether a Signatory Airline operating such aircraft is meeting the Gate

Use Requirement for its Preferential Use Gates, and (b) the calculation and payment of Common Use Gate Fees, a departure of an aircraft from a Gate which is weighted for counting purposes as set forth in the table below, based on such aircraft's "airplane design group" (ADG), as defined in FAA Advisory Circular 150/5300-13:

<u>ADG</u>	<u>Narrow Body-Equivalent Aircraft Departure</u>
I	0.7
II	0.7
III	1.0
B757 specific	1.1
IV	1.4
V	1.8
VI	2.0

46. **"New Bonds"** shall have the meaning set forth in **Exhibit H**.

47. **"North Terminal"** shall mean the north terminal facilities at the Airport constructed to replace the L.C. Smith Terminal and related concourses.

48. **"North Terminal Airline Premises"** shall mean collectively, the Preferential North Terminal Space and the Shared Use North Terminal Space.

49. **"North Terminal Authority-Controlled Airline Space"** shall mean certain airline areas in the North Terminal, including but not limited to, the Common Use Gates, the Common Use Ticket Counters, airline ticket offices, baggage service offices and other operational airline space, which Lessor may from time to time retain under its control and/or are not leased to an airline pursuant to an Airline Agreement.

50. **"North Terminal Authority-Controlled Airline Space Revenues"** shall mean, for any Fiscal Year, revenues received or receivable by Lessor for that Fiscal Year for the use of North Terminal Authority-Controlled Airline Space, including, but not

limited to, Common Use Gate Fees, Overnight Common Use Gate Rental and rental for member-only airline clubs.

51. “**North Terminal Common Use Gate Turn Fees**” shall mean the fees charged by Lessor for use of the Common Use Gates, Common Use Ticket Counters and the Common Use Passenger Processing System.

52. “**North Terminal Cost Center**” shall mean the Cost Center of the same name described in **Exhibit J**, which includes the land identified as the North Terminal on **Exhibit J**, and all facilities, equipment and improvements now or hereafter located thereon, including all passenger terminal buildings, connecting structures, passenger walkways and tunnels, concourses, hold areas and federal inspection service facilities, and any additions and improvements thereto, as that land, facilities, equipment and improvements may change from time to time.

53. “**North Terminal International Facilities Use Fees**” shall mean International Facilities Use Fees for use of the FIS Facilities in the North Terminal.

54. “**North Terminal Rental Revenue**” shall mean, for any Fiscal Year, rental revenue received or receivable by Lessor for that Fiscal Year for the use of space in the North Terminal, not including North Terminal Rentals paid by Signatory Airlines, North Terminal Shared Use Fees, North Terminal Authority-Controlled Airline Space Revenues and all concession revenue received from operators of concessions in the North Terminal.

55. “**North Terminal Rentals**” shall mean the terminal rentals for Preferential North Terminal Space established pursuant to the Airport Agreements.

56. **“North Terminal Rental Rate”** shall mean, for any Fiscal Year, the terminal rental rate established as such pursuant to Article III.C.1.

57. **“North Terminal Shared Use Fees”** shall mean, for any Fiscal Year, the fees charged by Lessor pursuant to Article III.D. for the use of the Shared Use North Terminal Space.

58. **“O&M Expenses”** shall mean, for any Fiscal Year, direct and indirect expenses of maintenance, operation and administration of the Airport (including, but not limited to, the South Terminal and the North Terminal) for such Fiscal Year.

59. **“Operating Affiliate”** shall mean, with respect to a Signatory Airline, (a) any air carrier that controls, is controlled by or is subject to common control with such Signatory Airline (control for purposes hereof to include the ability to direct the operations of an entity, directly or indirectly, by virtue of ownership of voting shares or common directors), (b) any air carrier that operates under essentially the same trade name as such Signatory Airline (e.g., XXX Express) and uses essentially the same livery as such Signatory Airline, or (c) any air carrier that is commercially allied with such Signatory Airline by means of a code-sharing arrangement, joint marketing agreement or strategic marketing alliance.

60. **“Operation and Maintenance Reserve Fund”** shall mean the fund of such name established pursuant to the Master Bond Ordinance.

61. **“Ordinance 319”** shall mean that Amended and Restated Master Airport Revenue Bond Ordinance No. 319 adopted by the County Commission on April 14, 1998, as such ordinance was amended or supplemented from time to time, and which

ordinance was assumed, amended, restated and superseded by the Master Bond Ordinance.

62. **"Other Available Moneys"** shall mean, for any Fiscal Year, the amount of money determined by Lessor's Chief Financial Officer in concurrence with Lessor's Chief Executive Officer to be transferred by Lessor for such Fiscal Year from PFCs or other sources other than Revenues to the Bond Fund or the Junior Lien Bond Fund; provided that "Other Available Moneys" shall not include PFCs or other sources other than Revenues deposited in the Revenue Fund for debt service coverage.

63. **"Overnight Common Use Gate Rental"** shall mean amounts charged by Lessor for the occupancy of a Common Use Gate between the time that the last flight of the day scheduled to depart from such gate departs, and the time that is one hour prior to the first flight of the following day scheduled to depart from such gate departs.

64. **"Persons"** shall mean natural persons, firms, corporations, partnerships, limited liability companies and other legal entities.

65. **"PFCs"** shall mean passenger facility charges imposed by Lessor or the County pursuant to the Aviation and Safety Capacity Expansion Act of 1990, Pub. L. 101-508, Title IX, Subtitle B, §§ 9110 and 911, recodified as 49 U.S.C. 40117, as amended from time to time, and Part 158 of the Federal Aviation Regulations (14 CFR Part 158), as amended from time to time.

66. **"Preferential North Terminal Space"** shall mean Preferential Use Premises in the North Terminal.

67. **"Preferential South Terminal Space"** shall mean Preferential Use Premises in the South Terminal.

68. **"Preferential Use Gate(s)"** shall mean the Gates that are part of the Preferential North Terminal Space leased to Signatory Airlines.

69. **"Preferential Use Premises"** shall mean space, improvements and facilities at the Airport provided, or available to be provided, to an air carrier on a preferential, non-exclusive basis, e.g., in the manner provided in Article IB.1.(b).

70. **"Producer Price Index"** shall mean the Producer Price Index/All Commodities published by the United States Department of Labor, Bureau of Labor Statistics (January, 1996 = 100), or if such index is discontinued or otherwise becomes unavailable to the public, the most nearly comparable index published by a recognized financial institution, financial publication or university.

71. **"Projected North Terminal Rental Rate"** shall mean, for any Fiscal Year, the rate established by Lessor for such Fiscal Year as set forth in Article III.I.2(b).

72. **"Projection"** shall have the meaning set forth in Article III.I.2(a).

73. **"Renewal and Replacement Fund"** shall mean the fund of such name established pursuant to the Master Bond Ordinance.

74. **"Rental Rate Change Date"** shall mean the later of (a) October 1, 2008, or (b) the first day of the month following the month in which the Date of Beneficial Occupancy of the North Terminal occurs.

75. **"Revenues"** shall have the meaning for such term set forth in the Master Bond Ordinance.

76. **"Revenue Fund"** shall mean the fund of such name established under the Master Bond Ordinance.

77. **"Revenue Requirement"** shall have the meaning set forth in Article III.F.3.

78. “**Series 1998A Bonds**” shall have the meaning set forth in **Exhibit H**.
79. “**Shared Use Domestic South Terminal Space**” shall mean Shared Use South Terminal Space that is used exclusively for domestic operations.
80. “**Shared Use International South Terminal Space**” shall mean Shared Use South Terminal Space that is used exclusively for international operations.
81. “**Shared Use North Terminal Space**” shall mean the Shared Use Premises in the North Terminal, which shall include the bag make-up room and the domestic bag claim and international bag claim facilities in the North Terminal.
82. “**Shared Use Premises**” shall mean space, improvements and facilities at the Airport to be used jointly or in common by air carriers, excluding Authority-Controlled Airline Space and FIS Facilities.
83. “**Shared Use South Terminal Space**” shall mean Shared Use Premises in the South Terminal.
84. “**Shared Use Swing South Terminal Space**” shall mean Shared Use South Terminal Space that is used for both domestic and international operations.
85. “**Signatory Airlines**” shall mean Lessee and those air carriers who have executed an agreement substantially similar to this Agreement (except for the premises leased hereunder or thereunder). After October 1, 2008, in order to be a Signatory Airline, an air carrier must have executed an agreement substantially similar to this Agreement (except for the premises leased thereunder).
86. “**South Terminal**” shall mean the south terminal facilities at the Airport known as the Edward H. McNamara Terminal, as such facilities are modified from time to time.

87. “**South Terminal Airline Premises**” shall mean collectively, the Preferential South Terminal Space and the Shared Use South Terminal Space.

88. “**South Terminal Authority-Controlled Airline Space**” shall mean certain airline areas in the South Terminal which Lessor may from time to time retain under its exclusive control and possession and are not leased to an airline on a preferential or shared use basis pursuant to an Airport Agreement.

89. “**South Terminal Authority-Controlled Airline Space Revenues**” shall mean, for any Fiscal Year, revenues received or receivable by Lessor for that Fiscal Year for the use of South Terminal Authority-Controlled Airline Space.

90. “**South Terminal Cost Center**” shall mean the Cost Center of the same name described in **Exhibit J**, which includes the land identified as the South Terminal on **Exhibit J**, and all facilities, equipment and improvements now or hereafter located thereon, including all passenger terminal buildings, connecting structures, passenger walkways and tunnels, concourses, hold areas and federal inspection service facilities, and any additions and improvements thereto, as that land, facilities, equipment and improvements may change from time to time.

91. “**South Terminal International Facilities Use Fees**” shall mean International Facilities Use Fees for use of the FIS Facilities in the South Terminal.

92. “**South Terminal Rental Revenue**” shall mean, for any Fiscal Year, rental revenue received or receivable by Lessor for that Fiscal Year for the use of space in the South Terminal, excluding South Terminal Rentals charged to Signatory Airlines, South Terminal Shared Use Charges, South Terminal Authority-Controlled Airline Space

Revenues and all concession revenue received from operators of concessions in the South Terminal.

93. “**South Terminal Rentals**” shall mean the terminal rentals for Preferential South Terminal Space established pursuant to the Airport Agreements.

94. “**South Terminal Rental Rate**” shall mean, for any Fiscal Year, the terminal rental rate established as such pursuant to Article III.C.2.(c).

95. “**South Terminal Shared Use Charges**” shall mean, for any Fiscal Year, amounts charged by Lessor for use of the Shared Use South Terminal Space.

96. “**Special Facilities**” shall have the meaning for such term set forth in the Master Bond Ordinance.

97. “**Terminal Rentals**” shall mean, collectively, South Terminal Rentals and North Terminal Rentals.

98. “**Transfer**” shall mean the transfer of operational jurisdiction and control of the Airport from the County to Lessor pursuant to the Authority Act.

99. “**Weighted Majority**” shall mean either (a) Signatory Airlines which, in the aggregate, landed eighty-five percent (85%) or more of the landed weight of all Signatory Airlines for the preceding twelve-month period for which records are available, or (b) all but one of the Signatory Airlines regardless of landed weight.

ARTICLE XXIX

PARAGRAPH HEADINGS

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

ARTICLE XXX

INVALID PROVISION

In the event any covenant, condition or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained; provided that the invalidity of any such covenant, condition or provision does not materially prejudice either Lessor or Lessee in its respective rights and obligations contained in the valid covenants, conditions or provisions of this Agreement.

ARTICLE XXXI

SUCCESSORS AND ASSIGNS BOUND BY COVENANTS

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

ARTICLE XXXII

RIGHT TO LEASE TO UNITED STATES GOVERNMENT

It is agreed that during time of war or national emergency Lessor shall have the right to lease the landing area or any part thereof to the United States Government for military or naval use, and, if any such lease is executed, the provisions of this instrument insofar as they are inconsistent with the provisions of the lease to the United States Government shall be suspended.

It is agreed that this lease shall be subordinate to the provisions of any existing or future agreement between Lessor and the United States, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a

condition precedent to the expenditure of Federal funds for the development of the Airport.

ARTICLE XXXIII

COVENANTS AGAINST DISCRIMINATION

A. COVENANT PURSUANT TO REQUIREMENTS OF THE DEPARTMENT OF TRANSPORTATION: Lessee, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land, that (1) no person on the grounds of race, color, national origin or gender shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of facilities at the Airport, (2) that in the construction of any improvements on, over, or under land at the Airport and the furnishing of services thereon, no person on the grounds of race, color, national origin or gender shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended. In the event of a breach of any of the above non-discrimination covenants, Lessor shall have the right to terminate this agreement and to reenter and repossess said land and the facilities thereon, and hold the same as if said agreement had never been made or issued.

B. EMPLOYMENT: The parties hereto hereby covenant not to discriminate against an employee or applicant for employment with respect to his or her hire, tenure, terms,

conditions or privileges of employment, or any matter directly or indirectly related to employment because of his or her age or sex, except where based on a bona fide occupational qualification, or because of his or her race, color, religion, national origin or ancestry, and to require a similar covenant on the part of any sublessee hereunder and any subcontractor employed as a result, or in connection with the exercise of rights granted and/or the performance of obligations assumed under this Agreement.

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

D. DISADVANTAGED BUSINESS ENTERPRISE: Lessee agrees to comply with the following policy and requirements of the Department of Transportation:

- 1. POLICY.** It is the policy of the Department of Transportation that disadvantaged business enterprises as defined in 49 CFR Part 23 shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal funds under this Agreement. Consequently the disadvantaged business enterprise requirements of 49 CFR Part 23 and 49 CFR Part 26 apply to this Agreement.

2. **DBE OBLIGATION.** (i) The recipient or its contractor agrees to ensure that disadvantaged business enterprises as defined in 49 CFR Part 23 have the maximum opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with Federal funds provided under this Agreement. In this regard all recipients or contractors shall take all necessary and reasonable steps in accordance with 49 CFR Part 23 and 49 CFR Part 26 to ensure that disadvantaged business enterprises have the maximum opportunity to compete for and perform contracts. Recipients and their contractors shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of Department of Transportation-assisted contracts.

Failure of a contractor or subcontractor to carry out the requirements set forth in 49 CFR Part 23 and 49 CFR Part 26 shall constitute a breach of contract and, after notification of the Department of Transportation, may result in termination of this Agreement or such contracts referenced above by the recipient or such remedy as the recipient deems appropriate.

The definitions set forth in paragraph 23.5 of 49 CFR Part 23 shall apply to the foregoing statements concerning disadvantaged business enterprises.

ARTICLE XXXIV

CONFORMITY OF AGREEMENT

In the event that Lessor shall hereafter enter into any lease, contract or agreement with any other scheduled air transport operator, with respect to the use of the Airport or terminal facilities, containing more favorable terms than this Agreement, or shall hereafter grant to any other scheduled air transport operator, rights or privileges with respect thereto which are not accorded to Lessee hereunder, then the same rights,

privileges and more favorable terms shall be concurrently and automatically made available to Lessee.

[Balance of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

WAYNE COUNTY AIRPORT AUTHORITY

By: _____
Chief Executive Officer

By: _____
Its: _____

Exhibit B

Wayne County Airport Authority Gate Access Procedures for the North Terminal Common Use Gates

These Gate Access Procedures for the North Terminal Common Use Gates (these "North Terminal Gate Procedures") are intended to establish the procedures for allocation and usage of the Common Use Gates at the North Terminal.

Section I – Definitions

Affiliate – means an Air Carrier that is a parent or subsidiary of a Signatory Air Carrier, or is a corporation that shares the same parent as a Signatory Air Carrier, or sells seats under essentially the same trade name as a Signatory Air Carrier and uses the same livery as a Signatory Air Carrier.

Air Carrier – means the operator of an aircraft used in scheduled or non-scheduled passenger air transportation operations.

Airport – means Detroit Metropolitan Wayne County Airport (DTW).

Arrival Only – means a flight by an Air Carrier arriving at the Airport to deplane passengers at a Common Use Gate which is not a leg of a Turnaround Flight.

Authority - means the Wayne County Airport Authority.

Common Use Gate(s) – means those Gates at the North Terminal that the Authority may, from time to time, retain under its control and possession and which are not Leased Gates.

Departure Only – means a flight by an Air Carrier departing from a Common Use Gate which is not a leg of a Turnaround Flight.

Destination - means an individual airport at a particular location, other than the Airport.

Domestic Arrival – means an aircraft arriving at the North Terminal from a Destination within the United States of America or its Territories or from a Destination outside of the United States of America designated as a pre-clearance location, which has passengers and/or cargo on board that do not require clearance by the Federal Inspection Services.

Domestic Departure – means an aircraft departing from the North Terminal to a Destination within the United States of America or its Territories or a Destination outside of the United States of America designated as a pre-clearance location, which has passengers and/or cargo on board that do not require foreign customs clearance.

Domestic Flight – means a Domestic Arrival or a Domestic Departure.

Frequency – means the days a flight operates in a one-week (Monday – Sunday) period.

Gate – means, collectively, a passenger holdroom, the passenger boarding bridge (if present) associated with such passenger holdroom, and the aircraft parking position associated with such passenger holdroom and passenger boarding bridge, in each case at the North Terminal.

Gate Coordinator – means the entity or individual approved by the Authority to perform the functions described in Section 2.3.

Gate Occupancy Time – means the time between the scheduled arrival time of an aircraft at a Gate and the scheduled departure time of such aircraft from such Gate.

Gate Planning and Review Committee or GPRC – means the committee as described in Section 2.0.

Gate Rest Time – means the time between the scheduled departure of one aircraft from a Gate and the subsequent scheduled arrival of another aircraft into the same Gate.

Grandfathered Slot – means a time period at a Common Use Gate if the conditions set forth in Section 4.4 are met.

International Arrival – means an aircraft arriving at the North Terminal from a Destination outside of the United States of America or its Territories, or a destination outside of the United States not designated as a pre-clearance location, which has passengers and/or cargo on board that require clearance by the Federal Inspection Services.

International Departure – means an aircraft departing from the North Terminal to a Destination outside of the United States of America or its Territories, which has passengers and/or cargo on board that require foreign customs clearance.

International Flight – means an International Arrival or an International Departure.

Leased Gate – means a Gate that is leased to an Air Carrier, whether under a Use Agreement or a short term lease of space.

Maximum Gate Occupancy Time – means the maximum amount of time that an aircraft may occupy a Common Use Gate as set forth in Section 6.1.

Non-Scheduled Flight – means a flight that is not a Scheduled Flight.

Non-Scheduled Domestic Flight – means a Non-Scheduled Flight that is a Domestic Flight.

Non-Scheduled International Flight – means a Non-Scheduled Flight that is an International Flight.

Non-Signatory Air Carrier – means an Air Carrier that is not a Signatory Air Carrier.

Non-Swing Common Use Gate(s) – means those Common Use Gates that can accommodate Domestic Arrivals, Domestic Departures and International Departures, but not International Arrivals.

Overnight Slot – means, with respect to a Common Use Gate, the time period beginning at the end of the Arrival Only Maximum Gate Occupancy Time for the last Domestic or International Flight arriving on a particular day at such Common Use Gate, and ending at the end of the Departure Only Maximum Gate Occupancy Time for the first Domestic or International Flight departing on the following day from such Common Use Gate.

Quarter – means a calendar quarter.

Scheduled Flight – means a flight operated on a regular Frequency on a year-round basis or seasonally on an annual basis, with a constant arrival/departure time on a continuous basis to or from the same Destination, and the schedules for such flight are published in the Official Airline Guide and displayed in a computer reservation system and the fares are regularly published by the Airline Tariff Publishing Company.

Scheduled Domestic Flight – means a Domestic Flight that is a Scheduled Flight.

Scheduled International Flight – means an International Flight that is a Scheduled Flight.

Signatory Air Carrier – means an Air Carrier that is a “Signatory Airline” as defined in the Use Agreement. For purposes of these North Terminal Gate Procedures, an Affiliate of a Signatory Air Carrier shall be deemed a Signatory Air Carrier.

Swing Common Use Gate(s) – means those Common Use Gates that are useable for Domestic Arrivals, Domestic Departures, International Arrivals and International Departures.

Turnaround Flight – means an arriving flight that deplanes passengers, bags and cargo at a Gate at the North Terminal, and is then scheduled to depart from the same Gate, with passengers, bags and/or cargo operating under either the same or a different flight number within the Maximum Gate Occupancy Time for such flight at such Gate.

Use Agreement(s) – means, collectively, the Airport Use and Lease Agreements for Air Carriers operating in the North Terminal, each between the Authority and the Air Carrier named therein.

Section II – Procedures

2.0 Administration and Authority

The administration and authority for the implementation of these North Terminal Gate Procedures and the monitoring of the gate planning and review process will be conducted through the GPRC. All GPRC members will have equal voting rights unless otherwise specified. The membership of the GPRC will be as set forth in Section 2.1. Non-GPRC members may attend the GPRC meetings.

2.1 The GPRC will consist of the following:

- One representative designated by the Authority, who shall serve as chair of the GPRC.
- One representative designated by each Signatory Air Carrier (which will not include representatives of a Signatory Airline's Affiliates) that uses the Common Use Gate(s). Only one representative per Signatory Air Carrier may participate as a member of the GPRC.
- One representative designated by each Non-Signatory Air Carrier that uses the Common Use Gate(s), who shall be advisory and have no voting rights. Only one representative per Non-Signatory Air Carrier may participate as a member of the GPRC.
- One representative designated by the Gate Coordinator, who shall be advisory and have no voting rights.

2.2 The GPRC shall have the following responsibilities:

- Review and coordination of scheduling plans;
- Recommend revisions to these North Terminal Gate Procedures;
- Monitor the administration of these North Terminal Gate Procedures by the Gate Coordinator; and
- Recommend resolutions of conflicts with the application of procedures.

2.3 The Gate Coordinator will have the responsibilities as described below:

- Receipt of schedules in accordance with Section 3.1 and 3.2;

- Evaluation and identification of priorities;
- Identification of Common Use Gate access conflicts with proposed schedules;
- Assisting Air Carrier(s) in defining flight operating times with a Common Use Gate availability expectation consistent with the established priorities;
- Day-to-day administration of the Common Use Gate access priority system as further described in Section 3.3;
- Communication of Common Use Gate assignments; and
- Maintenance of Common Use Gate use records and statistics.

3.0 Gate Planning and Review Process

Gate Planning will be accomplished on a continuous basis using guidelines outlined in this section. A three-step planning and review process will be employed to minimize the potential for any conflicts in flight operations. The planning process will include:

3.1 Quarterly Advance Review

Quarterly advance reviews will be conducted to establish and identify flight and Gate schedules at an early date. Not later than [10] days prior to the start of each Quarter, all Air Carriers operating at the North Terminal must submit, in writing to the Gate Coordinator, their planned flight schedules for the following Quarter. The Gate Coordinator will conduct a preliminary analysis of the schedule information to identify potential Gate scheduling conflicts and shall review the schedule and all scheduling conflicts with the GPRC.

3.2 Short Term Review

- A review of the Common Use Gate schedule will be conducted by the Gate Coordinator 45 days prior to the beginning of each month to confirm the Common Use Gate activity for that month.
- The short-term reviews will include discussion of past and current schedule problems. If the GPRC deems it necessary, a weekly Common Use Gate plan may be prepared.

3.3 Daily Review

At the beginning of each day, or as otherwise required, the Gate Coordinator will review the Gate plan with the Station Managers, or their designated

representatives, for the Air Carrier(s) operating at the North Terminal in order to determine whether there are likely to be any variances from scheduled arrival times for flights arriving at Common Use Gates.

4.0 Gate Access Priority System

This section establishes the priorities for access by Air Carriers operating at the North Terminal to the Common Use Gates. The priorities are intended to maintain maximum Gate availability and maximum customer flow through the Common Use Gates. The priorities are set based upon the arrival segment of each flight.

4.1 The following flights are listed in descending order of priority for access to the Common Use Gates:

1. International Flights – In all cases, International Flights shall have priority over Domestic Flights for access to the Swing Common Use Gates.

The following International Flights are listed in descending order of priority for access to the Swing Common Use Gates. [Note: These priorities do not apply to the Non-Swing Common Use Gates.]

- a. Scheduled International Flights in Air Carriers' Grandfathered Slots.
- b. Other Scheduled International Flights.

Higher frequency Scheduled International Flights shall have priority over those with fewer frequencies.

Scheduled International Flights with larger aircraft gauge shall have priority over those with smaller aircraft gauge.

- c. Non-Scheduled International Flights.

Higher frequency Non-Scheduled International Flights shall have priority over those with fewer frequencies.

Non-Scheduled International Flights with larger aircraft gauge shall have priority over those with smaller aircraft gauge.

2. Domestic Flights

The following Domestic Flights are listed in descending order of priority for access to the Common Use Gates (both Swing Common Use Gates and Non-Swing Common Use Gates):

- a. Scheduled Domestic Flights in the Grandfathered Slots of Air Carriers that do not have at least one (1) Leased Gate.
- b. Scheduled Domestic Flights in the Grandfathered Slots of Air Carriers that have at least one (1) Leased Gate.
- c. Other Scheduled Domestic Flights of Air Carriers that do not have at least one (1) Leased Gate.

Higher frequency Scheduled Domestic Flights of Air Carriers that do not have at least one (1) Leased Gate shall have priority over those with fewer frequencies.

Scheduled Domestic Flights of Air Carriers that do not have at least one (1) Leased Gate with larger aircraft gauge shall have priority over those with smaller aircraft gauge.

- d. Other Scheduled Domestic Flights of Air Carriers that have at least one (1) Leased Gate.

Higher frequency Scheduled Domestic Flights of Air Carriers that have at least one (1) Leased Gate shall have priority over those with fewer frequencies.

Scheduled Domestic Flights of Air Carriers that have at least one (1) Leased Gate with larger aircraft gauge shall have priority over those with smaller aircraft gauge.

- e. Non-Scheduled Domestic Flights of Air Carriers that do not have at least one (1) Leased Gate.

Higher frequency Non-Scheduled Domestic Flights of Air Carriers that do not have at least one (1) Leased Gate shall have priority over those with fewer frequencies.

Non-Scheduled Domestic Flights of Air Carriers that do not have at least one (1) Leased Gate with larger aircraft gauge shall have priority over those with smaller aircraft gauge.

- f. Non-Scheduled Domestic Flights of Air Carriers that have at least one (1) Leased Gate

Higher frequency Non-Scheduled Domestic Flights of Air Carriers that have at least one (1) Leased Gate shall have priority over those with fewer frequencies.

Non-Scheduled Domestic Flights of Air Carriers that have at least one (1) Leased Gate with larger aircraft gauge shall have priority over those with smaller aircraft gauge.

4.2 Air Carriers and their Affiliates may establish or maintain a Gate access priority solely for their own flights. Common Use Gate access priorities are not transferable among Air Carriers, by handling agreement or otherwise.

4.3 For purposes of establishing priorities on the Common Use Gates during the first year of operation of the North Terminal, Section 4.1 shall apply, except that no Air Carrier will have any Grandfathered Slots during such first year.

4.4 A particular time window on a Common Use Gate will be designated a Grandfathered Slot and available to an Air Carrier and its Affiliate for a flight of such Air Carrier and its Affiliate pursuant to Section 4.1 if:

- A Scheduled Flight was operated by such Air Carrier or its Affiliate on a Common Use Gate in such time window on a continuous basis for the entire immediately preceding year;
- The flight's arrival and departure time does not vary by more than thirty minutes, plus or minus, from the same month of the immediately preceding year, provided any such variance does not overlap a previously Grandfathered Slot; and
- The flight maintains the same Frequency as the flight in such time window in the immediately preceding year.

If any of the above flight characteristics does not exist, the Air Carrier and/or its Affiliate grandfathered right to the slot will be lost; provided, however, if the Air Carrier or its Affiliate increases the Frequency of a flight, that flight shall retain its grandfathered status for those days of the week for which the Frequency is unchanged from the immediately preceding year.

4.5 Procedures for overnight occupancy of Common Use Gates

5.0 Overnight Occupancy of Common Use Gates – Overnight Slot Priority System

This section establishes the priorities for access to the Common Use Gates (both Swing Common Use Gates and Non-Swing Common Use Gates) during the Overnight Slots for such Gates. These priorities are intended to maximize Gate utilization, minimize aircraft movements and support operational consistency.

5.1 The Overnight Slot at a Common Use Gate may be assigned to an Air Carrier for use by its aircraft, in accordance with the following priorities, which are listed in descending order.

- a. Aircraft (1) arriving at a Common Use Gate as the last Arrival Only Scheduled Flight after 10 PM, and (2) departing as the first Departure Only Scheduled Flight prior to 7 AM on the following day.
- b. Aircraft departing as the first Departure Only Scheduled flight prior to 7 AM on the following day.

5.2 The GPRC may develop additional priorities appropriate for the flight operations at the Common Use Gates. Final determination and assignment of Overnight Slots that do not meet the above priorities will be made by the GPRC.

5.3 The Authority may charge a fee for the use of an Overnight Slot at a Common Use Gate.

5.4 The use of an Overnight Slot at a Common Use Gate is not transferable among Air Carriers.

5.5 When practical, the GPRC will give 90-days' prior notice to an Air Carrier if the Air Carrier will no longer be able to use the Overnight Slot at a Common Use Gate.

5.6 Air Carriers will be responsible for coordinating and requesting use of remote overnight parking from the Authority

6.0 Gate Scheduling and Use Provisions

The use of Common Use Gates will be limited by time as a means to maximize Gate availability.

6.1 The following Maximum Gate Occupancy Time allocations (in minutes), based upon aircraft passenger capacity, will be allowed to Air Carriers:

	<u>Gate Capacity Groups</u>		
	<u>Group II</u>	<u>Group III & IIIa</u>	<u>Group IV & V</u>
Minutes allowed for Arrival Only	35	50	75
Turnaround	45	60	120
Departure Only	35	50	90

6.2 A Turnaround Flight exceeding the Maximum Gate Occupancy Time set forth above will be considered as an independent Arrival Only and an independent Departure Only for Gate scheduling purposes and the associated

times for each will apply. Except as approved in accordance with Section 6.4, aircraft scheduled to have such excess ground times must be removed from the Common Use Gates.

6.3 Advance planning schedules will not be prepared with less than 15 minutes Gate Rest Time between successive Common Use Gate uses.

6.4 With the prior approval of the Gate Coordinator, an aircraft may be permitted to use or remain at a Gate in excess of the Maximum Gate Occupancy Time at that Gate for such aircraft, but only to the extent such excess time does not interfere with subsequent demand for the Common Use Gate.

7.0 General Gate Access/Allocation Procedures

The day-to-day administration of these Gate Procedures will be as follows:

The Gate Coordinator will administer the Common Use Gate assignments on a day-to-day basis, applying the procedures and the priority system as set forth in Section 4.0. Disputes or complaints regarding the Gate Coordinator’s administration of Common Use Gate assignments will be mediated by the GPRC. Final resolution of any disputes/complaints shall be by the Chief Executive Officer of the Authority, or his or her designee for such purpose. Aircraft will be scheduled on Common Use Gates to the extent available in accordance with these procedures.

7.1 Aircraft will not be scheduled to use any portion of the 15-minute Common Use Gate Rest Time. An early arrival may enter an assigned Common Use Gate at any time prior to scheduled arrival, so long as the preceding aircraft assigned to the Common Use Gate has departed.

7.2 The following **minimum** Gate Occupancy Times based upon aircraft capacity will be used as criteria to determine if priority for Common Use Gates will be held or changed when arrival delays occur:

	Gate Capacity Chart		
	Group II	Group III & IIIa	Group IV & V
Minutes allowed for			
Arrival only	25	45	60
Turnaround	30	55	75
Departure Only	25	50	60

An aircraft that has not arrived at the Common Use Gate with at least the above minimum Gate Occupancy Times available prior to its scheduled departure may lose its priority for that flight, on that specific day. Common

Use Gate re-assignment will be accomplished in accordance with Section 6.7 herein.

7.3 Air Carriers will report their Estimated Time of Arrival to the Gate Coordinator not less than one hour following the scheduled departure from the origin city, and not less than one hour prior to its scheduled arrival (for flights of less than one hour duration, such report shall occur immediately upon departure). Status of delayed flights thereafter will be reported in half-hour increments.

7.4 Air Carriers will advise the Gate Coordinator if a departing aircraft is delayed more than 10 minutes from its scheduled departure time from a Common Use Gate. The Gate Coordinator may order an Air Carrier to tow-off a delayed aircraft from the Common Use Gates. [Recommend establishing predetermined penalties that can be imposed by the Gate Coordinator in the event the delayed flight impacts the operation of another flight. However, recommend Gate Coordinator have ability to not impose a fee if other operations are not impacted (i.e. no harm no foul)]

7.5 In the event of disrupted airfield operations, an aircraft with a pre-approved extended ground time, pursuant to Section 5.4, may be required to tow the aircraft off a Common Use Gate to an alternative parking position as described in Section 7.1.

7.6 The Gate Coordinator will attempt to re-assign an aircraft that lost priority due to a delay to a new Common Use Gate at the first available time, and at the highest level of priority that is consistent with the original priority level of the flight; provided, however, that such reassignment will not displace an aircraft operating on schedule.

8.0 Special Conditions

8.1 Alternative Parking Requirements

All Air Carriers will be required to have alternative parking arrangements at a location other than a Common Use Gate, in the event the aircraft must be moved to a location other than a Common Use Gate.

8.2 Penalties

In the event a flight operates outside its approved Maximum Gate Occupancy Time, the Authority may adopt financial penalties, or may require the flight to operate in a different time period.

9.0 Changes and Revisions

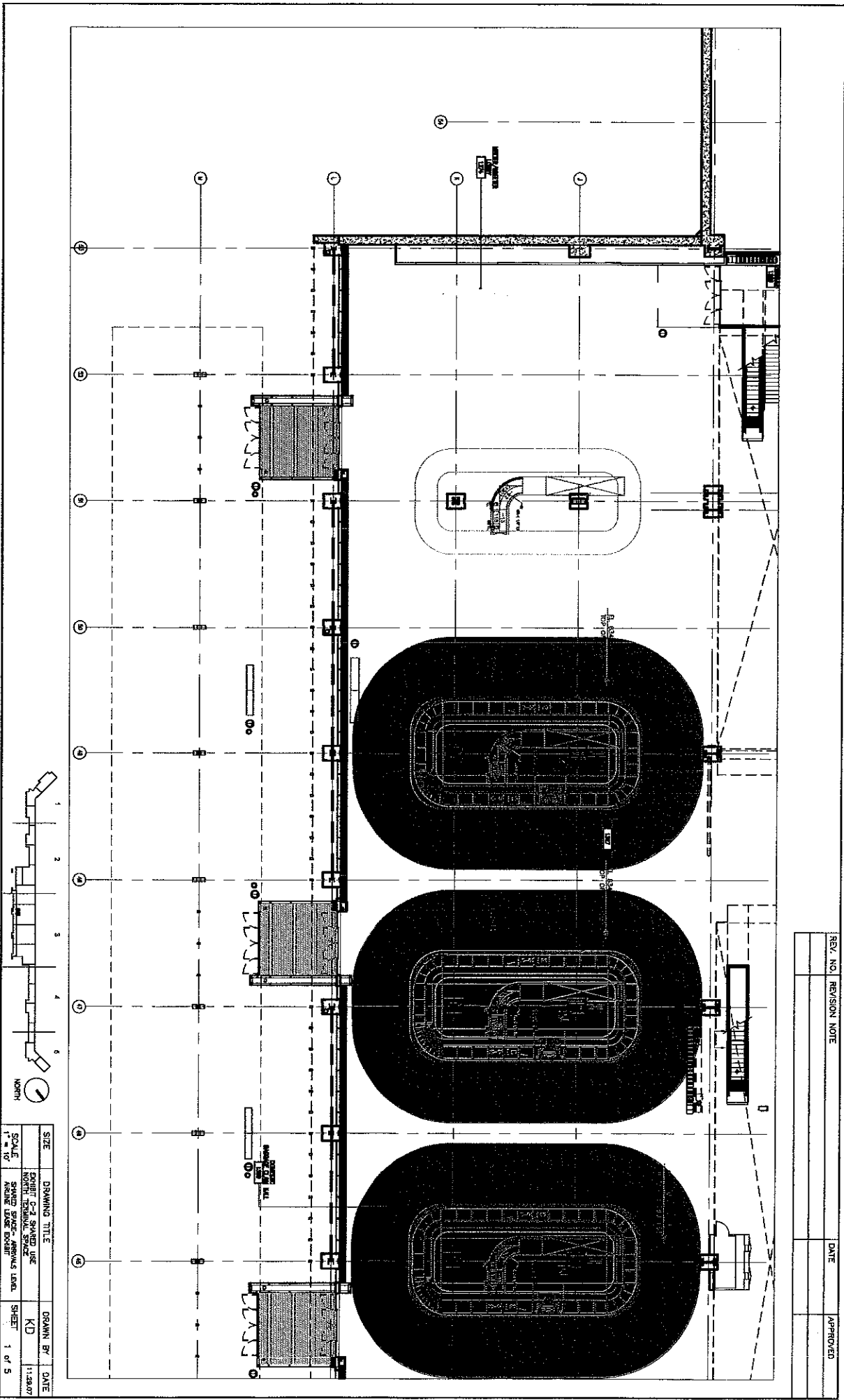
Any changes to these North Terminal Gate Procedures must be approved in writing by the Chief Executive Officer of the Authority. All Common Use Gate users will be notified in writing of any changes or revisions at least 30 days prior to their implementation.

10.0 Conflicts

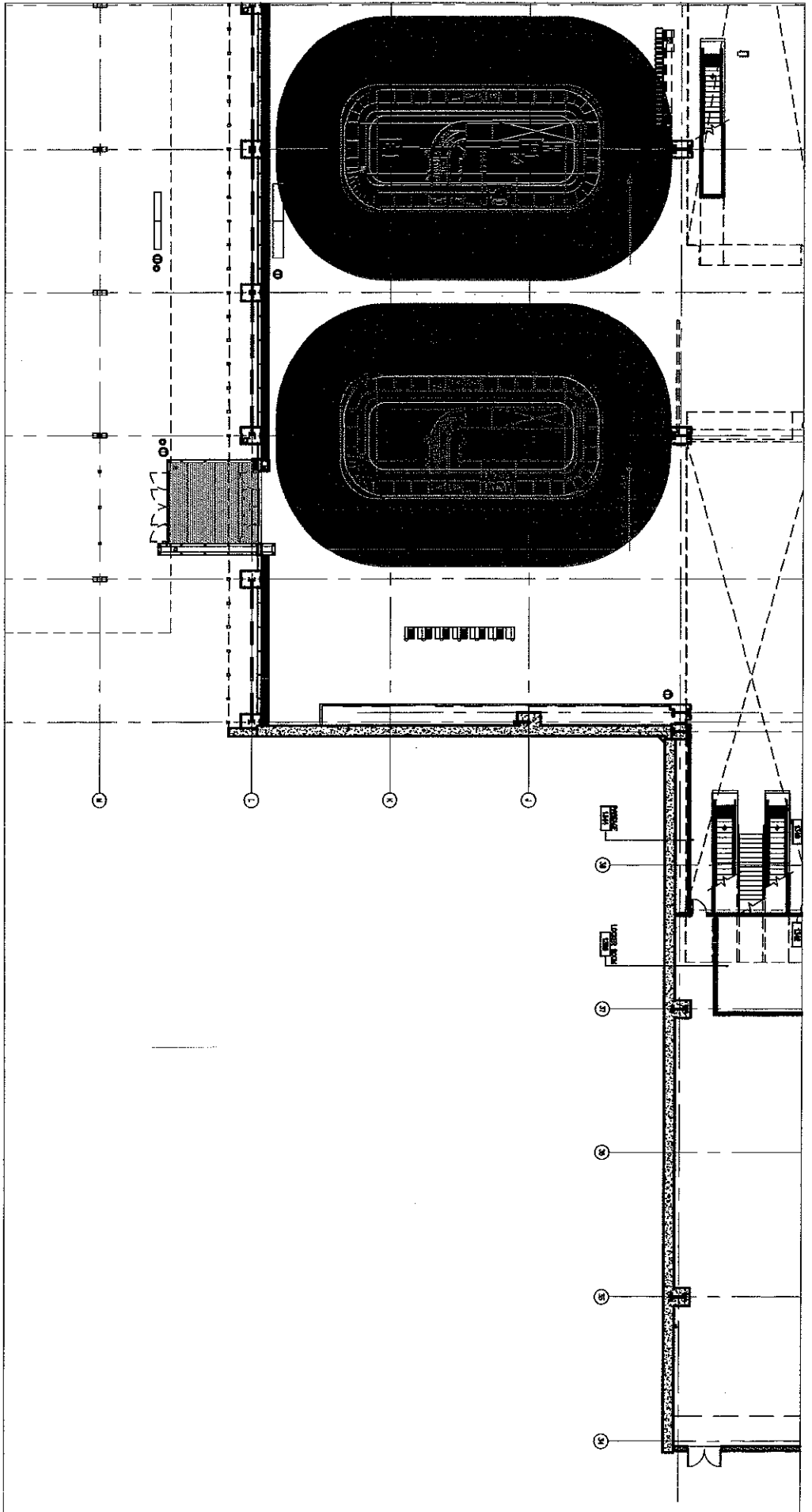
To the extent these North Terminal Gate Procedures are inconsistent at any time and in any respect with the "Protocol for Use of International Facilities at the Airport" set forth in Exhibit D to the Use Agreement, the provisions of, and the priorities in, the Protocol for Use of International Facilities at the Airport shall control.

Exhibit C-2
Shared Use North Terminal Space
December 12, 2007

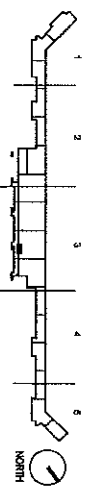
<u>Area</u>	<u>Room</u>	<u>Description</u>	<u>Size (SF)</u>
Baggage Facilities			
	1307	Domestic bag claim	20,900
	1230/1291/1350	Inbound/outbound bag room	92,280
	1227	International bag claim	11,851
Total North Terminal Shared Use Space			<u><u>125,031</u></u>



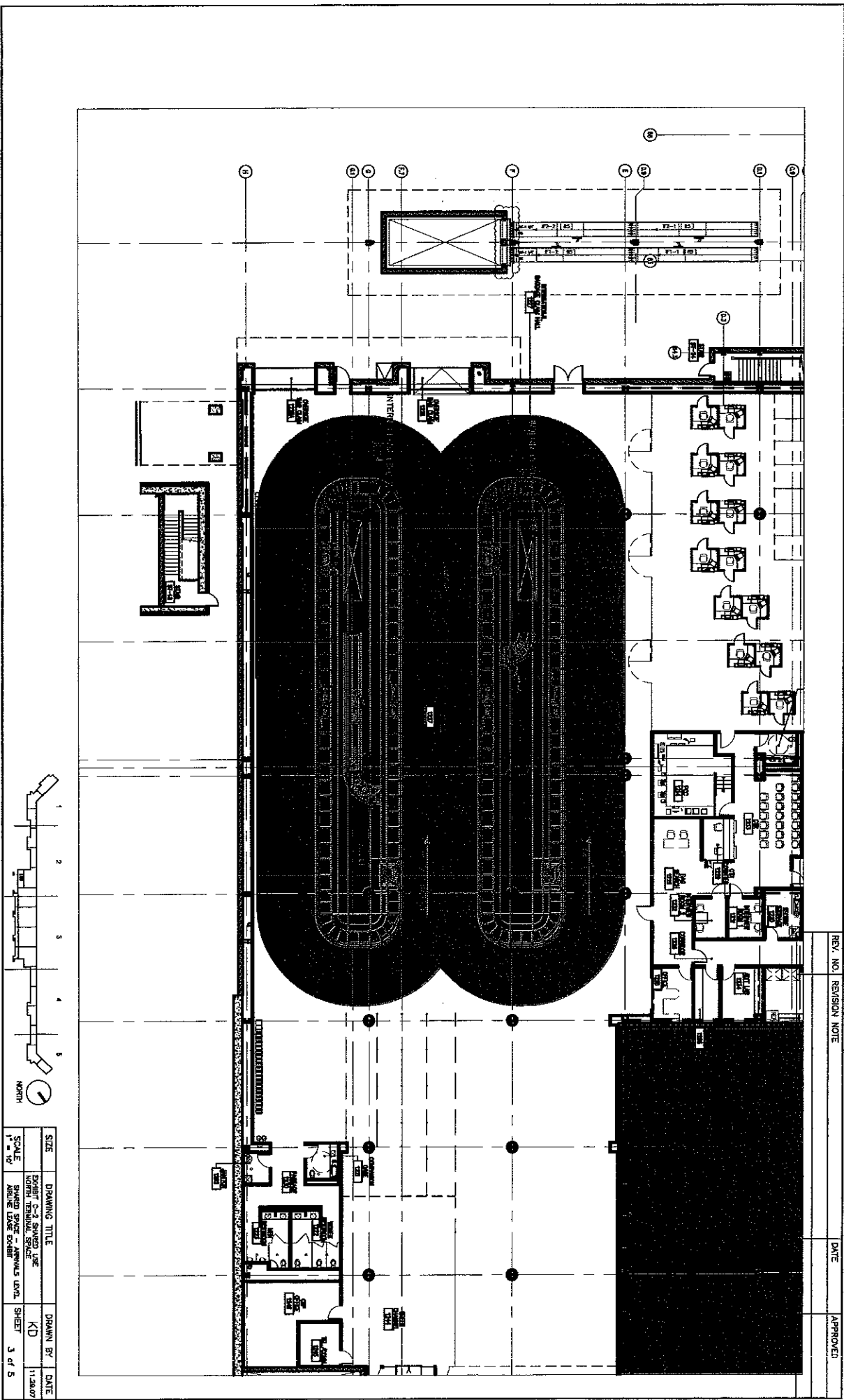
REV. NO.	REVISION NOTE	DATE	APPROVED



REV. NO.	REASON NOTE	DATE	APPROVED



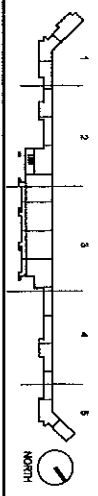
SIZE	DRAWING TITLE	DRAWN BY	DATE
SCALE	ORIENT C-2 SHAPED USE	KD	11.29.07
1" = 10'	NORTH TERMINAL SPACE	SHEET	2 OF 5
	SHAPED SPACE - AIRWAYS LEVEL		
	SHAPED SPACE - NORTH		



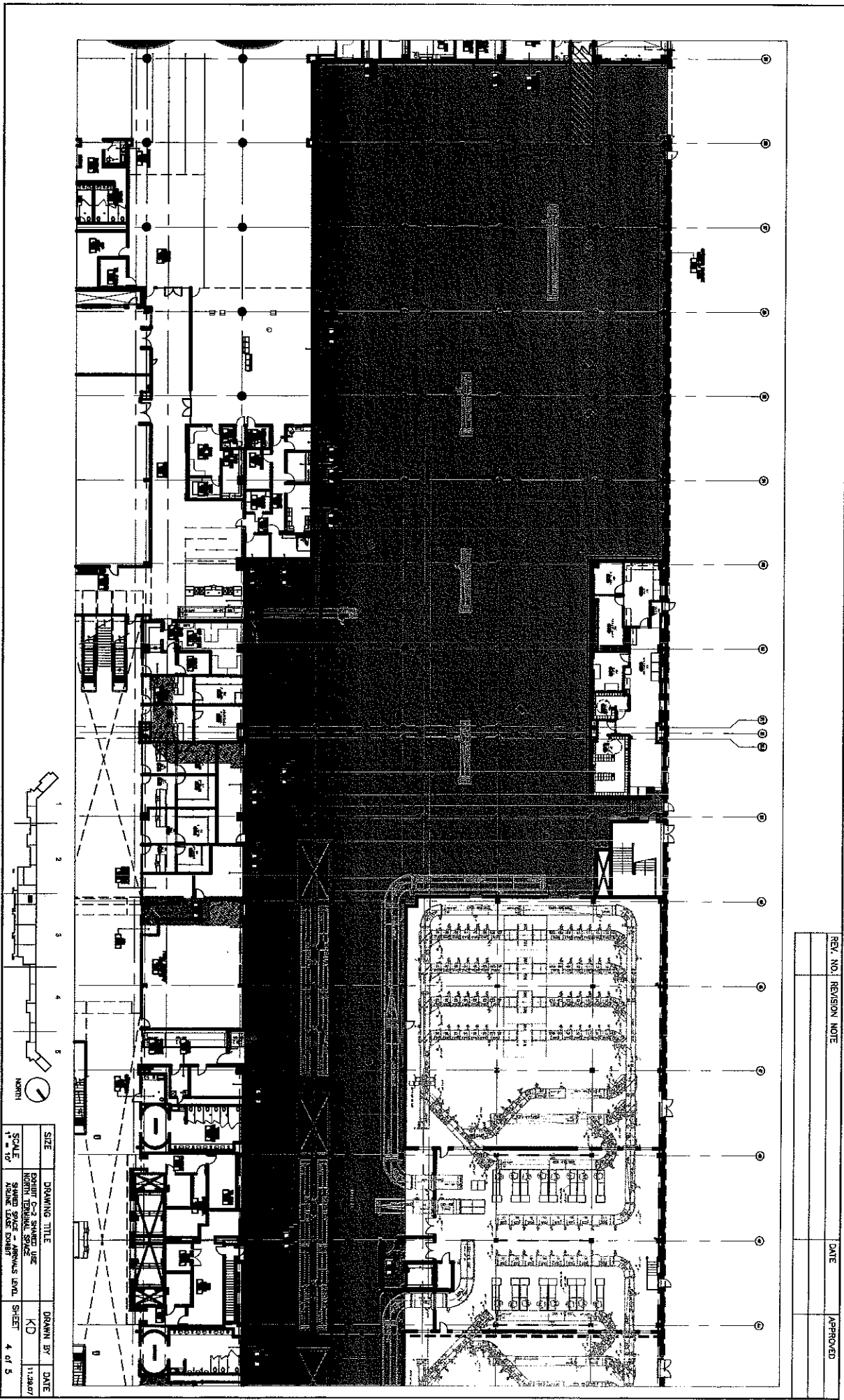
REV. NO. | REVISION NOTE

DATE

APPROVED

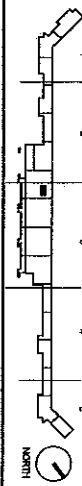


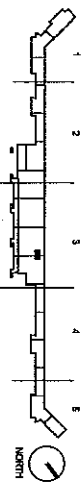
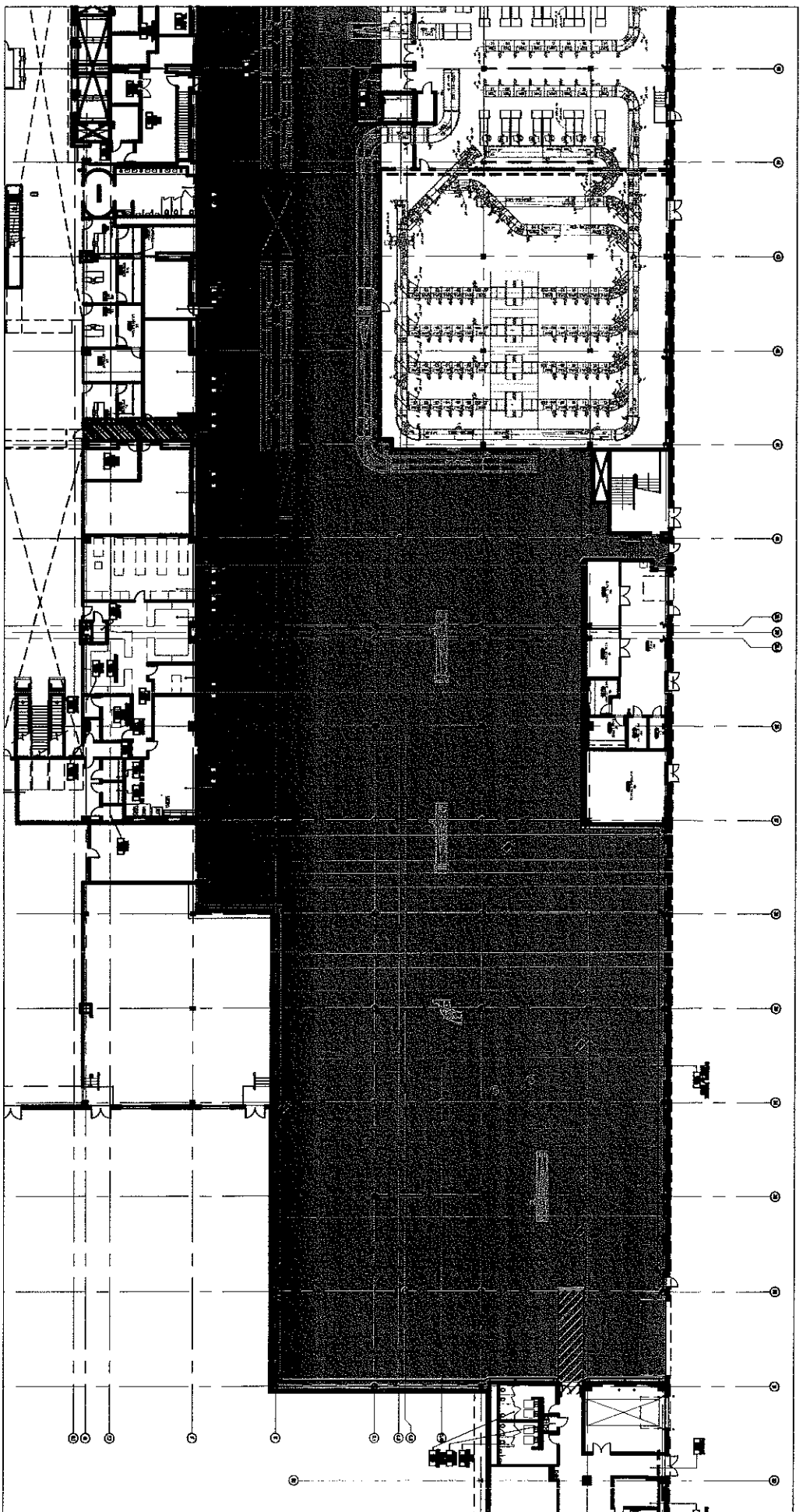
SIZE	DRAWING TITLE	DRAWN BY	DATE
SCALE	SHEDDING C-2 SHEDDING USE	KD	11.29.07
1" = 30'	NORTH TERMINAL SPACE		
	SHEDDING SPACE - AIRWAY'S LEVEL	SHEET	3 OF 5
	SHEDDING LEVEL		



REV. NO.	REVISION NOTE	DATE	APPROVED

SIZE	DRAWING TITLE	DRAWN BY	DATE
8 1/2" x 11"	SHOPIST C-2 SHARED USE NORTH TERMINAL SPACE	KD	11/28/07
SCALE	SHARED SPACE - AIRWAYS LEVEL	SHEET	4 OF 5
1" = 10'			



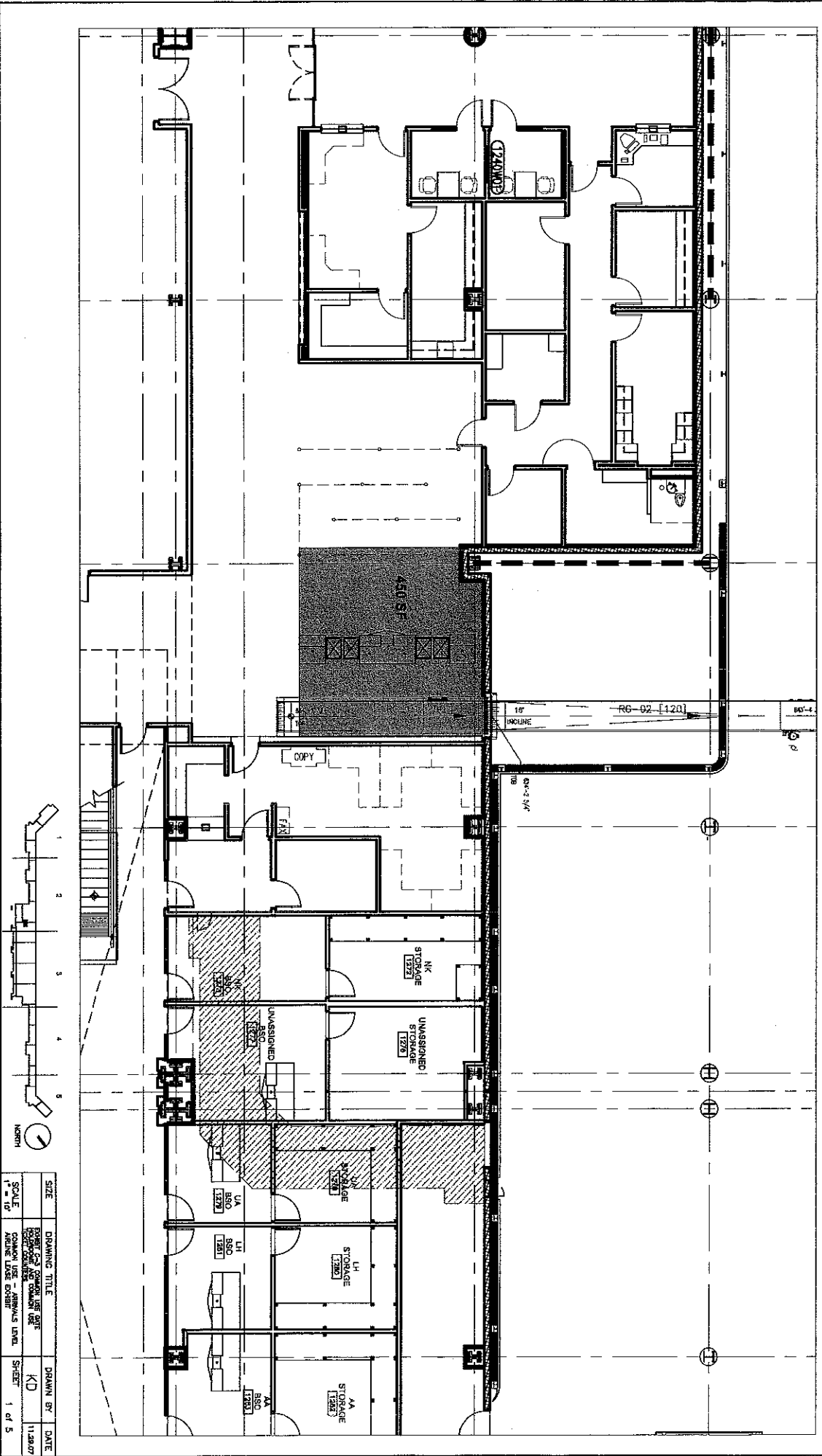


SIZE	DRAWING TITLE	DRAWN BY	DATE
SCALE	EXHIBIT C-2 SHARED USE NORTH TERMINAL STAGES	KD	11.28.07
1" = 10'	2A - AIRRAIL LEVEL	SHEET	5 of 5
	MAKING SPACE DRAWN		

REV. NO.	REVISION	NOTE	DATE	APPROVED

Exhibit C-3
Common Use Gate Holdrooms and Common Use Ticket Counters
December 12, 2007

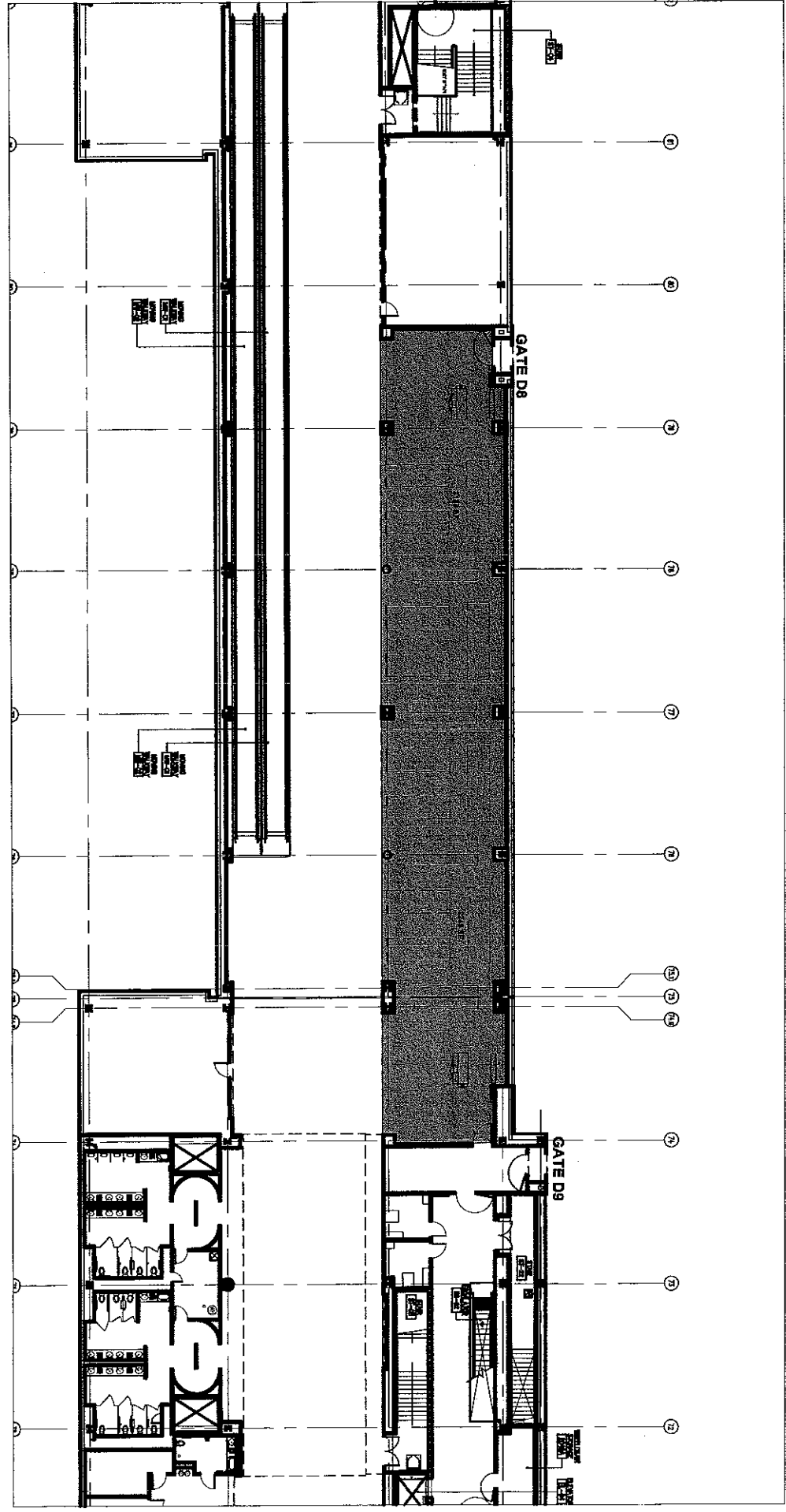
Area	Room	Description	Size (SF)
Ticket Counters			
		Lobby - TC-2	2,279
		Lobby - TC-3	1,013
		Recheck	450
		Sub-Total	3,742
Gate Holdrooms			
	D3		2,876
	D5		2,876
	D8		2,189
	D9		2,249
	D10		1,833
		Sub-Total	12,023
Total Common Use Space			15,765



REV. NO.	REVISION NOTE	DATE	APPROVED

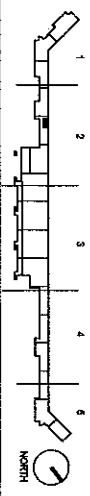
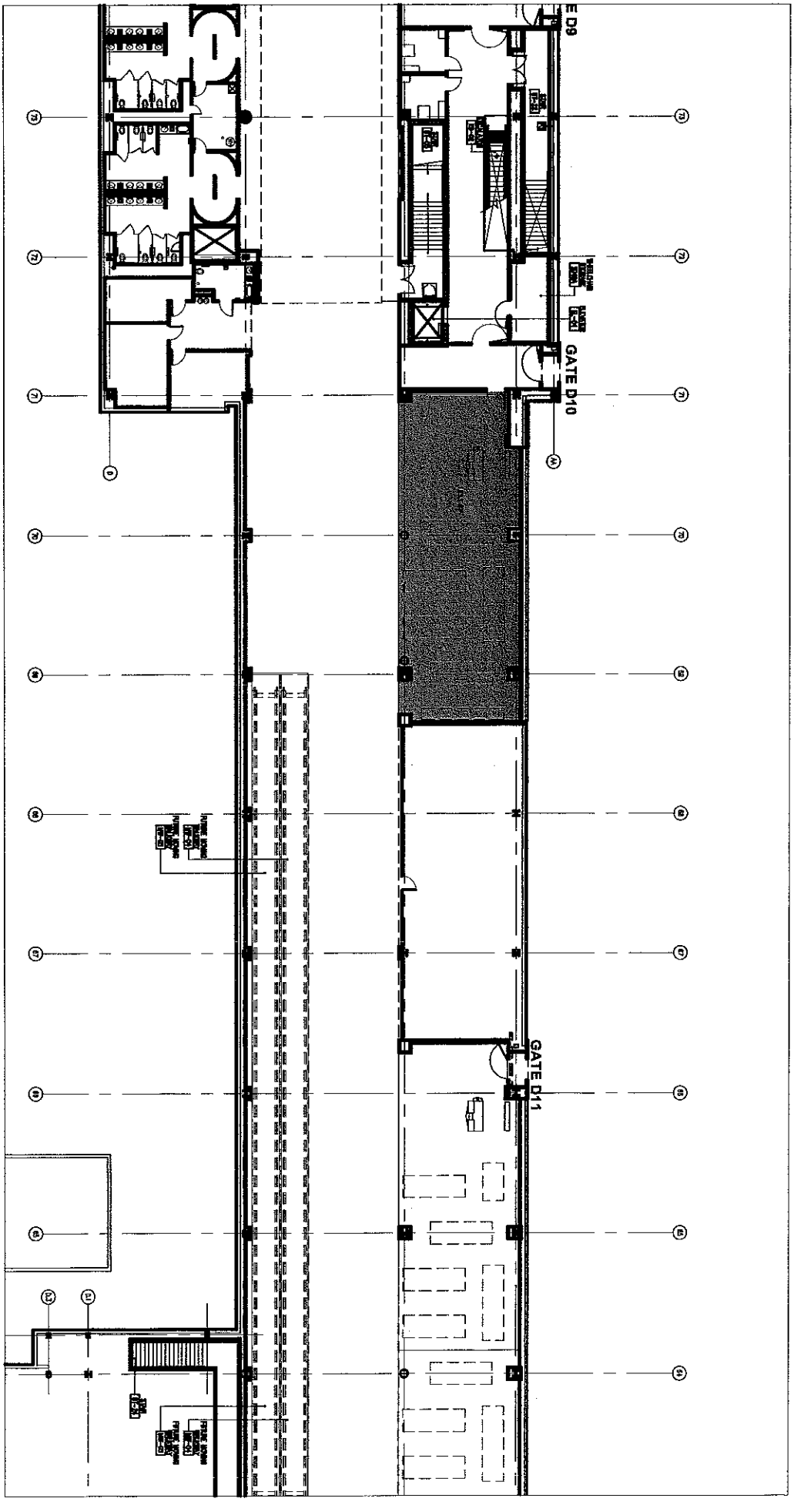
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SCALE	PROJECT NAME AND ROOM NO.	KD	11.28.07
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REV. NO.	REVISION NOTE	DATE	APPROVED



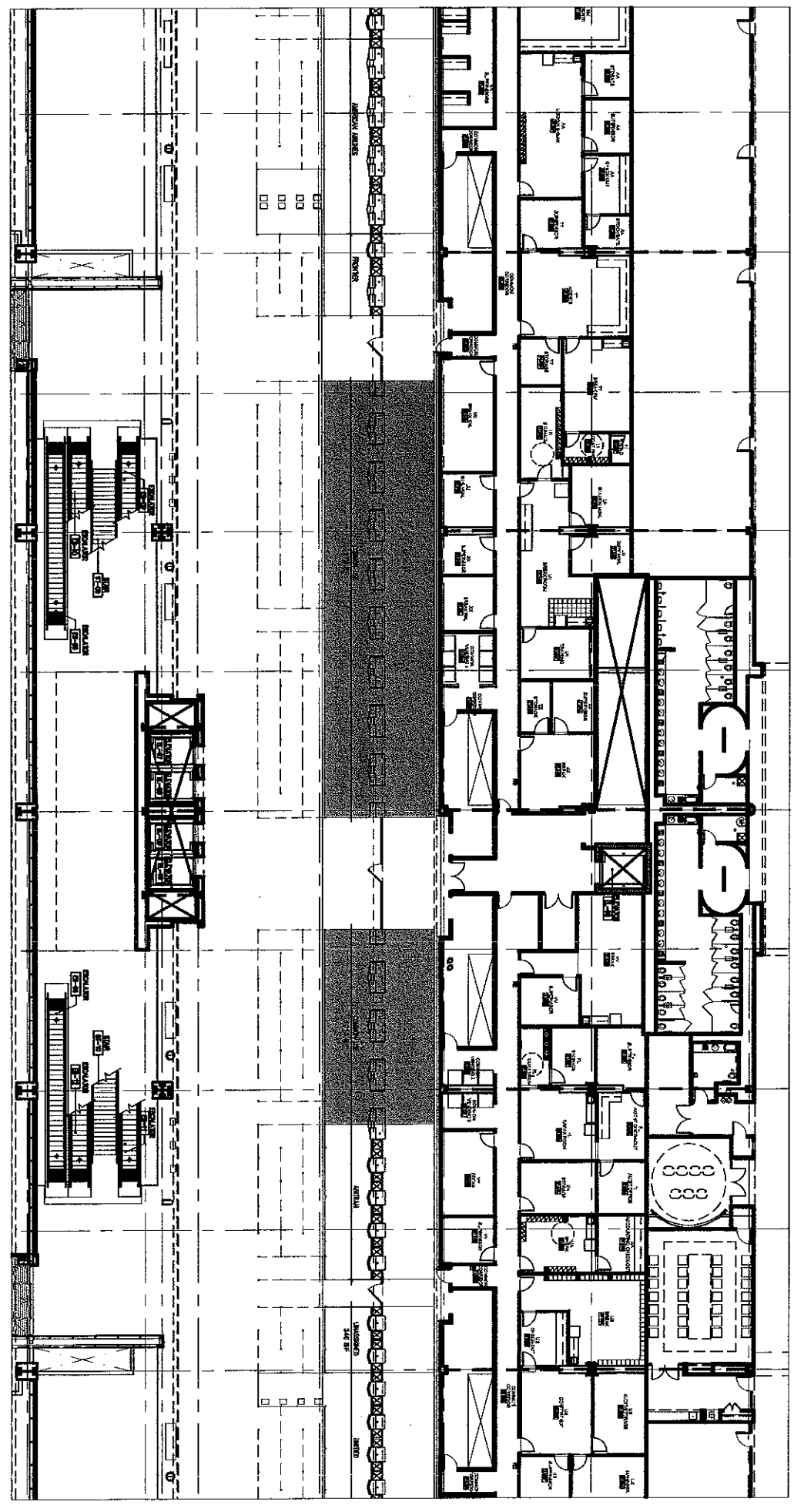
SIZE	DRAWING TITLE	DRAWN BY	DATE
SCALE	REVISIONS	KD	11.28.07
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REV. NO.	REVISION NOTE	DATE	APPROVED

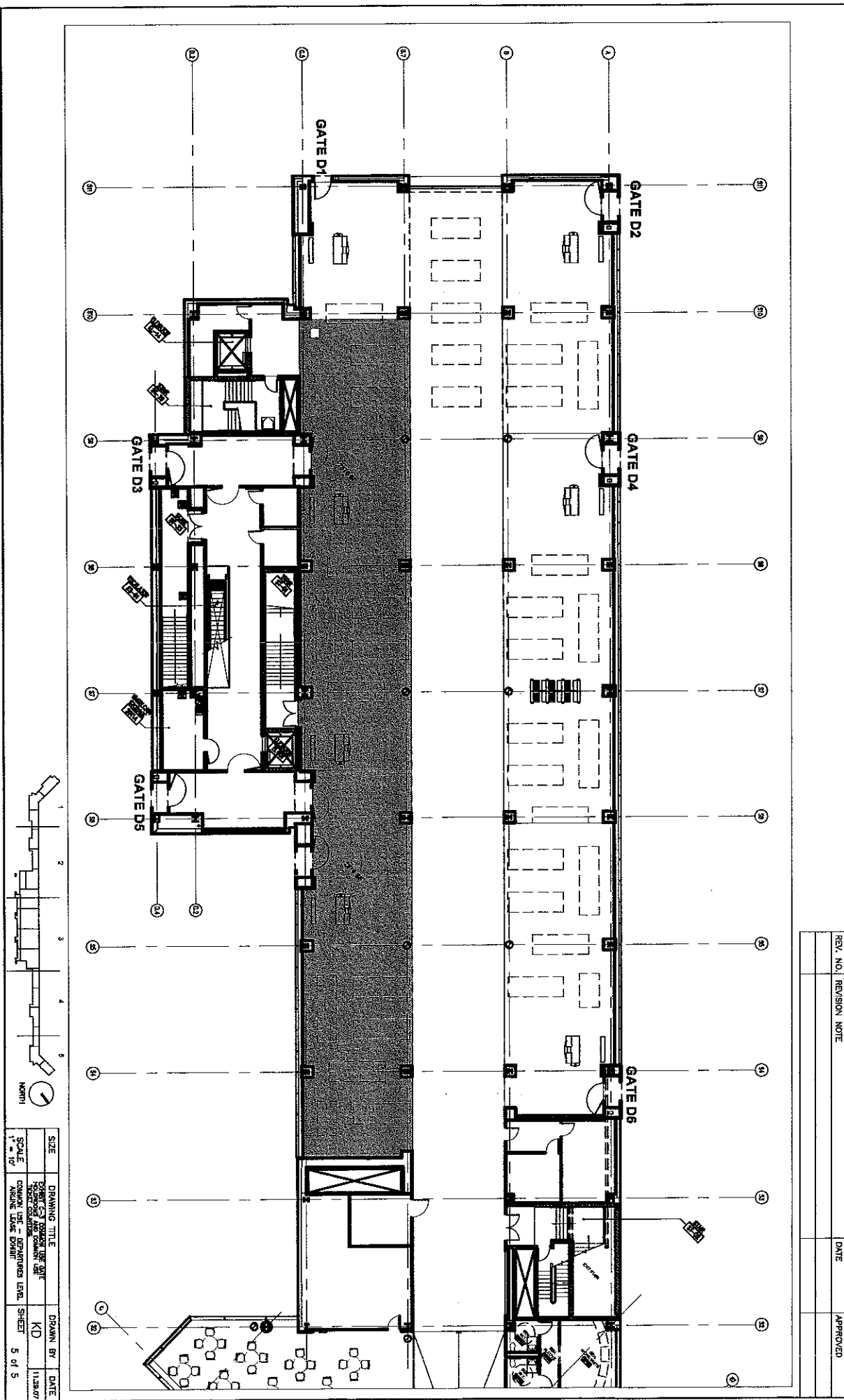


SIZE	DRAWING TITLE	DRAWN BY	DATE
SCALE	TRUCK GARAGE AND CANOPY SET	KD	11.28.07
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REV. NO.	REVISION NOTE	DATE	APPROVED



SIZE	DRAWING TITLE	DRAWN BY	DATE
SCALE	PROJECT NO.	KD	11.28.07
1" = 10'	CONTRACT NO.	SHEET	4 of 5
	CLIENT NAME		
	PROJECT ADDRESS		
	PROJECT PERMITS		
	DATE		



REV. NO.	REVISION NOTE	DATE	APPROVED

SIZE	DRAWING TITLE	DRAWN BY	DATE
SCALE	PROJECT NO. AND SHEET NO.	KD	11/28/07
1" = 1'-0"	CONTRACTOR'S RESPONSIBILITY LEVEL	SHEET	5 of 5

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Job History Report

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Job History Report

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Dell® MFP Laser 3115cn
Job History Report

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Exhibit D

Protocol for Use of International Facilities at the Airport

This **Exhibit D** sets forth the utilization procedures for the facilities at the Airport used for international arrivals and departures of aircraft, effective immediately upon the commencement of the operation of a Federal Inspection Service facility at the North Terminal.

For the purposes of the priorities stated in this **Exhibit D**, Northwest Airlines, Mesaba Airlines, Pinnacle Airlines, KLM Royal Dutch Airlines, Air France, Delta Airlines and Continental Airlines will be deemed to be included in the term "Northwest and its alliance partners", provided that other airlines may be included in such term in the future if additional airlines become alliance partners of Northwest Airlines.

For the purposes of the priorities stated below, the following terms have the following meanings:

An arrival of an aircraft is a "delayed arrival" if such aircraft is scheduled and it has landed at the Airport and is waiting on the airfield for access to a gate.

An arrival of an aircraft is an "irregular arrival" if such aircraft is scheduled and it has landed at the Airport 60 minutes earlier or later than its scheduled arrival.

An arrival of an aircraft is a "diversion arrival" if such aircraft was planned to arrive at another airport, but for any reason is diverted to the Airport for arrival.

South Terminal

The following sets forth utilization procedures for the gates at the South Terminal that are usable for the international arrivals of aircraft (the "South International Gates") and related facilities.

The South International Gates, together with related hold rooms, passenger loading bridges, ramp access and baggage facility, shall be available for aircraft arrivals and departures based on the following priorities:

1. Regularly scheduled international service of Northwest and its alliance partners, with existing service having precedence over new service.
2. Regularly scheduled international arrivals of all airlines operating at the Airport (other than the arrivals of Northwest and its alliance partners)

and international charter arrivals) if and for so long as the Federal government prohibits the operation of the North Terminal FIS facility, with existing service having precedence over new service.

3. Regularly scheduled domestic service of Northwest and its alliance partners.
4. Delayed, irregular or diversion scheduled international arrivals of Northwest and its alliance partners.
5. Delayed regularly scheduled international arrivals of all airlines operating at the Airport (other than the arrivals of Northwest and its alliance partners and international charter arrivals), with existing service having precedence over new service, in each case when the expected delay for the arriving flight to use the North Terminal will exceed 90 minutes and the use of a South International Gate by such arriving flight will not interfere with the scheduled use of the gate for international or domestic service of Northwest and its alliance partners.
6. Delayed, irregular or diversion scheduled domestic arrivals of Northwest and its alliance partners.
7. Irregular or diversion scheduled international arrivals of all airlines operating at the Airport (other than the arrivals of Northwest and its alliance partners and international charter arrivals).
8. International charter arrivals, if and for so long as the Federal government prohibits the operation of the North Terminal FIS facility.
9. Delayed international charter arrivals, in each case when the expected delay for the arriving flight to use the North Terminal will exceed 90 minutes and the use of a South International Gate by such arriving flight will not interfere with the scheduled use of the gate for international or domestic service of Northwest and its alliance partners.

In the event the FAA makes a determination in writing that the foregoing priority of regularly scheduled Northwest domestic service over international charter arrivals if and for so long as the Federal government prohibits the operation of the North Terminal FIS facility would cause the South International Gates to cease to be PFC-eligible or would be a non-competitive procedure, Lessor and Lessee shall negotiate in good faith a resolution permitting international charter arrivals to have access to FIS facilities at the South Terminal on a basis sufficient to satisfy all applicable government requirements, provided that pending such resolution such international charter arrivals shall be accommodated at the South International Gates on a reasonable basis considering the scheduled operations of Lessee.

North Terminal

The following sets forth utilization procedures for the gates at the North Terminal that are usable for international arrivals of aircraft (the "North Terminal International Gates") and related facilities.

The North Terminal International Gates, together with related hold rooms, passenger loading bridges, ramp access and baggage facility, shall be made available for aircraft arrivals and departures based on the following priorities:

1. Regularly scheduled international service of all airlines operating at the Airport (other than Northwest and its alliance partners), with existing service having precedence over new service.
2. Regularly scheduled international arrivals of Northwest and its alliance partners if and for so long as the Federal government prohibits the operation of the South Terminal FIS facility, with existing service having precedence over new service.
3. International charter arrivals.
4. Regularly scheduled domestic service of all airlines operating at the Airport (other than Northwest and its alliance partners).
5. Delayed, irregular or diversion scheduled international arrivals of all airlines operating at the Airport (other than Northwest and its alliance partners).
6. Delayed regularly scheduled international arrivals of Northwest and its alliance partners, with existing service having precedence over new service, in each case when the expected delay for the arriving flight to use the South Terminal will exceed 90 minutes and use of a North Terminal International Gate by such arriving flight will not interfere with the scheduled use of the gate for international or domestic service of any airline operating at the Airport (other than Northwest and its alliance partners).
7. Delayed, irregular or diversion scheduled domestic arrivals of all airlines operating at the Airport (other than Northwest and its alliance partners).
8. Irregular or diversion scheduled international arrivals of Northwest and its alliance partners.
9. Delayed, irregular or diversion international charter arrivals.

The following criteria will be used to make the determination that an airline is offering scheduled service.

- The international operation of the airline generally has passengers connecting at the Airport on-line, inter-line, or via code share, and the operational need for connecting facilities.
- The airline operating the flight is a signatory under the use and lease agreement for the Airport.
- The airline holds all necessary government approvals to operate international regularly scheduled service.
- The airline's international service is scheduled on a year-round basis or is offered seasonally on an annual basis.
- The airline's schedules are published in the Official Airline Guide and displayed in a computer reservation system, and the fares regularly published by the Airline Tariff Publishing Company.
- The airline provides reservation services and creates PNRs (passenger name records) for the flights with its own employees.

International operations that meet this criteria overall shall be considered international regularly scheduled flights for purposes of these protocols. However, the failure to meet any one or more criteria shall not necessarily preclude the operation from being considered an international regularly scheduled flight. The goal of optimizing overall Airport operating efficiency shall be an important consideration.

Lessor will review with Lessee and other scheduled international carriers, on an annual (or more frequent) basis, the procedures for scheduling, gate occupancy times, ramp storage locations and penalties for non-compliance.

Exhibit E

Allocation of O&M Expenses, Bond Debt Service and Other Available Moneys

O&M Expenses

Cost Center		
North Terminal	South Terminal	Rest of Airport
<p>O&M Expenses attributable to the operations and maintenance of the North Terminal (Preferential, Shared Use, public and Authority controlled airline space), including any passenger bridges and connectors to parking garages as well as immediate curbside. These expenses include, but are not limited to, the following:</p> <ul style="list-style-type: none"> - Costs of janitorial services, cleaning and minor repairs of all North Terminal space and the mechanical equipment therein (including conveyance systems and baggage handling systems) - Costs of operation and maintenance of all building-wide services such as heating, cooling, lighting, and electrical services - Costs of maintenance and repairs of the interior and exterior floors, walls, ceilings and roof - Costs of utilities (includes HVAC, water, sewage, electric, etc.) - Property insurance costs 	<p>O&M Expenses attributable to the operations and maintenance of the South Terminal (Preferential, Shared Use and public space), including any passenger bridges and connectors to parking garages as well as immediate curbside. These expenses include, but are not limited to, the following:</p> <ul style="list-style-type: none"> - Costs of janitorial services, cleaning and minor repairs of all South Terminal space and the mechanical equipment therein (including conveyance systems and baggage handling systems) - Costs of operation and maintenance of all building-wide services such as heating, cooling, lighting, and electrical services - Costs of maintenance and repairs of the interior and exterior floors, walls, ceilings and roof - Costs of utilities (includes HVAC, water, sewage, electric, etc.) - Property insurance costs 	<p>O&M Expenses not allocated to either the North Terminal Cost Center or the South Terminal Cost Center. These expenses include, but are not limited to, the following:</p> <ul style="list-style-type: none"> - Payroll and fringe benefit costs of Authority employees - Costs associated with all parking garages, lots and facilities - All costs associated with Airport access roadways, including Airport signage - Shuttle bus costs - General Airport costs (i.e. landscaping, insurance not allocated to the North Terminal Cost Center or the South Terminal Cost Center, fire & rescue, etc.) - Cost of utilities (including HVAC, water, sewage, electric, etc.) not allocated to the North Terminal Cost Center or the South Terminal Cost Center - County chargebacks - Cost of capital items procured from O&M budget - All airfield costs, including expenses attributable to the North Terminal and South Terminal aprons and taxiways - Professional services contracts and costs

Allocation of O&M Expenses, Bond Debt Service and Other Available Moneys

Bond Debt Service

Cost Center		
North Terminal	South Terminal	Rest of Airport
<p>1) Bond Debt Service attributable to Series 1998A Bonds issued for:</p> <ul style="list-style-type: none"> - Existing Terminal Projects <p>2) Bond Debt Service attributable to New Bonds issued to fund:</p> <ul style="list-style-type: none"> - North Terminal Redevelopment Project (including Bond Debt Service attributable to the North Terminal apron and taxiways, but excluding costs (if any) in connection with removal of abandoned fuel lines associated with the former Davey Terminal apron and any related work, including fuel contamination remediation, required to comply with environmental laws) - North Terminal In-Line Explosive Detection System (EDS) - Smith Terminal Demolition Project - Berry Terminal Demolition Project if funded as part of North Terminal Redevelopment Project <p>3) Bond Debt Service attributable to any Bonds issued in the future (other than New Bonds) to finance North Terminal improvements, additions or other modifications</p>	<p>1) Bond Debt Service attributable to New Bonds and Series 1998A Bonds issued to fund</p> <ul style="list-style-type: none"> - McNamara Terminal Project Phase I and II (excluding Bond Debt Service attributable to the South Employee Parking Lot and Taxiway Q) - McNamara Terminal In-Line Explosive Detection System (EDS) <p>2) Bond Debt Service attributable to any Bonds issued in the future (other than New Bonds) to finance South Terminal improvements, additions or other modifications.</p>	<p>1) All outstanding Bond Debt Service attributable to Bonds issued prior to 1998</p> <p>2) All Bond Debt Service attributable to Series 1998A Bonds issued to fund projects other than the Existing Terminal Projects and the McNamara Terminal Project Phase I</p> <p>3) All Bond Debt Service attributable to Series 1998B Bonds</p> <p>4) Bond Debt Service attributable to New Bonds issued to fund:</p> <ul style="list-style-type: none"> - North Terminal Redevelopment Project costs (if any) in connection with removal of abandoned fuel lines associated with the former Davey Terminal apron and any related work, including fuel contamination remediation, required to comply with environmental laws) - Taxiway Q Project - South Employee Parking Lot Project - Noise Mitigation Project - Vehicles and Equipment - Central Admin Building and Training Complex Project - West Airfield Improvements - Runway 3L-21R Shoulders Overburden Project - Perimeter Fencing and Other Security Enhancements - Preliminary Design of Runway 3R/21L Reconstruction and Pavement Management Study - Infill Island at Taxiway Y-10 - Runway 3L/21R Planning - Part 150 Study Update - Master Plan Update

		<ul style="list-style-type: none"> - Automated Parking Revenue Management System <p>5) Bond Debt Service attributable to any Bonds issued in the future (other than New Bonds) to finance Airport capital projects other than improvements, additions or other modifications to the North Terminal or South Terminal.</p>
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Bond Debt Service attributable to future capital projects approved by a Weighted Majority shall be allocated as agreed upon in the Weighted Majority approval process.

Allocation of O&M Expenses, Bond Debt Service and Other Available Moneys

Other Available Moneys

Each Fiscal Year, PFCs required to be used during such Fiscal Year as set forth in **Exhibit H** shall be allocated to the North Terminal Cost Center, the South Terminal Cost Center and the rest of the Airport as follows:

Cost Center		
North Terminal	South Terminal	Rest of Airport
1. Existing Terminal Projects (100% of Series 1998A Bonds PFC eligible Bond Debt Service)	1. Midfield Terminal Phase I Project (100% of Series 1998A Bonds PFC eligible Bond Debt Service).	1. Series 1998A Bonds issued to fund Other CIP Projects (77% of Bond Debt Service)
2. North Terminal Redevelopment Project (100% of New Bonds PFC eligible Bond Debt Service, excluding Bond Debt Service for costs (if any) in connection with removal of abandoned fuel lines associated with the former Davey Terminal apron and any related work, including fuel contamination remediation, required to comply with environmental laws)	2. Midfield Terminal Phase II Project (excluding South Employee Parking Lot and Taxiway Q) (100% of New Bonds PFC eligible Bond Debt Service)	2. Taxiway Q (100% of New Bonds PFC eligible Bond Debt Service)
3. North Terminal In-Line Explosive Detection System (EDS) (100% of New Bonds PFC eligible Bond Debt Service)	3. McNamara Terminal In-Line Explosive Detection System (EDS) (100% of New Bonds PFC eligible Bond Debt Service)	3. Noise Mitigation Project (100% of New Bonds PFC eligible Bond Debt Service)
4. Smith Terminal Demolition Project (100% of New Bonds PFC eligible Bond Debt Service)		4. Vehicles and Equipment (100% of New Bonds PFC eligible Bond Debt Service)
5. Berry Terminal Demolition Project (100% of New Bonds PFC eligible Bond Debt Service) if funded as part of North Terminal Redevelopment Project		5. West Airfield Improvements (100% of New Bonds PFC eligible Bond Debt Service except with respect to Runway 4/22 elements as set forth in Exhibit H)
		6. Runway 3L-21R Shoulders Overburden Project (100% of New Bonds PFC eligible Bond Debt Service)
		7. Center Runway Rehabilitation Project/ Runway 3L/21R Planning (100% of New Bonds PFC eligible Bond Debt Service)
		8. Runway Surface Monitor System Project (100% of New Bonds PFC eligible Bond Debt Service)
		9. Surface Movement Guidance System Lighting Project (100% of New Bonds PFC eligible Bond Debt Service)
		10. Third Fire Station ARFF Project (100% of New Bonds PFC eligible Bond Debt Service)
		11. Perimeter Fencing and Other Security Enhancements (100% of New Bonds PFC eligible Bond Debt Service)
		12. Preliminary Design of Runway 3R/21L Reconstruction and Pavement Management Study (100% of New Bonds PFC eligible Bond Debt Service)
		13. Infill Island at Taxiway Y-10 (100% of New Bonds PFC eligible Bond Debt Service)

		<p>14. Part 150 Study (100% of New Bonds PFC eligible Bond Debt Service)</p> <p>15. Master Plan Update (100% of New Bonds PFC eligible Bond Debt Service)</p> <p>16. North Terminal Redevelopment Project costs (if any) in connection with removal of abandoned fuel lines associated with the former Davey Terminal apron and any related work, including fuel contamination remediation, required to comply with environmental laws (100% of New Bonds PFC eligible Bond Debt Service)</p>
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Federal grant proceeds received from the FAA for 2002 through 2008 pursuant to Lessor's FAA Letter of Intent as reimbursement for the Runway 4L/22R and related projects and the South Terminal apron and related projects shall be allocated to the rest of the Airport.

Property to be sold

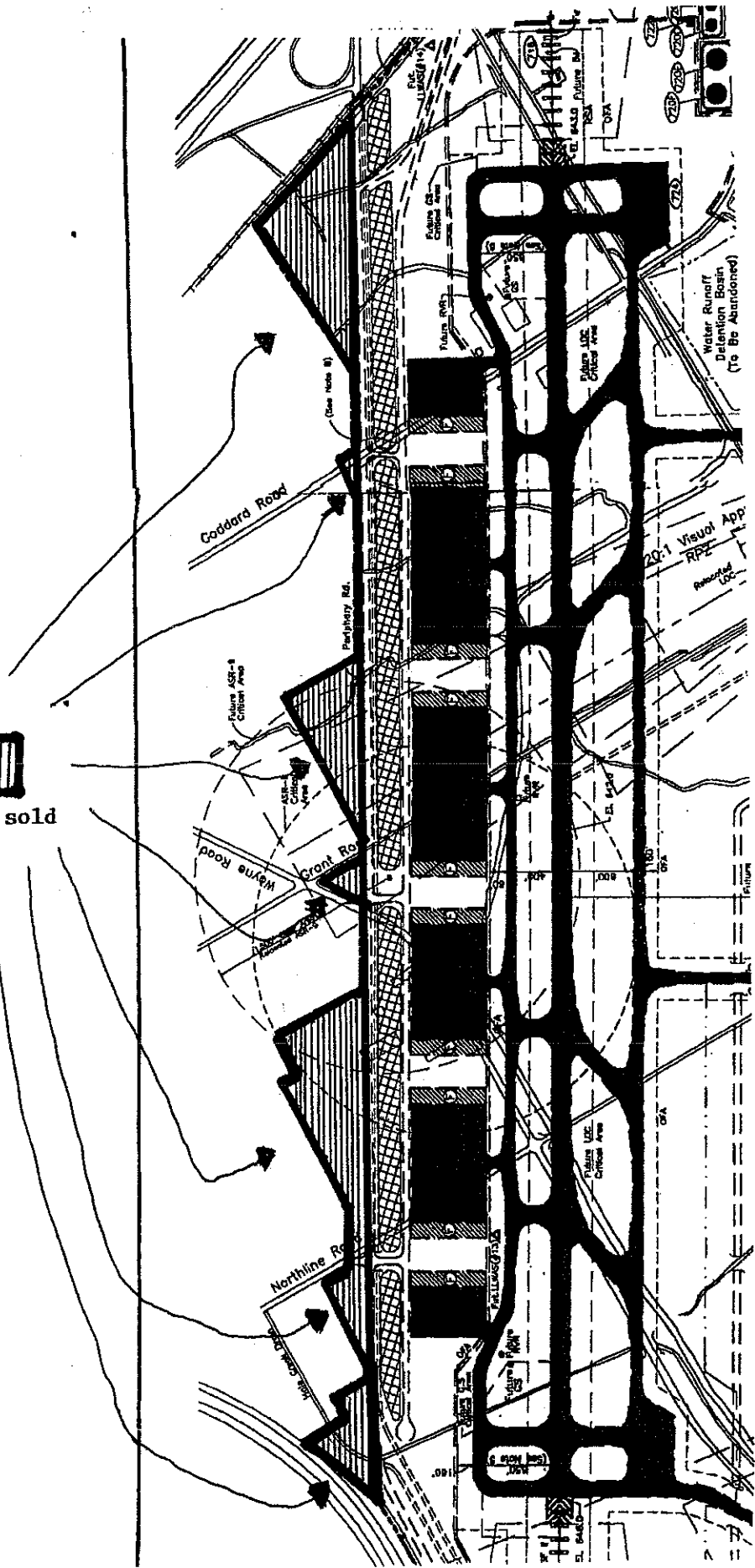


EXHIBIT G

NORTH TERMINAL COST RECOVERY RATE FORMULA

$$CRR = \frac{(OM + BDS) - OAM - IFUF - RNT - CLUB}{((ASsig - ASclub) + SS + AScu + ASns)}$$

- where
- CRR = Cost Recovery Rate
 - OM = Estimated O&M Expenses allocable to the North Terminal Cost Center
 - BDS = Estimated Bond Debt Service allocable to North Terminal Cost Center
 - OAM = Estimated Other Available Moneys allocable to North Terminal
 - IFUF = Estimated amount of North Terminal International Facilities Use Fees
 - RNT = Estimated amount of North Terminal Rental Revenue
 - CLUB = Estimated amount of rental for the member-only airline clubs
 - ASsig = Preferential North Terminal Space leased to all Signatory Airlines
 - ASclub = Member-only airline club space leased to Signatory Airlines
 - SS = Shared Use North Terminal Space
 - AScu = North Terminal Authority-Controlled Common Use Gate Holdrooms and Common Use Ticket Counters
 - ASns = Amount of leased North Terminal Authority-Controlled Airline Space

EXHIBIT H

REQUIRED USE OF PFCs

Capital Projects

Lessor must use PFCs to pay the maximum amount (except as set forth below) of PFC-eligible Bond Debt Service on (i) the Bonds designated as Series 1998A (the "Series 1998A Bonds") and issued to pay the costs of the capital projects listed below under the heading "Series 1998A Bonds", and (ii) Bonds to be issued to pay the costs of the capital projects listed below under the heading "New Bonds", including but not limited to the Bonds designated as Series 2002A, Series 2003A and Series 2005 (the "New Bonds"), in each case as described in the Weighted Majority approvals of each of the below listed capital projects as such Weighted Majority approvals are in effect on the date of this Agreement; provided that the requirement to use PFCs to pay the maximum amount of PFC-eligible Bond Debt Service on the New Bonds shall only apply to those New Bonds issued to pay the costs for such capital projects set forth in Lessor's June 6, 2001 request for Weighted Majority approval of such projects (the "June 6, 2001 Weighted Majority Request"):

A. Series 1998A Bonds

1. McNamara [Midfield] Terminal Project-Phase I
2. Existing Terminal Projects
3. Other CIP Projects (but not more than 77% of total Bond Debt Service attributable to these projects, except for Fiscal Years 2005, 2006 and 2007 in which case the percentage is 100%)

B. New Bonds¹

1. McNamara [Midfield] Terminal Project-Phase II (excluding the South Employee Parking Lot)
2. North Terminal Redevelopment Project
3. Noise Mitigation Program
4. Vehicles/Equipment
5. West Airfield Improvements (provided that PFCs shall be used to pay PFC-eligible Bond Debt Service on New Bonds issued to pay the costs of the Runway 4/22 Construction project element of the West Airfield Improvements only to the extent that the amount of PFCs used for such purpose in any Fiscal Year, when added to the amount of PFCs used in such Fiscal Year to pay PFC-eligible Bond Debt Service on Series 1998A Bonds issued to pay the costs of projects A.1 and A.2 above, does not exceed \$40 million)
6. Runway 3L-21R Shoulders/Overburden Project
7. Center Runway (3L/21R) Rehabilitation Project
8. Runway Surface Monitor System Project
9. Surface Movement Guidance System Lighting Project
10. Hold Pad East of 4L
11. Third Fire Station (ARFF)
12. McNamara Terminal In-Line Explosive Detection System
13. North Terminal In-Line Explosive Detection System
14. Perimeter Fencing and Other Security Enhancements

¹ Lessor will use PFCs on a pay-as-you go basis to pay the PFC-eligible coverage requirements on the New Bonds to be issued to pay the costs of projects B.1, B.2, B.3, B.4, B.5, B.6 and B.11.

15. Preliminary Design of Runway 3R/21L Reconstruction and Pavement Management System
16. Infill Island at Taxiway Y-10
17. Smith Terminal Demolition
18. Berry Terminal Demolition
19. Part 150 Study Update
20. Master Plan Update

Priority Use of Available PFCs

If in any Fiscal Year available PFCs are insufficient to pay as set forth above PFC-eligible Bond Debt Service for such Fiscal Year on the Series 1998A Bonds and the New Bonds issued to pay the costs of the projects listed above, such available PFCs will be used to pay PFC-eligible Bond Debt Service in the following order of priority:

1. First, to pay PFC-eligible Bond Debt Service on the Series 1998A Bonds issued to pay the costs of projects A.1 and A.2 above, allocated between such projects on a pro rata basis in accordance with the amount of total Bond Debt Service attributable to such projects; provided that the amount of available PFCs used for this purpose in any Fiscal Year shall not exceed the lesser of (a) the PFC revenues received by Lessor in such Fiscal Year that are attributable to a PFC of \$3, and (b) \$45,996,580;

2. Second, to pay a maximum of 77% of total Bond Debt Service on the Series 1998A Bonds issued to pay the costs of the projects in A.3 above (except for Fiscal Years 2005, 2006 and 2007 in which case the percentage shall be 100%);

3. Third, to pay PFC-eligible Bond Debt Service on New Bonds issued to pay the costs of the terminal portions of projects B.1 and B.2 above (i.e., excluding the Taxiway Q and apron and other taxiway portions of such projects) and the costs of

projects B.12 and B.13 above, allocated among such projects on a pro rata basis in accordance with the amount of PFC-eligible Bond Debt Service attributable to the terminal portions of projects B.1 and B.2 and to projects B.12 and B.13 above; and

4. Fourth, to pay PFC-eligible Bond Debt Service on New Bonds issued to pay the costs of the airfield related portions of projects B.1 through B.6 above (i.e., projects B.3 through B.6, and the Taxiway Q and apron and other taxiway portions of projects B.1 and B.2), and New Bonds issued to pay the costs of projects B.7 through B.11 and B.14 through B.20 above, allocated between (a) such airfield related portions of projects B.1 through B.6 above on the one hand and (b) projects B.7 through B.11 and B.14 through B.20 above on the other hand on a pro rata basis in accordance with the amount of total Bond Debt Service attributable to (i) the airfield related portions of projects B.1 through B.6 above on the one hand and (ii) projects B.7 through B.11 and B.14 through B.20 above on the other hand.

PFC-eligible Bond Debt Service in any Fiscal Year on any Bonds issued after January 18, 2001 to pay the cost of additional capital projects not identified above may not be paid with PFCs unless (and solely to the extent that) there are remaining available PFCs in such Fiscal Year after available PFCs have been applied in such Fiscal Year to pay all PFC-eligible Bond Debt Service on the Series 1998A Bonds (except for the Series 1998A Bonds issued to pay for the projects in A.3 above, in which case the percentage of PFC-eligible Debt Service to be paid with PFCs is 77%, except for Fiscal Years 2005, 2006 and 2007 in which case the percentage shall be 100%) and on New Bonds issued to pay the capital project costs set forth in the June 6, 2001 Weighted Majority Request (including New Bonds issued to pay the costs of the Runway 4/22 Construction project portion of project B.5 above to the extent set forth in B.5 above) and in Lessor's December 16, 2004 request for Weighted Majority approval.

Subject to the priority use of available PFCs as set forth above, Lessor shall use legally available PFCs to pay all interest due prior to October 1, 2008, on New Bonds issued to pay the costs of projects B.1 through B.2 above (including interest on New Bonds issued to pay both PFC-eligible and ineligible portions of such projects).

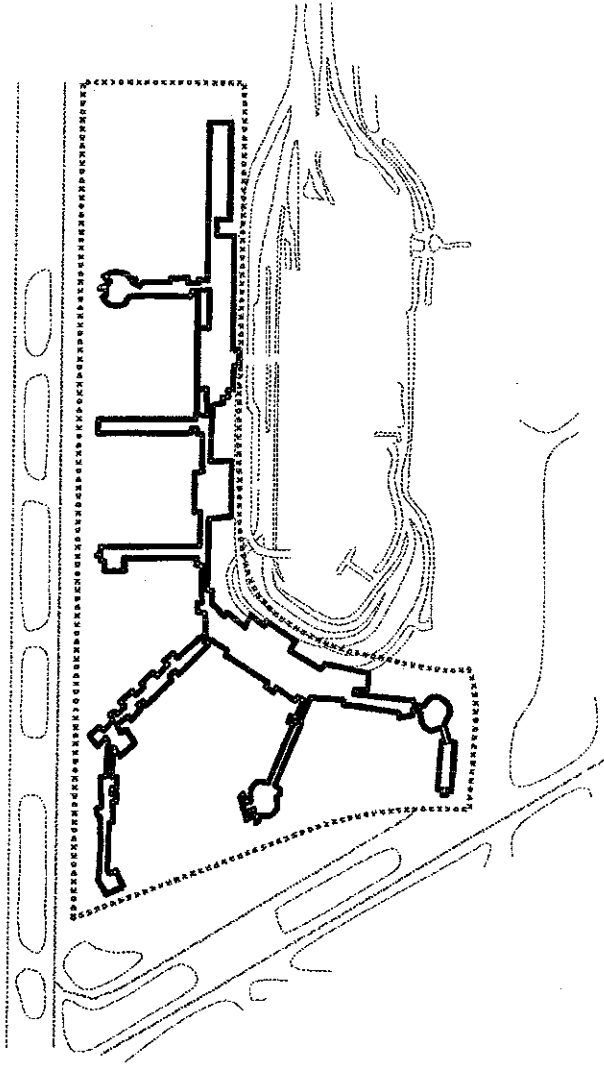
EXHIBIT I

INTERNATIONAL FACILITY USE FEE (IFUF) SCHEDULE
Detroit Metropolitan Wayne County Airport
For Operating Years

Berry Terminal	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50	n/a	n/a	n/a	n/a	n/a	n/a
McNamara Terminal	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.50
North Terminal	n/a	n/a	n/a	n/a	n/a	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.50
Berry Terminal	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
McNamara Terminal	\$5.50	\$5.50	\$5.50	\$5.50	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
North Terminal	\$5.50	\$5.50	\$5.50	\$5.50	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
Berry Terminal	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>				
	n/a	n/a	n/a	n/a	n/a	n/a	n/a				
McNamara Terminal	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00				
North Terminal	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00				

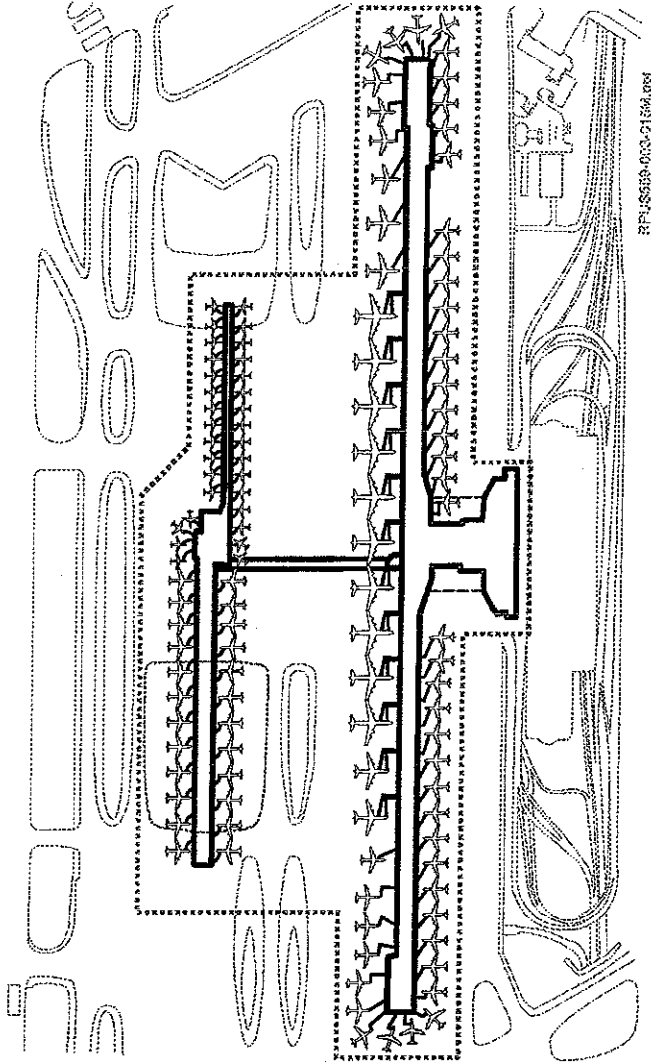
NOTE: International Facility Use Fee represents charge per international deplaning passenger.
 Assuming that the Berry Terminal FIS will be closed upon DBO of North Terminal FIS.

NORTH TERMINAL COST CENTER



"North Terminal Cost Center" includes all terminal facilities, equipment and improvements now or hereafter located on the above approximate site, including all passenger terminal buildings, connecting structures, passenger walkways and tunnels, concourses, hold areas and federal inspection service facilities, and any additions and improvements (excluding those to related apron and taxiways) thereto, as that land, facilities, equipment and improvements may change from time to time.

SOUTH TERMINAL COST CENTER



"South Terminal Cost Center" includes all terminal facilities, equipment and improvements now or hereafter located thereon, including all passenger terminal buildings, connecting structures, passenger walkways and tunnels, concourses, hold areas and federal inspection service facilities, and any additions and improvements (excluding those to related apron and taxiways) thereto, as that land, facilities, equipment and improvements may change from time to time.