EXECUTION COPY

LUIS MUÑOZ MARÍN INTERNATIONAL AIRPORT

LEASE AGREEMENT

dated as of

July 24, 2012

by and between

THE PUERTO RICO PORTS AUTHORITY

and

AEROSTAR AIRPORT HOLDINGS, LLC

TABLE OF CONTENTS

		Page
ARTICLE 1	**DEFINITIONS AND INTERPRETATION**	**2**
Section 1.1	Definitions	2
Section 1.2	Number and Gender	28
Section 1.3	Headings	28
Section 1.4	References to this Agreement	28
Section 1.5	References to Agreements and Other Documents	28
Section 1.6	References to Any Person	28
Section 1.7	Meaning of Including	28
Section 1.8	Meaning of Discretion	29
Section 1.9	Meaning of Notice	29
Section 1.10	Meaning of Promptly	29
Section 1.11	Consents and Approvals	29
Section 1.12	Trade Meanings	29
Section 1.13	Laws	29
Section 1.14	Currency	29
Section 1.15	Accounting Principles	29
Section 1.16	Time	29
Section 1.17	Approvals, Consents and Performance by the Authority	30
ARTICLE 2	**THE TRANSACTION; CLOSING; CONDITIONS PRECEDENT; COVENANTS**	**31**
Section 2.1	Grant of Lease; Right to Sublease; Intent of the Parties; Allocation of the Leasehold Fee	31
Section 2.2	Closing	32
Section 2.3	Deposit	33
Section 2.4	Conditions Precedent; Termination	34
Section 2.5	Covenants	41
Section 2.6	Recordation of Lease	46
Section 2.7	Closing Deliveries	46
Section 2.8	Intended Treatment for Federal Income Tax Purposes	46
Section 2.9	Intended Treatment for Commonwealth Income Tax Purposes	47
ARTICLE 3	**TERMS OF THE LEASE**	**47**
Section 3.1	Right to Operate; Present Condition	47
Section 3.2	LMM Airport Facility Operations	48
Section 3.3	Lessee Responsibility	50
Section 3.4	FAA Airport Privatization Pilot Program	50
Section 3.5	No Encumbrances	53
Section 3.6	Single Purpose Covenants	54
Section 3.7	Rights of the Authority to Access and Perform Work at the LMM Airport Facility	55
Section 3.8	LMM Airport Facility Cash Reserves	58
Section 3.9	Coordination	58

Section 3.10	No Entry on Authority Property	59
Section 3.11	Payment of Taxes	59
Section 3.12	Utilities	60
Section 3.13	Negotiations with Governmental Authorities	60
Section 3.14	Notices of Defaults and Claims	61
Section 3.15	Assignment of Operating Agreements and Plans	61
Section 3.16	Name	62
Section 3.17	Police, Fire and Emergency Services; Access Rights	63
Section 3.18	Other Actions by Governmental Authorities	65
Section 3.19	Hotel Operations and Litigation Pending Resolution	65
Section 3.20	CAF Operations and Litigation Pending Resolution	66
Section 3.21	Puerto Rico Air National Guard Property Option	67
Section 3.22	Other Aviation Services	69
ARTICLE 4	**CAPITAL PROJECTS**	**69**
Section 4.1	Lessee Responsibility for Capital Projects	69
Section 4.2	Authorizations Related to General Accelerated Upgrades	70
Section 4.3	Authority Responsibility for Affected Property	70
Section 4.4	Condition of the LMM Airport Facility During Work	70
Section 4.5	Airline Capital Improvement Contracts	71
ARTICLE 5	**MODIFICATIONS**	**71**
Section 5.1	Agreed Modifications	71
Section 5.2	Required Modifications	72
Section 5.3	Implementation of Modifications	73
Section 5.4	Acquisition or Condemnation by Authority of Additional Lands	73
ARTICLE 6	**OPERATING STANDARDS**	**75**
Section 6.1	Compliance with Operating Standards	75
Section 6.2	Modified Operating Standards	76
ARTICLE 7	**AIRPORT FEES AND REVENUES**	**78**
Section 7.1	Generally	78
Section 7.2	Specific Authorizations	78
ARTICLE 8	**REPORTING; AUDITS; INSPECTIONS**	**79**
Section 8.1	Reports	79
Section 8.2	Information	80
Section 8.3	Inspection, Audit and Review Rights of the Authority	81
Section 8.4	Audits, Assistance, Inspections and Approvals	82
Section 8.5	Reimbursement of Costs	82
ARTICLE 9	**REPRESENTATIONS AND WARRANTIES**	**83**
Section 9.1	Representations and Warranties of the Authority	83

Section 9.2	Representations and Warranties of the Lessee	87
Section 9.3	Tax Filings	90
Section 9.4	Non-Waiver	90
Section 9.5	Survival	90
ARTICLE 10	**FINANCE OBLIGATIONS**	**91**
Section 10.1	Lessee's Obligations	91
Section 10.2	Authority's Obligations	91
Section 10.3	Lessee's Obligation for Estoppel Certificates	92
Section 10.4	Prohibited Tax Shelter Transactions	92
ARTICLE 11	**COMPLIANCE WITH LAWS**	**93**
Section 11.1	Compliance with Laws	93
Section 11.2	Non-Discrimination Laws	93
Section 11.3	Commonwealth Non-Discrimination/Sexual Harassment Clause	94
Section 11.4	Non-Collusion and Acceptance	94
Section 11.5	Local Goods and Services	95
Section 11.6	Lessee Integrity	95
Section 11.7	Commonwealth Tax Liabilities	96
Section 11.8	Contractor and Supplier Contracts	96
Section 11.9	Practice of Engineering, Architecture and Other Professions in the Commonwealth	96
Section 11.10	Governmental Contractor Code of Ethics	97
Section 11.11	Certifications Required by Commonwealth Contractor Requirements	97
Section 11.12	Duty to Inform of Criminal Investigations	97
Section 11.13	Disadvantaged Business Enterprise Program	97
Section 11.14	Airport Concession Disadvantaged Business Enterprise Program	97
ARTICLE 12	**INDEMNIFICATION**	**97**
Section 12.1	Indemnification with Regard to Third Party Claims	97
Section 12.2	Indemnification with Regard to Breaches of Covenants, Representations or Warranties	99
Section 12.3	Losses Net of Insurance; Reductions and Subrogation	100
Section 12.4	Payment and Interest	101
Section 12.5	Offset Rights; Limitations on Certain Damages	101
Section 12.6	Survival	101
Section 12.7	Agency for Representatives	102
ARTICLE 13	**INSURANCE**	**102**
Section 13.1	Insurance Coverage Required	102
Section 13.2	Additional Requirements	104
Section 13.3	Damage and Destruction	107

TABLE OF CONTENTS
(continued)

ARTICLE 14	**ADVERSE ACTIONS**	**110**
Section 14.1	Adverse Action	110
Section 14.2	Termination	112
Section 14.3	Right of Authority to Remedy an Adverse Action	113
ARTICLE 15	**LEASEHOLD COMPENSATION; DELAY EVENTS**	**113**
Section 15.1	Payment of Leasehold Compensation	113
Section 15.2	Delay Events	116
ARTICLE 16	**DEFAULTS; LETTERS OF CREDIT**	**117**
Section 16.1	Default by the Lessee	117
Section 16.2	Defaults by the Authority	121
Section 16.3	Letters of Credit; Capital Costs Reserve	123
Section 16.4	Consequences of Termination or Reversion	127
Section 16.5	Termination Other Than Pursuant to Agreement	130
Section 16.6	Termination Required by Act No. 458 and Public Integrity Crimes	130
ARTICLE 17	**RESTRICTIONS ON TRANSFERS**	**132**
Section 17.1	Transfers by the Lessee	132
Section 17.2	Transfers of Equity Holder Interests or Other Change in Control Transactions	133
Section 17.3	Other Corporate Actions	133
Section 17.4	Assignment by the Authority	133
ARTICLE 18	**LENDER'S RIGHTS AND REMEDIES**	**134**
Section 18.1	Leasehold Mortgages	134
Section 18.2	Notices and Payments to Leasehold Mortgagees	136
Section 18.3	Leasehold Mortgagee's Right to Cure	136
Section 18.4	Rights of the Leasehold Mortgagee	137
Section 18.5	Authority's Termination of this Agreement; New Agreement	138
Section 18.6	Right to Dispute Resolution	140
Section 18.7	Recognition by the Authority of Leasehold Mortgagee	140
Section 18.8	Authority's Right to Purchase Leasehold Mortgage	140
Section 18.9	Application of PFCs to Leasehold Mortgage Debt	141
ARTICLE 19	**DISPUTE RESOLUTION**	**142**
Section 19.1	Scope	142
Section 19.2	Informal Dispute Resolution Procedures	142
Section 19.3	Mediation	142
Section 19.4	Arbitration	143
Section 19.5	Court Action	144
Section 19.6	Provisional Remedies	144
Section 19.7	Tolling	144

Section 19.8	Submission to Jurisdiction	144
Section 19.9	Request for Documents; Subpoena Duces Tecum	145
ARTICLE 20	**MISCELLANEOUS**	**145**
Section 20.1	Notice	145
Section 20.2	Entire Agreement	146
Section 20.3	Amendment	147
Section 20.4	Waiver of Rights	147
Section 20.5	Severability	147
Section 20.6	Governing Law	147
Section 20.7	Further Acts	147
Section 20.8	Costs	148
Section 20.9	Interest	148
Section 20.10	Inurement and Binding Effect	148
Section 20.11	No Partnership or Third-Party Beneficiaries	148
Section 20.12	Cumulative Remedies	148
Section 20.13	Counterparts; Facsimile Execution	148
Section 20.14	Waiver of Sovereign Immunity	148
Section 20.15	Commonwealth Obligations	148

SCHEDULES

Schedule 1	Legal Description of LMM Airport Facility
Schedule 2	Contracts
Schedule 3	Form of Use Agreement
Schedule 4	Section 9.1(g) Disclosures
Schedule 5	Certain LMM Airport Facility Contracts
Schedule 6	Form of Letter of Credit
Schedule 7	LMM Airport Facility Assets
Schedule 8	Sworn Statement for Closing
Schedule 9A	Form of Legal Opinion of General Counsel of the Authority
Schedule 9B	Form of Legal Opinion of GDB General Counsel
Schedule 10	Form of Legal Opinion of Counsel to the Lessee
Schedule 11	Closing Agreement
Schedule 12	Operating Standards
Schedule 13	General Accelerated Upgrades
Schedule 14	Initial Business Plan
Schedule 15	Form of GDB Payment Guaranty
Schedule 16	Allocation of Leasehold Fee and Annual Authority Payment
Schedule 17	Airline Capital Improvement Contracts

LUIS MUÑOZ MARÍN INTERNATIONAL AIRPORT
LEASE AGREEMENT

This **LUIS MUÑOZ MARÍN INTERNATIONAL AIRPORT LEASE AGREEMENT** (this "Agreement") is made and entered into as of this 24th day of July, 2012 (the "Date of this Agreement"), by and between the Puerto Rico Ports Authority (the "Authority"), a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico, created pursuant to Act No. 125 of the Legislative Assembly of Puerto Rico enacted on May 7, 1942, as amended, and Aerostar Airport Holdings, LLC (the "Lessee"), a limited liability company organized under the laws of the Commonwealth of Puerto Rico.

RECITALS

WHEREAS, the Authority owns and operates the LMM Airport Facility (as defined herein);

WHEREAS, pursuant to, and under the terms and conditions contained in Act No. 29 of the Legislative Assembly of Puerto Rico enacted on June 8, 2009 (the "Act"), the Authority is authorized to execute and deliver this Agreement, perform its obligations hereunder and enter into the Transaction (as defined, along with other capitalized terms, herein);

WHEREAS, the Authority, the respective Signatory Airlines and the Lessee are parties to the Use Agreement with respect to the LMM Airport Facility, which agreement will become effective upon the Closing Date;

WHEREAS, the Authority desires to grant an exclusive lease, which is also a Partnership Contract (*contrato de alianza*) pursuant to the Act, to the Lessee for the primary purpose and essential consideration of operating a public use airport in a safe and secure manner; maintaining the safety and security of the LMM Airport Facility at the highest possible levels; promoting, facilitating, aiding and enhancing commerce, tourism and economic development for the Commonwealth, in recognition that the LMM Airport Facility is the primary point of access in the Commonwealth with respect to economic activity, tourism and transportation; and providing various other benefits to the Airlines, the traveling public and the Authority; and the Authority, the Lessee and the Signatory Airlines have agreed upon the terms and conditions of the Use Agreement and the Operating Standards in order to assure the fulfillment of their continuing vital interest in the safe, secure, economical and effective operation of the LMM Airport Facility; and

WHEREAS, the Lessee desires to receive the lease from the Authority to operate the LMM Airport Facility, as hereinafter provided;

NOW THEREFORE, for and in consideration of the mutual covenants, representations, warranties and agreements contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties covenant and agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions. Unless otherwise specified or the context otherwise requires, for the purposes of this Agreement the following terms have the following meanings:

"AA-Compensation" has the meaning ascribed thereto in Section 14.1(b).

"AA-Dispute Notice" has the meaning ascribed thereto in Section 14.1(c).

"AA-Termination Damages" has the meaning ascribed thereto in Section 14.2(a).

"AA-Notice" has the meaning ascribed thereto in Section 14.1(c).

"AA-Preliminary Notice" has the meaning ascribed thereto in Section 14.1(c).

"AAA" has the meaning ascribed thereto in Section 19.3(b).

"AAA Commercial Rules" has the meaning ascribed thereto in Section 19.4(a).

"AAA Technical Arbitration Rules" has the meaning ascribed thereto in Section 19.4(b).

"ACDBE" has the meaning ascribed thereto in Section 11.14.

"Account LC" means an unconditional and irrevocable Letter of Credit in favor of the Lessee or any Leasehold Mortgagee issued by a financial institution whose long-term senior unsecured indebtedness has obtained a rating of "BBB+" or better by Standard & Poor's Ratings Services and an equivalent credit rating by another Rating Agency (or an equivalent credit rating from at least two nationally recognized Rating Agencies if the named Rating Agency ceases to publish ratings) and which Letter of Credit is not secured by the Lessee Interest and does not impose on the Lessee any obligation to reimburse draws in respect thereof.

"Act" has the meaning ascribed thereto in the Recitals.

"Act No. 458 Crime" means any crime specified in Act No. 458 of the Legislative Assembly of Puerto Rico enacted on December 29, 2000, as amended.

"AD-Termination Damages" has the meaning ascribed thereto in Section 16.2(c).

"Additional Coverages" has the meaning ascribed thereto in Section 13.2(l).

"Additional Lands" means any lands required for a Modification.

"Adjusted for Inflation" means, with respect to the amount to be "Adjusted for Inflation," to multiply such amount by the CPI Factor for the applicable adjustment period.

"Adverse Action" has the meaning ascribed thereto in Section 14.1(a).

"Affected Property" means any public or private property, including a highway, street, road, roadway, bridge, railroad, rail or other transit way, rights-of-way, bicycle or hiking path and any ancillary facilities related to any of the foregoing, under the jurisdiction and control of the Authority, any other Governmental Authority or any other Person (including any private road) that is located above, intersects with, crosses over or under or is adjacent to the LMM Airport Facility or any part thereof.

"Affiliate", when used to indicate a relationship with a specified Person, means a Person that, directly or indirectly, through one or more intermediaries has a 10% (or in the case of "majority-owned Affiliates," 50%) or more voting or economic interest in such specified Person or controls, is controlled by or is under common control with (which shall include, with respect to a managed fund or trust, the right to direct or cause the direction of the management and policies of such managed fund or trust as manager, advisor or trustee pursuant to relevant contractual arrangements) such specified Person, and a Person shall be deemed to be controlled by another Person, if controlled in any manner whatsoever that results in control in fact by that other Person (or that other Person and any Person or Persons with whom that other Person is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise (it being understood and agreed that for purposes of this definition, a managed fund or trust shall be deemed to be an Affiliate of the Person managing such fund or trust and a limited partner in a managed fund or trust shall be deemed to be an Affiliate of such fund or trust and of the Person managing such fund or trust). For the avoidance of doubt, with respect to the Lessee, its Affiliates shall include Equity Participants and each Person controlled by the Equity Participants.

"Agreed Modification" has the meaning ascribed thereto in Section 5.1(d).

"Agreement" has the meaning ascribed thereto in the preamble to this Agreement (including all schedules referred to herein), as amended from time to time in accordance with the terms hereof.

"AIP Grants" means grants and any funding under the Airport Improvement Program of the FAA, which program is authorized by 49 U.S.C. ch. 471.

"Air Transportation Business" means the carriage by aircraft of persons or property as a common carrier for compensation or hire, or the carriage of cargo or mail by aircraft in commerce, as defined in 49 U.S.C. Subtitle VII, as amended.

"Airline" means any Person actively engaged in an Air Transportation Business at the LMM Airport Facility.

"Airline Capital Improvement Contracts" has the meaning ascribed thereto in Section 4.5.

"Airline Capital Improvement Projects" has the meaning ascribed thereto in Section 4.5.

"Airport Emergency" means any event that results in a material danger to the safety or security of LMM Airport Facility Operations or a material impairment to the LMM Airport Facility or to the continuing use of the LMM Airport Airport as a commercial service airport.

"Airport Purposes" means the use of the LMM Airport Facility to provide general airport services to members of the general public, any services ancillary or complementary thereto, and for other purposes consistent with the purposes of services provided at Comparable Public Airports.

"Airport Revenues" means all fees, rents, tariffs, revenues and any other type of charge for use of or in connection with the LMM Airport Facility to the fullest extent permitted by Section 10(c) of the Act, but excluding any Government Grants-In-Aid and PFC revenues.

"Airport Security Program" means "TSA-approved Airport Security Program."

"Annual Authority Payment" has the meaning ascribed thereto in Section 2.1(b).

"Annual Authority Revenue Share" has the meaning ascribed thereto in Section 2.1(c).

"Approval", "Approved", "Approves", "Approved by the Authority", consent, determination and similar expressions mean approved or consented to by the Authority, which shall be made in accordance with the provisions of Section 1.17.

"Assigned LMM Airport Facility Contracts" means the agreements that are set forth on Schedule 2 under the heading "Assigned LMM Airport Facility Contracts."

"Assumed Liabilities" has the meaning ascribed thereto in Section 3.2(c).

"Atlantic Standard Time" means time as measured in Puerto Rico by subtracting four hours from Greenwich Mean Time.

"Audit" and similar expressions mean, with respect to any matter or thing relating to the LMM Airport Facility, the LMM Airport Facility Operations or this Agreement, including compliance with the terms of this Agreement, the performance by or on behalf of the Authority of such reviews, investigations, inspections and audits relating to such matter or thing as the Authority may determine, in its reasonable discretion, to be advisable or necessary in the circumstances, conducted in each case in accordance with applicable United States audit practices customarily accepted in the airport industry, if any, and the terms of this Agreement or as required by Law.

"Authority" has the meaning ascribed thereto in the preamble to this Agreement.

"Authority Default" has the meaning ascribed thereto in Section 16.2(a).

"Authority Employee" means each person employed by the Authority with respect to the LMM Airport Facility as of the Date of this Agreement.

"Authority Related Entity" has the meaning ascribed thereto in Section 3.7(a).

"Authority's Option" has the meaning ascribed thereto in Section 18.8(a).

"Authorization" means any approval, certificate of approval, authorization, consent, waiver, variance, exemption, concession, endorsement, declaratory order, exception, license, filing, registration, permit, special lease or other requirement of any Person that applies to all or any portion of the LMM Airport Facility or the LMM Airport Facility Operations.

"Authorized Auditor" has the meaning ascribed thereto in Section 8.2(a).

"Bank Rate" means the prime rate of interest announced publicly by *The Wall Street Journal* (or its successors) as the so-called "prime rate."

"Bid Date" means July 16, 2012.

"Breakage Costs" means any breakage costs, financing fees, make-whole premium payments, termination payments or other prepayment amounts (including premiums) that are required to be paid by the Lessee with respect to Leasehold Mortgage Debt or Qualified Debt as a result of the early repayment of such Leasehold Mortgage Debt or Qualified Debt prior to its scheduled maturity date, including the cost of early termination of interest rate hedging arrangements.

"Business Day" means any day that is neither a Saturday, a Sunday nor a day observed as a holiday by either the Commonwealth or the United States government.

"CAF" has the meaning ascribed thereto in Section 3.20(a).

"Capital Costs Reserve" has the meaning ascribed thereto in Section 16.3(h)(ii).

"Capital Lease" means a lease under which the obligations of the lessee would, in accordance with GAAP, be included in determining total liabilities as shown on the liability side of a balance sheet of a lessee.

"Capital Project" means any purchase, Capital Lease, creation, improvement or renovation of a Fixed Asset.

"Cargo Facility" has the meaning ascribed thereto in Section 3.20(a).

"Cash Deposit" has the meaning ascribed thereto in Section 2.3(a)

"Casualty Cost" has the meaning ascribed thereto in Section 13.3(a).

"CE-Dispute Notice" has the meaning ascribed thereto in Section 15.1(a).

"CE-Notice" has the meaning ascribed thereto in Section 15.1(a).

"CE-Preliminary Notice" has the meaning ascribed thereto in Section 15.1(a).

"Change in Control" means, with respect to any Person, whether accomplished through a single transaction or a series of related transactions and whether accomplished directly or indirectly, (i) a change in ownership so that more than 50% of the direct or indirect voting or economic interests in such Person is transferred to another Person or group of Persons acting in

concert, (ii) the power directly or indirectly to direct or cause the direction of management and policy of such Person, whether through ownership of voting securities, by contract, management agreement, or common directors, officers or trustees or otherwise, is transferred to another Person or group of Persons acting in concert that did not have such power immediately prior to such transaction or transactions or (iii) the merger, consolidation, amalgamation, business combination or sale of substantially all of the assets of such Person for the purpose of or with the effect contemplated in clauses (i) or (ii) above; provided, however, that notwithstanding anything to the contrary set forth in this definition, none of the following shall constitute a "Change in Control" for the purposes of this Agreement:

(A) Transfers of direct or indirect ownership interests in the Lessee between or among Persons that are Affiliates of each other or Persons who are under common control (a Person shall be deemed to be controlled by another Person if controlled in any manner whatsoever that results in control in fact by that other Person (or that other Person and any Person or Persons with whom that other Person is acting jointly or in concert)), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise (it being understood and agreed that for purposes of this definition, a fund or trust shall be deemed to be under common control with the Person managing or advising such fund or trust (with respect to each of the foregoing, notwithstanding the fact that an independent board or trustee makes final investment decisions with respect thereto) and a limited partner or equivalent in a fund or trust shall be deemed to be under common control with such fund or trust and of the Person managing or advising such fund or trust);

(B) Transfers of shares of the Lessee or the direct or indirect shareholders of the Lessee pursuant to *bona fide* open market transactions on the New York Stock Exchange, NASDAQ, London Stock Exchange or comparable United States or foreign securities exchange, including any such transactions involving an initial or "follow on" public offering;

(C) Transfers of direct or indirect ownership interests in the Lessee by any Equity Participant or its beneficial owner(s) to any Person so long as the Equity Participants or their respective beneficial owner(s) having ownership interests in the Lessee (as of the later of (1) the Date of this Agreement or (2) the date on which the Authority most recently approved a Change in Control) together retain, in the aggregate, 50% or more of the direct or indirect voting or economic interests in the Lessee or the power directly or indirectly to direct or cause the direction of management and policy of the Lessee, through ownership of voting securities or common directors, officers or trustees;

(D) Transfers of direct or indirect ownership interests in the Lessee by any Equity Participant or its direct or indirect beneficial owner(s) to any partners, members, shareholders, directors, officers, employees or investors who are distributees of investments held by such Equity Participant or beneficial owner(s) pursuant to any *bona fide* liquidation of such Equity Participant or beneficial owner(s) as a result of which securities held by such entity are distributed to such distributees;

(E) any change of ownership that is attributable to a lease, sublease, concession, management agreement, operating agreement or other similar arrangement that is subject and subordinate in all respects to the rights of the Authority under this Agreement so long as (1) no

"Change in Control" occurs with respect to the Lessee and (2) the Lessee remains obligated under this Agreement;

(F) the creation of a trust or any other transaction or arrangement that is solely a transfer of all or part of the Lessee's economic interest under this Agreement to another entity so long as (1) no "Change in Control" occurs with respect to the Lessee and (2) the Lessee remains obligated under this Agreement; and

(G) Transfers of direct or indirect ownership interests in the Lessee (1) between or among investment funds, including infrastructure funds, and investors therein; *provided* that following such Transfer, such direct or indirect ownership interests remain under common ownership, management or control or (2) from investment funds, including infrastructure funds, or investors therein, to any Person; *provided* that such direct or indirect ownership interests, following consummation of such Transfer, remain under common management or control, it being understood in each of (1) and (2) above that (x) ownership interests shall be deemed to be controlled by a Person if controlled in any manner whatsoever that results in control in fact, whether directly or indirectly, and whether through share ownership, a trust, a contract or otherwise and (y) ownership interests of an investment fund shall be deemed to be managed by a Person if such Person has the right to direct, recommend or propose all or substantially all of the investments of such investment fund (with respect to each of the foregoing, notwithstanding the fact that an independent board or trustee makes final investment decisions with respect thereto).

"Claim" means any demand, action, cause of action, suit, proceeding, arbitration, claim, judgment or settlement or compromise relating thereto which may give rise to a right to indemnification under Section 12.1 or 12.2.

"Closing" has the meaning ascribed thereto in Section 2.2(a).

"Closing Agreement" has the meaning ascribed thereto in Section 2.4(a)(xi).

"Closing Date" has the meaning ascribed thereto in Section 2.2(a).

"Closing LOC" has the meaning ascribed thereto in Section 2.3(a).

"Code of Ethics" has the meaning ascribed thereto in Section 9.2(j).

"Commonwealth" means the Commonwealth of Puerto Rico.

"Commonwealth Court" has the meaning ascribed thereto in Section 19.4(c).

"Commonwealth Registry of Property" means the First Section of the Municipality of Carolina of the Registry of Property of the Commonwealth and where the Lease Agreement must be recorded.

"Commonwealth Retirement System" has the meaning ascribed thereto in Section 2.5(k)(ii).

"Comparable Public Airport" means an airport in the United States of America (whether publicly or privately owned) open to the general public that is reasonably comparable to the LMM Airport Facility with respect to the matter to be determined.

"Compensation Event" has the meaning ascribed thereto in the definition of "Leasehold Compensation" below.

"Consent" means any approval, consent, ratification, waiver, exemption, franchise, license, permit, novation, certificate of occupancy or other authorization of any Person, including any consent issued, granted, given or otherwise made available by or under the authority of any Governmental Authority or pursuant to any applicable Law.

"Contractor" means, with respect to a Person, any contractor with whom such Person contracts to perform work or supply materials or labor in relation to the LMM Airport Facility, including any subcontractor of any tier, supplier or materialman directly or indirectly employed pursuant to a subcontract with a Contractor, but excluding, for the avoidance of doubt, any financial advisor retained by the Equity Participants or the Lessee to provide advice in relation to the financing of the Lease or any Capital Projects and any legal counsel retained by the Equity Participants or the Lessee.

"Contratante" means "Contratante" as defined in the Spanish version of the Act.

"Contracts" means any contract or agreement entered into by the Lessee related to the LMM Airport Facility (or subcontracts thereunder).

"Covered Party" has the meaning ascribed thereto in Section 9.2(k).

"CPI Factor" means (i) with respect to a one-year adjustment period (*e.g.* where the amount is to be Adjusted for Inflation annually), the amount equal to (A) CPI Value for the calendar year immediately prior to the date of such adjustment divided by (B) the CPI Value for the calendar year two years prior to the date of such adjustment (for illustrative purposes only, if an amount is to be Adjusted for Inflation on April 1, 2010, for the one-year period of April 1, 2009 through April 1, 2010, the CPI Value for such calculating adjustment is equal to 1.017, which is the CPI Value for calendar year 2009 (which is 219.235) divided by the CPI Value for calendar year 2008 (which is 215.572)) or (ii) with respect to a multiple-year adjustment period, the amount equal to (A) the CPI Value for the calendar year immediately prior to the date of such adjustment divided by (B) the CPI Value for the calendar year immediately prior to the date of the start of such adjustment period (for illustrative purposes only, if an amount is to be Adjusted for Inflation on the fifth anniversary of April 1, 2010, for the five-year period of April 1, 2005 through April 1, 2010, the CPI Value for such calculating adjustment is equal to 1.115, which is the CPI Value for calendar year 2009 (which is 219.235) divided by the CPI Value for calendar year 2004 (which is 196.600)); *provided, however*, that in no case shall be the CPI Factor for any adjustment period be less than 1.000.

"CPI Value" means the "Annual Value" of that year obtained from "Consumer Price Index—All Urban Consumers—U.S. All Items Less Food and Energy (CUUR0000SA0L1E)" published by the Bureau of Labor Statistics of the United States Department of Labor (for illustrative purposes only, the CPI Value for the calendar year 2009 is 219.235); *provided,*

however, that if such index is changed so that the base year thereof changes, such index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics; *provided further* that if such index is discontinued or revised during the Term, such other index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if such index had not been discontinued or revised; *provided further* that any such revision shall not result in the retroactive adjustment of any amounts paid or payable pursuant to this Agreement prior to such revision.

"DACO" has the meaning ascribed thereto in Section 2.4(a)(xiii).

"Date of this Agreement" means the date that the Lessee signs this Agreement, at which time all Parties will have signed the Agreement.

"DBE" has the meaning ascribed thereto in Section 11.13.

"Debt Service Reserve Requirement" has the meaning ascribed thereto in Section 3.8.

"Defending Party" has the meaning ascribed thereto in Section 12.1(e).

"Deferral Notice" has the meaning ascribed thereto in Section 16.2(c).

"Delay Event" means any of the following events that results in or would result in a delay or interruption in the performance by the applicable performing Party of any obligation under this Agreement: (i) an event of Force Majeure, (ii) a failure to obtain, or delay in obtaining, any Authorization from a Governmental Authority (*provided* that such failure or delay could not have been reasonably prevented by technical and scheduling measures of the applicable performing Party in the ordinary course), (iii) the enactment of a new Law or the modification, amendment or change in enforcement or interpretation of a Law (including a change in the application or interpretation thereof by any Governmental Authority) after the Bid Date, (iv) a delay caused by the performance of works (including the activities authorized by Section 3.7) carried out by a Governmental Authority or any utility or railway operator (including the relocation of utilities) or a delay caused by the performance of works by any other Person not acting under the authority or direction of, or pursuant to a contract, sublease or any other agreement or arrangement with the Lessee, (v) a failure by the other Party to perform or observe any of its covenants or obligations under this Agreement, (vi) a delay caused by the presence in, on, under or around the LMM Airport Facility of any Hazardous Substance or other contaminant that was present in the LMM Airport Facility at any time prior to the Time of Closing, which, in each case, results in or would result in a delay or interruption in the performance by the Lessee of any obligation under this Agreement, (vii) a delay caused by the implementation of Engineering or Institutional Controls related to the LMM Airport Facility (but only if such failure or delay could not have been reasonably prevented by technical and scheduling measures of the Lessee), (viii) a delay required by Law due to the discovery of protected plant or animal species, archaeological, paleontological or cultural resources at or about a site of a construction required or permitted to be undertaken pursuant to this Agreement or (ix) a delay in the performance by the Lessee of any of the General Accelerated Upgrades due to the postponement of such works by the Authority; *provided* in each case that such delay or the cause thereof is neither otherwise specifically dealt with in this Agreement nor arises by reason of (A) the

negligence or intentional misconduct of the Party affected by the Delay Event or such Party's Representatives, or Contractors to or agents of such Party or its Representatives, (B) any act or omission by the Party affected by the Delay Event or its Representatives in breach of the provisions of this Agreement, (C) except in the case of funds contemplated to be provided by the Authority pursuant to Section 5.2, lack or insufficiency of funds or failure to make payment of monies or provide required security on the part of the Party affected by the Delay Event or its Representatives, or Contractors to or agents of such Party or its Representatives, (D) except to the extent such events constitute an event of Force Majeure, any strike, labor dispute or other labor protest involving any Person retained, employed or hired by the Party affected by the Delay Event or its Representatives, or Contractors to or agents of such Party or its Representatives to supply materials or services for or in connection with the LMM Airport Facility Operations or any strike, labor dispute or labor protest caused by or attributable to any act (including any pricing or other price or method of operation) or omission of such Party or its Representatives, (E) except to the extent such events constitute an event of Force Majeure, any weather conditions or (F) the development, redevelopment, construction, maintenance, modification or change in the operation of any existing mode of transportation that results in the reduction of revenues generated at the LMM Airport Facility or in the number of users using the LMM Airport Facility.

"Delay Event Dispute Notice" has the meaning ascribed thereto in Section 15.2(d).

"Delay Event Notice" has the meaning ascribed thereto in Section 15.2(d).

"Delay Event Remedy" has the meaning ascribed thereto in Section 15.2(c).

"Depositary" means a savings bank, a savings and loan association or a commercial bank or trust company that would qualify as an Institutional Lender, designated by the Lessee to serve as depositary pursuant to this Agreement and Approved by the Authority; *provided, however*, that so long as a Leasehold Mortgage is in effect, the Depositary contemplated under Section 13.3 shall be the institution acting as the collateral agent or depositary under the financing secured by such Leasehold Mortgage.

"Designated Person" means each representative of a Party or the GDB who is designated as such for the purposes of Article 19.

"Document" has the meaning ascribed thereto in Section 1.17(b).

"DOT" means the United States Department of Transportation created under 49 U.S.C. § 101, *et seq.*, or any successor agency or department thereto.

"Eligible Investments" means any one or more of the following obligations or securities: (i) direct obligations of, and obligations fully guaranteed by, the United States of America or any agency or instrumentality of the United States of America, the obligations of which are backed by the full faith and credit of the United States of America; (ii) demand or time deposits, federal funds or bankers' acceptances issued by any Institutional Lender (*provided* that the commercial paper or the short-term deposit rating or the long-term unsecured debt obligations or deposits of such Institutional Lender at the time of such investment or contractual commitment providing for such investment have been rated "A" or higher by a Rating Agency or any other demand or time

deposit or certificate of deposit fully insured by the Federal Deposit Insurance Corporation); (iii) commercial paper (including both non-interest-bearing discount obligations and interest-bearing obligations payable on demand or on a specified date not more than one year after the date of issuance thereof) that has been rated "A" or higher by a Rating Agency at the time of such investment; (iv) any money market funds, the investments of which consist of cash and obligations fully guaranteed by the United States of America or any agency or instrumentality of the United States of America, the obligations of which are backed by the full faith and credit of the United States of America and that have been rated "A" or higher by a Rating Agency and (v) other investments then customarily accepted by the Authority in similar circumstances; *provided, however*, that no instrument or security shall be an Eligible Investment if such instrument or security evidences a right to receive only interest payments with respect to the obligations underlying such instrument or if such security provides for payment of both principal and interest with a yield to maturity in excess of 120% of the yield to maturity at par.

"Encumbrance" means any mortgage, lien, judgment, execution, pledge, charge, security interest, restriction, easement, servitude, option, reservation, lease, claim, trust, deemed trust or encumbrance of any nature whatsoever, whether arising by operation of Law, judicial process, contract, agreement or otherwise created.

"End Date" means the date on which this Agreement expires or is terminated.

"Engineering or Institutional Controls" means those engineering, environmental or institutional controls required by a Governmental Authority (other than the Authority) in relation to the remediation or avoidance of a release of a Hazardous Substance.

"Environment" means soil, surface waters, groundwaters, land, stream sediments, surface or subsurface strata, ambient air, plants, animals, and other life forms, flora, fauna and humans.

"Environmental Laws" means all applicable Laws regulating or imposing liability or standards of conduct concerning or relating to the protection of human health, the Environment or the use, generation, disposal, discharge, Release, transportation, storage or management of Hazardous Substances.

"Equity Participant" means any Person who holds any shares of capital stock or securities of, or units, partnership interests, membership interests or other equity interests in, the Lessee.

"Excluded Liabilities" has the meaning ascribed thereto in Section 3.2(c).

"Exon-Florio Act" has the meaning ascribed thereto in Section 2.4(c)(iii)(D).

"FAA" means the Federal Aviation Administration established under 49 U.S.C. § 101 *et seq.*, or any successor agency thereto, and where the context otherwise requires, DOT.

"Financing Costs" means any transaction costs and expenses (including legal fees), Taxes, and disbursements incurred by the Authority to finance, arrange for the financing of, or otherwise fund, the payment of any PIC-Termination Damages or any amount payable by the Authority pursuant to Section 16.6(e).

"Fixed Asset" means tangible property used in the LMM Airport Facility Operations, but not expected to be converted into cash in the ordinary course of events, such as plant, machinery and equipment, furniture and fixtures, buildings, land and leasehold improvements.

"Force Majeure" means any event that is unforeseeable or otherwise beyond the reasonable control of the applicable performing Party that delays or interrupts the performance of such Party's obligations hereunder, including an intervening act of God or public enemy, war (whether or not declared), invasion, armed conflict, act of foreign enemy, blockade, revolution, act of terror, sabotage, civil commotions, interference by civil or military authorities, condemnation or confiscation of property or equipment by any Governmental Authority, aircraft crash or forced landing, nuclear or other explosion, radioactive or chemical contamination or ionizing radiation, fire, tornado, hurricane, Named Windstorm, flooding, tsunami, tidal wave, earthquake or other natural disaster, riot or other public disorder, epidemic, quarantine restriction, strike, labor dispute or other labor protest, stop-work order or injunction issued by a Governmental Authority of competent jurisdiction, governmental embargo; *provided* that such event neither is otherwise specifically dealt with in this Agreement nor arises by reason of (i) the negligence or intentional misconduct of the applicable performing Party or its Representatives, (ii) any act or omission by the applicable performing Party or its Representatives in breach of the provisions of this Agreement, (iii) except in the case of funds contemplated to be provided by the Authority pursuant to Section 5.2, lack or insufficiency of funds or failure to make payment of monies or provide required security on the part of the applicable performing Party, (iv) any strike, labor dispute or other labor protest involving any Person employed by the applicable performing Party or its Representatives in connection with the LMM Airport Facility Operations or any strike, labor dispute or labor protest caused by or attributable to any act (including any pricing or other practice or method of operation) or omission of the applicable performing Party or its Representatives or (v) any weather conditions that are ordinarily or customarily encountered or experienced at or in the vicinity of the LMM Airport Facility, including any Ordinary Storm, but excluding any tornado, hurricane or Named Windstorm.

"Foreign Corrupt Practices Act" means the Foreign Corrupt Practices Act of 1977, 15 U.S.C. §§ 78dd-1, *et seq.*, as amended.

"GDB" means the Government Development Bank of the Commonwealth, or any successor agency thereto.

"GDB Payment Guaranty" has the meaning ascribed thereto in Section 2.4(a)(ix).

"General Accelerated Upgrades" has the meaning ascribed thereto in Section 4.1.

"Government Agreement" has the meaning ascribed thereto in Section 3.13(a).

"Government Grants-in-Aid" means those monies granted to the Lessee by the United States of America or any agency thereof (including AIP Grants), or the Commonwealth, or any political subdivision or agency thereof, to pay all or a portion of the cost of a Capital Project at or related to the Airport after the Closing Date.

"Governmental Authority" means the Commonwealth or any municipality, political subdivision, instrumentality, agency or public corporation of or in the Commonwealth and any

federal, state, commonwealth, county, local (including all municipalities, municipal authorities and districts) or foreign government, department, court, commission, board, bureau, agency or instrumentality or other regulatory, judicial, administrative, governmental or quasi-governmental authority.

"Governor" means the Governor of the Commonwealth or another official of the Commonwealth acting under the direction and pursuant to the authority of the Governor.

"Grant Agreements" means the agreements, as amended, involving grants under the FAA's Airport Improvement Program with respect to the LMM Airport Facility between the Authority and the FAA and between the Lessee and the FAA, including grant agreements and assurances, subject to any exemptions granted by the FAA pursuant to 49 U.S.C. § 47134 or otherwise.

"Hazardous Substance" means, but is not limited to, any solid, semi-solid, sludge, liquid, gas, odor, heat, sound, vibration, radiation or other substance or emission which is a contaminant, pollutant, dangerous substance, toxic or otherwise regulated substance, hazardous waste, subject waste, hazardous material or hazardous substance which is or becomes regulated by applicable Environmental Laws or which is classified as hazardous or toxic under applicable Environmental Laws (including lead-based paint, gasoline, diesel fuel or other petroleum hydrocarbons, polychlorinated biphenyls, asbestos and urea formaldehyde foam insulation).

"Hotel Operator" has the meaning ascribed thereto in Section 3.19.

"Hotel Property" has the meaning ascribed thereto in Section 3.19.

"Indemnified Party" means any Person entitled to indemnification under this Agreement.

"Indemnifier" means any Party obligated to provide indemnification under this Agreement.

"Indemnity Payment" has the meaning ascribed thereto in Section 12.3(b).

"Independent Engineer" means the licensed professional consulting engineering firm appointed by the Lessee pursuant to the Operating Standards that is reasonably acceptable to the Authority.

"Information" means any and all information of the Lessee relating to the LMM Airport Facility Operations, including (i) income statements, balance sheets, statements of cash flow and changes in financial position, details regarding revenues generated at the LMM Airport Facility (including information regarding the collection thereof), operating income, expenses, capital expenditures and budgeted operating results relating to the LMM Airport Facility Operations, (ii) all certificates, correspondence, data (including test data), documents, facts, files, information, investigations, materials, notices, plans, projections, records, reports, requests, samples, schedules, statements, studies, surveys, tests, test results, airport information and parking information (including volume counts, classification counts and vehicle jurisdiction data) analyzed, categorized, characterized, created, collected, generated, maintained, processed, produced, prepared, provided, recorded, stored or used by the LMM Airport Facility, the Lessee

or any of its Representatives in connection with the LMM Airport Facility or the LMM Airport Facility Operations and (iii) books, records, accounts and documents of the Lessee relating to the LMM Airport Facility Operations, including any Information that is stored electronically or on computer-related media; *provided, however*, that nothing in this Agreement shall require the disclosure by any Party of Information that the Party has a reasonable basis to believe is protected by attorney-client or other legal privilege.

"Initial Termination Notice" has the meaning ascribed thereto in Section 16.2(b)(ii).

"Interim Adjustment" has the meaning ascribed thereto in Section 3.8.

"Institutional Lender" means (i) the United States of America, any state or commonwealth thereof or any agency or instrumentality of any of them, any municipal agency, public benefit corporation or public authority, advancing or insuring mortgage loans or making payments which, in any manner, assist in the financing, development, operation and maintenance of projects, (ii) any (A) savings bank, savings and loan association, commercial bank, trust company (whether acting individually or in a fiduciary capacity) or insurance company organized and existing under the laws of the United States of America or any state or commonwealth thereof, (B) foreign insurance company or commercial bank qualified to do business as an insurer or commercial bank as applicable under the laws of the United States (if such qualification is necessary in connection with the acquisition of Leasehold Mortgage Debt), (C) pension fund, foundation or university or college or other endowment fund or (D) real estate investment fund, infrastructure investment fund, investment bank, pension advisory firm, mutual fund, investment company or money management firm, (iii) any "qualified institutional buyer" under Rule 144(A) under the Securities Act or any other similar Law hereinafter enacted that defines a similar category of investors by substantially similar terms, (iv) a Governmental Authority acting (directly or through a trust or other single purpose vehicle controlled by it) as a conduit for the purpose of issuing private activity bonds authorized by Law for the benefit of the Lessee or (v) any other financial institution or entity designated by the Lessee and Approved by the Authority; *provided, however,* that each such entity or combination of such entities if the Institutional Lender shall be a combination of such entities shall have individual or combined assets, as the case may be, of not less than $1,000,000,000.

"Law" means any order, writ, injunction, decree, judgment, law, ordinance, decision, ruling, statute, code, rule or regulation of any Governmental Authority.

"Lease" has the meaning ascribed thereto in Section 2.1.

"Leasehold Compensation" means with respect to (i) any applicable entry into the LMM Airport Facility pursuant to Sections 3.7(a)(v) through 3.7(a)(ix), (ii) the Lessee's compliance with or the implementation of any Required Modification or any modified or changed Operating Standard (as contemplated by Section 6.2(c)), (iii) any breach of the covenant set forth in Section 3.11(b), (iv) amounts payable as a remedy under Section 16.2(b)(i), (v) action by the Authority or any other Governmental Authority established under the Laws of the Commonwealth as contemplated by Section 3.22 or (vi) the occurrence of an Adverse Action or any other event, the occurrence of which under the terms of this Agreement requires the payment of Leasehold Compensation (each of the foregoing, a "Compensation Event"), compensation payable by the

Authority to the Lessee in order to restore the Lessee to the same after-Tax economic position the Lessee would have enjoyed if such Compensation Event had not occurred, which shall be calculated in accordance with Section 15.1(d) and (e).

"Leasehold Fee" has the meaning ascribed thereto in Section 2.1.

"Leasehold Mortgage" means any lease, indenture, pledge, mortgage, deed of trust or other security agreement or arrangement, including a securitization transaction with respect to revenues generated at the LMM Airport Facility, encumbering any or all of the Lessee Interest, in each case that satisfies all of the conditions in Section 18.1.

"Leasehold Mortgage Debt" means any *bona fide* debt secured by a Leasehold Mortgage, including (i) principal (including accreted principal under interest rate hedges or bonds); (ii) accrued interest (including capitalized interest and interest pursuant to an original issue discount); (iii) customary fees, costs, premiums, expenses and reimbursement obligations with respect thereto owed to lenders, financial insurers, agents, trustees and similar service providers; (iv) all payment obligations under interest rate hedging agreements with respect thereto (including accreting interest rate hedging agreements); (v) reimbursement obligations with respect thereto to any financial insurer and (vi) an assignment in connection with a securitization transaction, in each case, pursuant to an agreement entered into prior to the delivery by the Lessee to the Authority of an AA-Preliminary Notice or a notice under Section 16.2(b) stating that an Authority Default has occurred. For the purposes of determining LMM Airport Facility Leasehold Value, Leasehold Mortgage Debt shall not include: (A) debt from an Affiliate of the Lessee, unless such debt is secured debt on terms consistent with terms that would reasonably be expected from a non-Affiliate lender acting in good faith; *provided* that the Lessee may request at any time during the Term that the Authority confirm in writing, and the Authority shall so confirm within a reasonable time following such request, whether any such debt is on terms consistent with terms that would reasonably be expected from a non-Affiliate lender acting in good faith; (B) any increase in debt to the extent such increase is the result of an agreement or other arrangement entered into after delivery by the Lessee to the Authority, with a copy to the Leasehold Mortgagee, of an AA-Preliminary Notice or a notice under Section 16.2(b) stating that an Authority Default has occurred; or (C) any debt with respect to which the Leasehold Mortgagee Notice Requirements apply and the Leasehold Mortgagee does not provide the Authority with notice in all material respects in accordance with the Leasehold Mortgagee Notice Requirements. Notwithstanding anything herein to the contrary, except with respect to any such *bona fide* secured debt which was incurred or committed on or prior to the Closing Date, all of which incurred or committed debt shall be deemed to be Leasehold Mortgage Debt (except to the extent excluded from Leasehold Mortgage Debt pursuant to clauses (A) or (B) above), Leasehold Mortgage Debt shall not include any new debt incurred or committed following the Closing Date (it being understood and agreed by the Parties that any capitalization of interest or accretion of principal or other committed increases on any debt incurred or committed on or prior to the Closing Date or any refinancing of any debt that has previously qualified as Leasehold Mortgage Debt up to the original principal amount thereof, plus any premium and customary fees, costs, expenses and reimbursement obligations with respect thereto, shall not constitute such new debt) that (together with the aggregate amount of Leasehold Mortgage Debt and any Qualified Debt after giving effect to the incurrence or commitment of any such new debt) *exceeds* 80% of the fair market value of the Lessee Interest

set forth in an appraisal; *provided* that, in order for such new debt to qualify as Leasehold Mortgage Debt, such appraisal shall (x) be prepared at the Lessee's expense by an independent third party appraiser described under "LMM Airport Facility Leasehold Value" and delivered to the Authority prior to the incurrence or commitment of such new debt, (y) be a written appraisal of the fair market value of the Lessee Interest as of the time of the incurrence or commitment of such new debt and (z) identify the extent to which such new debt (together with the aggregate amount of Leasehold Mortgage Debt and any Qualified Debt after giving effect to the incurrence or commitment of any such new debt) *exceeds* 80% of the fair market value of the Lessee Interest set forth in such appraisal at the time of incurrence or commitment of such new debt; *provided* that any capitalization of interest or accretion of principal or other committed increases on any debt set forth in such appraisal shall constitute Leasehold Mortgage Debt to the extent such debt constitutes Leasehold Mortgage Debt on the date such appraisal is given; and *provided further* that the Parties agree that for the purposes of this definition and notwithstanding the requirements of the foregoing sub-clauses (x), (y) and (z), the amount of the Leasehold Fee paid at the Closing shall be deemed to constitute the fair market value of the Lessee Interest for a period of 12 months after the Closing Date and, as such, no appraisal shall be required within such 12-month period. The appraisal requirement in the preceding sentence shall not apply to any protective advances made by any Leasehold Mortgagee or advances made by any Leasehold Mortgagee to cure Lessee defaults under the Leasehold Mortgage (regardless of whether entered into on or after the Closing Date) or other financing documents of such Leasehold Mortgagee.

"Leasehold Mortgagee" means the holder or beneficiary of a Leasehold Mortgage, including a financial insurer, or an agent, trustee or other representative or designee of such a holder or beneficiary.

"Leasehold Mortgagee Notice Requirements" means the delivery, by a Leasehold Mortgagee (or the Lessee on behalf of the Leasehold Mortgagee) to the Authority, the GDB, the FAA and the Airlines, after the execution and delivery of a Leasehold Mortgage by the Lessee, of a true and complete copy of the executed original of such Leasehold Mortgage, together with a notice containing the name and post office address of the holder of such Leasehold Mortgage.

"Leasehold Mortgagee's Notice" has the meaning ascribed thereto in Section 18.8(a).

"Lessee" has the meaning ascribed thereto in the preamble to this Agreement.

"Lessee Default" has the meaning ascribed thereto in Section 16.1(a).

"Lessee Interest" means the interest of the Lessee in the LMM Airport Facility created by this Agreement and the rights, benefits and obligations of the Lessee under this Agreement (including the right to receive Leasehold Compensation and Termination Damages hereunder).

"Letter of Credit" means an irrevocable, unconditional, commercial letter of credit, in favor of the Authority as payee (without dual or multiple beneficiaries), in form and content reasonably acceptable to the Authority, payable immediately in United States dollars upon presentation of a sight draft and a certificate confirming that the Authority has the right to draw under such letter of credit in the amount of such sight draft, without presentation of any other document, statement or authorization (including the original letter of credit), which letter of

credit (i) is issued by a commercial bank or trust company that is a member of the New York Clearing House Association and that has and maintains a current credit rating of "BBB+" or better by Standard & Poor's Ratings Services and an equivalent credit rating by another Rating Agency (or an equivalent credit rating from at least two nationally recognized Rating Agencies if the named Rating Agency ceases to publish ratings) (or by such other commercial bank, trust company or other issuer reasonably acceptable to the Authority prior to the submission of the letter of credit), (ii) is substantially in the form of Schedule 6 (or otherwise in form and content reasonably acceptable to the Authority prior to the submission of the letter of credit) and (iii) provides for the continuance of such letter of credit for a period of at least one year or as otherwise provided in this Agreement. The office for presentment of sight drafts specified in the Letter of Credit shall be located at a specified street address within the Commonwealth or such other location within the continental United States as is reasonably acceptable to the Authority. For the avoidance of doubt, the obligations of the account party during the Term to reimburse the issuer for draws under the Letter of Credit may be secured by a Leasehold Mortgage.

"LMM Airport Facility" means that airport known as Luis Muñoz Marín International Airport (a legal description of the airport is attached hereto as Schedule 1 and by this reference made a part hereof) situated in the Municipality of Carolina, Commonwealth of Puerto Rico and all easements, licenses, privileges, rights and appurtenances related thereto, including all terminals, hangars, runways, buildings, structures (above grade and below grade), roadways, and all fixtures, and related facilities, now situated on that real property as the same may be enlarged, enhanced, improved, reconstructed, rebuilt, rehabilitated, developed or otherwise modified in accordance with this Agreement.

"LMM Airport Facility Assets" means (i) each of the tangible assets described on Schedule 7, and (ii) each other tangible and intangible asset (including intellectual property) of or relating solely to the LMM Airport Facility owned by the Authority.

"LMM Airport Facility Contracts" means the agreements to which the Authority is a party relating to the operations of the LMM Airport Facility that are set forth on Schedule 2 under the heading "LMM Airport Facility Contracts."

"LMM Airport Facility Leasehold Value" means, as of any date, the fair market value of the Lessee Interest determined (without regard to the effect of the Adverse Action, Authority Default, Act No. 458 Crime or Public Integrity Crime giving rise to such determination) as of the time of the occurrence of the relevant Adverse Action or Authority Default (or as of the time of the conviction or guilty plea relating to the relevant Act No. 458 Crime or Public Integrity Crime, as the case may be) and taking into account the operations, traffic and revenues thereof, as determined pursuant to a written appraisal by an independent third party appraiser that is nationally recognized in appraising similar assets and that is reasonably acceptable to the Authority and the Lessee; *provided, however,* that the LMM Airport Facility Leasehold Value shall in no event be less than the amount equal to the sum of (i) any Leasehold Mortgage Debt and any Qualified Debt (except that in the case such value is determined in connection with the rescission or termination of this Agreement pursuant to Section 16.6, such Qualified Debt shall exclude any Qualified Debt provided by any Affiliate of the Lessee) and (ii) any related Breakage Costs, in each case as of the End Date and *provided further* that, solely in the case of a determination of the LMM Airport Facility Leasehold Value occasioned by (A) an Authority

Default or an Adverse Action on or prior to the fifth anniversary of the Closing Date or (B) an Authority Default after the fifth anniversary of the Closing Date due to the failure of the Authority to make one or more monetary payments owed to the Lessee that, as of the time of such failure, in the aggregate exceed five times the amount of the immediately preceding payable Annual Authority Payment or Annual Authority Revenue Share (without regard to any offsets taken against such amount), the LMM Airport Facility Leasehold Value shall in no event be less than the greater of (1) the amount equal to the sum of (I) any Leasehold Mortgage Debt and any Qualified Debt and (II) any related Breakage Costs, and (2) the amount equal to the sum of (I) the Leasehold Fee, (II) all Annual Authority Payments actually paid by the Lessee up to the date of such determination, (III) any and all amounts actually paid by the Lessee under Section 3.19, Section 3.20 or Section 3.21, and (IV) the sum of the amounts of the reasonable, documented and unreimbursed (from PFCs, Government Grants-In-Aid, increased Airline charges to the extent permitted by the Use Agreement, or otherwise) expenditures made by the Lessee for any capital improvement projects (w) contemplated by Section 6.3 of the Use Agreement, (x) contemplated by the initial business plan referred to in Section 3.2(e), (y) required to be completed in accordance with this Agreement or the Use Agreement (including the Operating Standards) and (z) undertaken by the Lessee for which the consent of the Authority has been obtained, in each case as of the End Date. If the Parties fail to agree upon such a single appraiser within 30 days after a Party requests the appointment thereof, then the Authority and the Lessee shall each appoint an independent third party appraiser and both such appraisers shall be instructed jointly to select a third independent third party appraiser to make the appraisal referred to above. If either Party fails to appoint such independent third party appraiser or if the independent third party appraisers appointed by the Parties fail to select a third independent third party appraiser, in each case, within 60 days after the request of the Authority or the Lessee, then either the Authority or the Lessee may request the appointment of an independent third party appraiser (which appraiser shall be appointed by a Person agreed to by the Lessee and the Authority or if the Parties fail to agree on such Person within 30 days after a Party requests the appointment hereof, such appraiser shall be appointed by the AAA) to make the appraisal referred to above. The Parties shall each pay 50% of the costs and expenses of any appraisal. In the event that the Authority is authorized by the final FAA order under the Airport Privatization Pilot Program to use proceeds of the Lease for purposes other than investment in airports in the Puerto Rico airport system, then the Authority will be prohibited from using airport revenues to make payment of the LMM Airport Facility Leasehold Value to the Lessee upon termination of the Agreement pursuant to Section 14.2 or Section 16.2. This prohibition shall only apply up to the amount of the portion of lease proceeds used for such non-airport purposes.

"LMM Airport Facility Operations" means (i) the operation, management or maintenance of the LMM Airport Facility, in each case in accordance with this Agreement, and (ii) all other actions relating to the operation of the LMM Airport Facility or otherwise that are to be performed by or on behalf of the Lessee pursuant to this Agreement (including the Operating Standards).

"Loss" or "Losses" means, with respect to any Person, any loss, liability, damage, penalty, increased financing costs, charge or out-of-pocket and documented cost or expense actually suffered or incurred by such Person, but excluding any punitive, special, indirect and consequential damages and any contingent liability until such liability becomes actual. For avoidance of doubt, all actual payments reasonably made by any Person to third parties or

reasonable out-of-pocket and documented costs or expenses actually suffered or incurred by any Person in respect of Claims made by third parties shall constitute Losses of such Person whether or not such payments or such costs and expenses relate to punitive, special, indirect and consequential damages or contingent liabilities of such third parties.

"Material Adverse Effect" means a material adverse effect on the business, condition (financial or otherwise) or results of operations of the LMM Airport Facility taken as a whole or the rights of the Lessee under this Agreement; *provided, however*, that no effect arising out of or in connection with or resulting from any of the following shall be deemed, either alone or in combination, to constitute or contribute to a Material Adverse Effect: (i) general economic conditions or changes therein; (ii) financial, banking, currency or capital markets fluctuations or conditions (either in the United States or any international market and including changes in interest rates); (iii) conditions affecting any or all of the real estate, financial services, construction or aviation industries generally; (iv) any existing event, occurrence or circumstance of which the Lessee has actual knowledge as of the Bid Date; (v) any action, omission, change, effect, circumstance or condition contemplated by this Agreement or attributable to the execution, performance or announcement of this Agreement or the transactions contemplated hereby or (vi) any negligence, intentional misconduct or bad faith of the Lessee or its Representatives.

"Modification" means deleting, dispensing with or changing the dimensions, character, quantity, quality, description, location or position of any part of the LMM Airport Facility or making other changes to the LMM Airport Facility; *provided, however,* that no Modification may require the Lessee to do or omit any act that could reasonably be expected to violate any applicable Law or cause the Lessee to fail to be in compliance with this Agreement.

"Named Windstorm" is a storm or weather disturbance that is named by the National Oceanic and Atmospheric Administration's National Hurricane Center or similar body until sustained wind speeds drop below the parameter for naming storms.

"New Agreement" has the meaning ascribed thereto in Section 18.5(a).

"New P.R. Revenue Code" means the "Internal Revenue Code for a New Puerto Rico", Act No. 1 of the Legislative Assembly of Puerto Rico, enacted on January 31, 2011, as amended.

"Notice Period" has the meaning ascribed thereto in Section 12.1(d).

"Notifying Party" has the meaning ascribed thereto in Section 3.14.

"Officer's Certificate" means a certificate duly executed by an officer of the Lessee if required by the terms of this Agreement certifying to the relevant facts and circumstances as required hereunder.

"Offsets" has the meaning ascribed thereto in Section 12.5(a).

"Operating Agreement" means any material agreement, contract or commitment to which the Lessee is a party relating to the LMM Airport Facility Operations as in force from time to

time (including the Assigned LMM Airport Facility Contracts and any warranties or guaranties assigned), but excluding any Leasehold Mortgage and financing documents related thereto.

"Operating Standards" (attached hereto as Schedule 12, and as modified from time to time in accordance with Article 6 and with Section 3.4 of the Use Agreement) means the standards, specifications, policies, procedures and processes that apply to the operation, maintenance, construction and rehabilitation of and capital improvements to, the LMM Airport Facility set forth on Schedule A to the Use Agreement, including any plans submitted by the Lessee to the Authority as required therein. For the avoidance of doubt, the Operating Standards shall survive the termination or expiration of the Use Agreement.

"Opex Reserve Requirement" has the meaning ascribed thereto in Section 3.8.

"Ordinary Storm" means a storm that is comparable to any storm in length or severity of its effect on the LMM Airport Facility that has occurred on or around the LMM Airport Facility within 10 years prior to the Bid Date; *provided* that in no event shall a Named Windstorm or tornado be deemed an Ordinary Storm.

"Outside Closing Date" has the meaning ascribed thereto in Section 2.2(a).

"Part 139 Airport Certification Manual" means an airport certification manual authorized and approved by the FAA pursuant to 14 C.F.R. Part 139 with respect to the Part 139 Airport Operating Certificate.

"Part 139 Airport Operating Certificate" means an airport operating certificate issued by the FAA pursuant to 14 C.F.R. Part 139 authorizing the Lessee to operate the LMM Airport Facility.

"Party" means a party to this Agreement and "Parties" means all of the parties to this Agreement.

"Permitted Authority Encumbrance" means, with respect to the LMM Airport Facility: (i) the rights and interests of the Lessee under this Agreement and the Use Agreement; (ii) any Encumbrance that is being contested, or being caused to be contested, by the Authority in accordance with Section 3.5(b) (but only for so long as such contestation effectively postpones enforcement of any such Encumbrance); (iii) inchoate materialmen's, mechanics', workmen's, repairmen's, employees', carriers' or warehousemen's liens or other like Encumbrances arising in the ordinary course of business of the LMM Airport Facility or the Authority's performance of any of its rights or obligations hereunder, and in respect of obligations that are either (A) not delinquent or (B) being contested, or being caused to be contested, by the Authority in accordance with Section 3.5(b) (but only for so long as such contestation effectively postpones enforcement of any such Encumbrance); (iv) any easement, covenant, condition, right-of-way, servitude or any zoning, building, environmental, health or safety Law (including any Engineering or Institutional Control implemented thereunder) relating to the development, use or operation of the LMM Airport Facility (or other similar reservation, right or restriction) or other defects and irregularities in the title to the LMM Airport Facility that do not materially (individually or in the aggregate) interfere with the LMM Airport Facility Operations (in whole or in part) or the rights and benefits of the Lessee under this Agreement or materially impair the

value of the Lessee Interest; (v) any right reserved to or vested in any Governmental Authority (other than the Authority) by any statutory provision or under common law (it being understood and agreed that nothing in this clause (v) shall limit or otherwise affect the Authority's obligations or the Lessee's rights hereunder); (vi) any Encumbrances created, incurred, assumed or suffered to exist by the Lessee or any Person claiming through it; (vii) any rights reserved to or vested in the Authority by any statutory and/or regulatory provision or under common law (it being understood and agreed that nothing in this clause (vii) shall limit or otherwise affect the Authority's obligations or the Lessee's rights hereunder) and (viii) any amendment, extension, renewal or replacement of any of the foregoing Permitted Authority Encumbrances on substantially similar terms as such Permitted Authority Encumbrances.

"Permitted Lessee Encumbrance" means, with respect to the LMM Airport Facility: (i) the rights and interests of the Lessee under this Agreement and the Use Agreement; (ii) any Encumbrance that is being contested, or being caused to be contested, in accordance with Section 3.5(a) (but only for so long as such contestation effectively postpones enforcement of any such Encumbrance); (iii) any (A) lien or security interest for obligations not yet due and payable to a Contractor or other Person (including in respect of Taxes not yet due and payable), (B) any statutory lien, deposit or other non-service lien or (C) lien, deposit or pledge to secure mandatory statutory obligations or performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases, or for purposes of like general nature, any of which are incurred in the ordinary course of business of the LMM Airport Facility Operations and in respect of obligations that are either (1) not delinquent or (2) being contested, or being caused to be contested, by the Lessee in accordance with Section 3.5(a) (but only for so long as such contestation effectively postpones enforcement of any such Encumbrance); (iv) inchoate materialmen's, mechanics', workmen's, repairmen's, employees', carriers' or warehousemen's liens, or other like Encumbrances arising in the ordinary course of business of the LMM Airport Facility or the Lessee's performance of any of its rights or obligations hereunder, and in respect of obligations that are either (A) not delinquent or (B) being contested, or being caused to be contested, by the Lessee in accordance with Section 3.5(a) (but only for so long as such contestation effectively postpones enforcement of any such Encumbrance); (v) any right reserved to or vested in any Governmental Authority by any statutory and/or regulatory provision or under common law; (vi) any other Encumbrance permitted hereunder (including any Leasehold Mortgage (and financing statements relating thereto including purchase money liens) and any Encumbrance created in connection with any financing permitted hereunder) and any Encumbrance created in favor of an Airline pursuant to its respective Use Agreement; (vii) liens incurred in the ordinary course of business in connection with workers' compensation, unemployment insurance, social security and other governmental rules and that do not in the aggregate materially impair the use, value or operation of the LMM Airport Facility; (viii) any Encumbrances for Taxes not yet due and owing or being contested in good faith; (ix) any Encumbrances created, incurred, assumed or suffered to exist by the Authority or any other Governmental Authority or any Person claiming through it except to the extent caused by an act or omission of the Lessee; (x) any (A) right to build, (B) surface rights or (C) lease, use, concession or similar rights or agreements granted by the Lessee, in each case with Approval of the Authority, in connection with the Lessee's conduct of LMM Airport Facility Operations and (xi) any amendment, extension, renewal or replacement of any of the foregoing. Notwithstanding anything to the contrary contained herein, no Permitted Lessee Encumbrance shall be permitted to attach to the fee simple interest in the LMM Airport Facility.

"Persistent Breach Month" has the meaning ascribed thereto in Section 16.1(a)(iv).

"Person" means any individual (including the heirs, beneficiaries, executors, legal representatives or administrators thereof), corporation, partnership, joint venture, trust, limited liability company, limited partnership, joint stock company, unincorporated association or other entity or a Governmental Authority.

"PFC" means the passenger facility charge as authorized under 49 U.S.C. § 40117, or any predecessor or successor Law, and as approved by the FAA from time to time with respect to the LMM Airport Facility.

"PIC-Termination Damages" has the meaning ascribed thereto in Section 16.6(c).

"Plans" has the meaning ascribed thereto in Section 3.15.

"PRANG" has the meaning ascribed thereto in Section 3.21.

"PRANG Contract" has the meaning ascribed thereto in Section 3.21.

"PRANG Property" has the meaning ascribed thereto in Section 3.21.

"P.R. Mortgage and Property Registry Law" means Act No. 198 of the Legislative Assembly of Puerto Rico, enacted on August 8, 1979, 30 P.R. Laws Ann. § 2001 *et seq.*, as of the date hereof.

"P.R. Penal Code" means the Penal Code of the Commonwealth.

"P.R. Revenue Code" means the Puerto Rico Internal Revenue Code of 1994, 13 P.R. Laws Ann. § 8001 *et seq.*, as amended.

"President" means the President of the United States of America.

"Pre-Existing Hazardous Substance" has the meaning ascribed thereto in Section 3.2(c)(vii).

"Public Integrity Crime" means any crime described in Section 5(p) of the Code of Ethics, Section 5(ñ) of Act No. 237 of the Legislative Assembly of Puerto Rico enacted on August 31, 2004, as amended, or in other sections of such Laws.

"Public-Private Partnerships Authority's Ethical Guidelines" means the "Public-Private Partnerships Authority's Guidelines for the Evaluation of Conflicts of Interest and Unfair Advantages in the Procurement of Public-Private Partnership Contracts", promulgated by the Public-Private Partnerships Authority and dated as of December 19, 2009.

"Qualified Debt" means any senior or subordinated *bona fide* debt not otherwise constituting Leasehold Mortgage Debt that is incurred at any time to finance or refinance, directly or indirectly, the Leasehold Fee payable hereunder or is otherwise expected to be paid exclusively from the revenues generated at the LMM Airport Facility, including: (i) principal

(including accreted principal included in interest rate hedges or bonds); (ii) accrued interest (including capitalized interest and interest pursuant to an original issue discount); (iii) customary and reasonable lender or financial insurer, agent and trustee fees, costs, premiums, expenses and reimbursement obligations with respect thereto; (iv) all payment obligations under interest rate hedging agreements with respect thereto (including accreting interest rate hedging agreements); (v) reimbursement obligations with respect thereto to any financial insurer and (vi) an assignment in connection with a securitization transaction; *provided* that, in each case, the Lessee, promptly after the incurrence of any such debt, notifies the Authority of such debt and the material terms thereof. For the purposes of determining LMM Airport Facility Leasehold Value, Qualified Debt shall not include (A) debt from any Equity Participant or its Affiliate or (B) debt the holders of which have the benefit of a guaranty or payment from an Affiliate of the Lessee, unless, in each case, such debt is debt on terms consistent with terms that would reasonably be expected from a non-Affiliate lender acting in good faith, *provided* that the Lessee may request at any time during the Term that the Authority confirm in writing, and the Authority shall so confirm within a reasonable time following such request, whether any such debt is on terms consistent with terms that would reasonably be expected from a non-Affiliate lender acting in good faith. Notwithstanding anything herein to the contrary, except with respect to any such senior or subordinated *bona fide* debt incurred or committed on or prior to the Closing Date, all of which incurred or committed debt shall be deemed to be Qualified Debt (except to the extent excluded from Qualified Debt pursuant to clauses (A) or (B) above), Qualified Debt shall not include any new debt incurred or committed following the Closing Date (it being understood and agreed by the Parties that any capitalization of interest or accretion of principal or other committed increases on any debt incurred or committed on or prior to the Closing Date or any refinancing of any debt that has previously qualified as Qualified Debt up to the original principal amount thereof shall not constitute such new debt) that (together with the aggregate amount of Leasehold Mortgage Debt and any Qualified Debt after giving effect to the incurrence or commitment of any such new debt) *exceeds* 80% of the fair market value of the Lessee Interest set forth in an appraisal; *provided* that, in order for such new debt to qualify as Qualified Debt, such appraisal shall (x) be prepared at the Lessee's expense by an independent third party appraiser described under "LMM Airport Facility Leasehold Value" and delivered to the Authority prior to the incurrence or commitment of such new debt, (y) be a written appraisal of the fair market value of the Lessee Interest as of the time of the incurrence or commitment of such new debt and (z) identify the extent to which such new debt (together with the aggregate amount of Leasehold Mortgage Debt and any Qualified Debt after giving effect to the incurrence or commitment of any such new debt) *exceeds* 80% of the fair market value of the Lessee Interest set forth in such appraisal at the time of incurrence or commitment of such new debt; *provided* that any capitalization of interest or accretion of principal or other committed increases on any debt set forth in such appraisal shall constitute Qualified Debt to the extent such debt constitutes Qualified Debt on the date such appraisal is given; and *provided further* that the Parties agree that notwithstanding the requirements of the foregoing sub-clauses (x), (y) and (z), the amount of the Leasehold Fee paid at the Closing shall be deemed to constitute the fair market value of the Lessee Interest for a period of 12 months after the Closing Date and, as such, no appraisal shall be required within such 12-month period. The appraisal requirement in the preceding sentence shall not apply to any protective advances made by any provider of Qualified Debt or advances made by any provider of Qualified Debt to cure Lessee defaults under the

agreements evidencing such Qualified Debt (regardless of whether entered into on or after the Closing Date) or other financing documents of such Qualified Debt.

"Qualified Employees" has the meaning ascribed thereto in Section 2.5(k)(ii).

"Qualifying Account Instrument" means either (i) an Account LC or (ii) a revolving working capital or liquidity facility that is available for drawing by the Lessee at any time, and from time to time, to pay operating expenses or debt service (as applicable) as it becomes due; *provided* that (A) the maturity of such revolving working capital or liquidity facility shall in no event be less than 12 months from the date of determination of the Opex Reserve Requirement or Debt Service Reserve Requirement (as applicable), (B) such revolving working capital or liquidity facility shall have no conditions precedent to drawing other than (1) the non-occurrence of a payment default in respect of any Leasehold Mortgage Debt, (2) the non-acceleration of any Leasehold Mortgage Debt as a result of an event of default with respect thereto, (3) the non-occurrence of any of the events set forth in Sections 16.1(a)(v) or (vi) of this Agreement with respect to the Lessee or (4) other customary conditions precedent for a liquidity facility and (C) such revolving working capital or liquidity facility shall be provided by one or more financial institutions whose long-term senior unsecured indebtedness has obtained a rating of "BBB+" or better by Standard & Poor's Ratings Services and an equivalent credit rating by another Rating Agency (or an equivalent credit rating from at least two nationally recognized Rating Agencies if the named Rating Agency ceases to publish ratings).

"Rating Agency" means any of Standard & Poor's Rating Services, Moody's Investors Service, Inc. or Fitch Investors Service, Inc. or any similar entity or any of their respective successors.

"Reasonable Efforts" means the taking of those commercially reasonable steps in the power of the relevant Person that are capable of producing the desired result, being steps which a reasonable person desiring to achieve such result would take; *provided* that, subject to the relevant Person's other express obligations under this Agreement, the relevant Person shall not be required to expend any funds other than those funds (i) necessary to meet the reasonable costs reasonably incidental or ancillary to the steps to be taken by the relevant Person and (ii) the expenditure of which is not the obligation of another Person hereunder.

"Recitals" means the recitals of this Agreement.

"Release" means any unlawful spilling, leaking, emitting, discharging, disposing, depositing, leaching, escaping, dumping, pumping, emptying, injecting, pouring, or migration into or through the Environment.

"Replacement Letter of Credit" has the meaning ascribed thereto in Section 16.3(c).

"Reporting Year" means each calendar year during the Term, except that unless the Closing Date is the first day of January, the first Reporting Year shall be a partial year commencing on the Closing Date and ending on December 31st of such calendar year and the last Reporting Year shall be a partial Reporting Year commencing January 1st of such Reporting Year and ending on the End Date.

"Representative" means, with respect to any Person, any director, officer, employee, official, lender (or any agent or trustee acting on its behalf), partner, member, owner, agent, lawyer, accountant, auditor, professional advisor, consultant, engineer, Contractor, other Person for whom such Person is responsible at law or other representative of such Person and any professional advisor, consultant or engineer designated by such Person as its "Representative."

"Required Coverages" has the meaning ascribed thereto in Section 13.1.

"Required Modification" has the meaning ascribed thereto in Section 5.2(a).

"Restoration", "Restore", or "Restoring" means, with respect to any casualty loss, destruction or damage of the LMM Airport Facility, to repair or rebuild the affected portions of the LMM Airport Facility in accordance with all Laws applicable at the time of the repair or rebuilding to restore them to at least the same condition in which they were before the occurrence of such casualty loss, destruction or damage.

"Restoration Funds" has the meaning ascribed thereto in Section 13.3(a).

"Re-Tender Costs" means any costs, expenses (including legal fees), Taxes, fees, charges, disbursements and other Losses that are incurred by the Authority (or to the best of the Authority's knowledge after due inquiry, are expected to be paid or incurred by the Authority) in connection with any Re-Tender of the LMM Airport Facility.

"Re-Tender of the LMM Airport Facility" means (a) any process by which the Authority (i) requests tenders from any Person interested in entering into a concession, lease or other transaction in respect of the LMM Airport Facility, (ii) evaluates any response to such request from such Person or (iii) grants or enters into such concession, lease or other transaction with such Person, or (b) any financing, bonding or similar transaction undertaken by the Authority in respect of the LMM Airport Facility.

"Reversion Date" means the day immediately following the End Date.

"Secretary" means the U.S. Secretary of Transportation.

"Securities Act" means the United States Securities Act of 1933, as amended.

"Signatory Airlines" has the meaning ascribed thereto in the Use Agreement.

"State" means any state in the United States of America or any possession or territory thereof.

"Statement of Estimated Liabilities" means a statement by the Authority setting forth (i) the relevant Lessee Default or other circumstances giving rise to its right to terminate this Agreement, (ii) all amounts that (A) are estimated to be due and payable by the Lessee to the Authority under this Agreement as of the date of such statement or (B) to the best of the Authority's knowledge after due inquiry, are expected to become due and payable by the Lessee under this Agreement on or prior to the date that is 30 days after the date of such statement, (iii) to the extent not included in clause (ii) above, all other obligations of the Lessee under this

Agreement known to the Authority that should have been, but have not been, performed as of the date of such statement and (iv) to the extent not included in clauses (ii) or (iii) above, all costs and expenses (including legal fees), Taxes, fees, charges and disbursements estimated to be paid or incurred by the Authority in connection with any Lessee Default, the termination of this Agreement, the recovery of possession from the Lessee, and the preparation, execution and delivery of the New Agreement and related agreements and the Statement of Estimated Liabilities that (A) are estimated to have been paid or incurred by the Authority as of the date of such statement or (B) to the best of the Authority's knowledge after due inquiry, are expected to be paid or incurred by the Authority on or prior to the date that is 30 days after the date of such statement.

"Sworn Statement" means the sworn statement required by Act No. 458 of the Legislative Assembly of Puerto Rico enacted on December 29, 2000, as amended.

"Sworn Statement for Closing" means the sworn statement in the form of Schedule 8.

"Tax" means any federal, Commonwealth, State, municipal, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, permit fees, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, parking, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated or other tax, levy, impost, duty, fee, withholding or similar imposition of any kind payable, levied, collected, withheld or assessed at any time, including any interest, surcharge, penalty or addition thereto, whether disputed or not.

"Term" means the term of the Lease referred to in Section 2.1.

"Term Year" means (i) if the Closing Date occurs on the first day of a calendar month, the 12-month period beginning on the Closing Date or (ii) if the Closing Date does not occur on the first day of a calendar month, the period from the Closing Date through the 12-month anniversary of the end of the calendar month in which the Closing Date occurred and, in either case of clause (i) or (ii), each succeeding 12-month period and in any case ending on the End Date.

"Termination Damages" means AA-Termination Damages, AD-Termination Damages or PIC-Termination Damages.

"Third Party Claim" means any Claim asserted against an Indemnified Party by any Person who is not a Party or an Affiliate of such a Party.

"Time of Closing" means 10:00 a.m. on the Closing Date or such other time on such date as the Authority and the Lessee may agree to in writing.

"Transaction" has the meaning ascribed thereto in Section 2.1.

"Transfer" means to sell, convey, assign, lease, sublease, mortgage, encumber, transfer or otherwise dispose of.

"Transferee" has the meaning ascribed thereto in Section 17.1(a).

"TSA" means the Transportation Security Administration created under the Aviation and Transportation Security Act, 49 U.S.C. § 40101 *et seq.*, or any successor agency thereto.

"TSA-approved Airport Security Program" means the airport security program approved by TSA under 49 C.F.R. Part 1542 with respect to the LMM Airport Facility.

"Unamortized Leasehold Fee" means, as of the End Date, the amount equal to:

(i) the product of (A) the Leasehold Fee, *multiplied* by (B) the difference of (1) one *less* (2) the quotient of (I) the number of days elapsed from the Closing Date through and including the End Date, *divided* by (II) 14,610 (plus such number of days as may be added to the Term in the event of an extension of the Term); *plus*

(ii) for each Annual Authority Payment actually paid by the Lessee, the product of (A) each such Annual Authority Payment actually paid by the Lessee, *multiplied* by (B) the difference of (1) one *less* (2) the quotient of (I) the number of days elapsed from the date that each such Annual Authority Payment was paid by the Lessee through and including the End Date, *divided* by (II) the difference of (x) 14,610 (plus such number of days as may be added to the Term in the event of an extension of the Term) *less* (y) the number of days that elapsed between the Closing Date through and including the date that each such Annual Authority Payment was paid by the Lessee; *plus*

(iii) if the Lessee paid the Authority compensation in connection with the Hotel Property pursuant to Section 3.19, the product of (A) such compensation paid by the Lessee to the Authority in accordance with Section 3.19 upon consummation of such transaction, *multiplied* by (B) the difference of (1) one *less* (2) the quotient of (I) the number of days elapsed from the date on which the notice of resolution of litigation was given by the Authority to the Lessee in accordance with Section 3.19(c) through and including the End Date, *divided* by (II) the number of days that would elapse from the date on which such notice was given through and including the 40th anniversary of the Closing Date (plus such number of days as may be added to the Term in the event of an extension of the Term); *plus*

(iv) if the Lessee paid the Authority compensation in connection with the Cargo Facility pursuant to Section 3.20, the product of (A) such compensation paid by the Lessee to the Authority in accordance with Section 3.20 upon consummation of such transaction, *multiplied* by (B) the difference of (1) one *less* (2) the quotient of (I) the number of days elapsed from the date on which the notice of resolution of litigation was given by the Authority to the Lessee in accordance with Section 3.20(c) through and including the End Date, *divided* by (II) the number of days that would elapse from the date on which such notice was given through and including the 40th anniversary of the Closing Date (plus such number of days as may be added to the Term in the event of an extension of the Term); *plus*

(v) if the Lessee paid the Authority compensation for the inclusion of the PRANG Property pursuant to Section 3.21, the product of (A) such compensation paid by the Lessee to the Authority for the inclusion of the PRANG Property upon consummation of such transaction (excluding any payments made periodically to the Authority after the consummation of the

transaction with respect to the PRANG Property), *multiplied* by (B) the difference of (1) one *less* (2) the quotient of (I) the number of days elapsed from the date on which the transaction for the inclusion of the PRANG Property was consummated through and including the End Date, *divided* by (II) the number of days that would elapse from the date on which the transaction for the inclusion of the PRANG Property was consummated through and including the 40th anniversary of the Closing Date (plus such number of days as may be added to the Term in the event of an extension of the Term).

"U.S. Revenue Code" means the United States Internal Revenue Code of 1986, as amended.

"Use Agreement" means the airport use agreement substantially in the form attached hereto as Schedule 3 (the "Use Agreement") and any successor airport use agreement.

"Utility Systems" means gas, electricity, light, heat, power, telephone, water and other utilities and services used in the LMM Airport Facility Operations or supplied to the LMM Airport Facility during the Term.

Section 1.2 Number and Gender. In this Agreement, terms defined in the singular have the corresponding plural meaning when used in the plural and vice versa and words in one gender include all genders.

Section 1.3 Headings. The division of this Agreement into articles, sections and other subdivisions is for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The headings in this Agreement are not intended to be full or precise descriptions of the text to which they refer and shall not be considered part of this Agreement.

Section 1.4 References to this Agreement. The words "herein", "hereby", "hereof", "hereto" and "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular portion of it. The words "Article", "Section", "paragraph", "sentence", "clause" and "Schedule" mean and refer to the specified article, section, paragraph, sentence, clause or schedule of, or to, this Agreement.

Section 1.5 References to Agreements and Other Documents. Unless specified otherwise, a reference to an agreement or other document is considered to be a reference to such agreement or other document (including any schedules or exhibits thereto) as it may be amended, modified or supplemented from time to time.

Section 1.6 References to Any Person. A reference in this Agreement to any Person at any time refers to such Person's permitted successors and assigns.

Section 1.7 Meaning of Including. In this Agreement, the words "include", "includes" or "including" mean "include without limitation", "includes without limitation", "including without limitation" and "including but not limited to", respectively, and the words following "include", "includes" or "including" shall not be considered to set forth an exhaustive list.

Section 1.8 Meaning of Discretion. In this Agreement, unless otherwise qualified or limited, the word "discretion" with respect to any Person means the sole and absolute discretion of such Person.

Section 1.9 Meaning of Notice. In this Agreement, the word "notice" means "written notice" unless specified otherwise.

Section 1.10 Meaning of Promptly. In this Agreement, the word "promptly" means as soon as reasonably practicable in light of then-prevailing circumstances.

Section 1.11 Consents and Approvals. Wherever the provisions of this Agreement require or provide for or permit an approval or consent by either Party, such approval or consent, and any request therefor, must be in writing (unless waived in writing by the other Party).

Section 1.12 Trade Meanings. Unless otherwise defined herein, words or abbreviations that have well-known trade meanings are used herein in accordance with those meanings.

Section 1.13 Laws. Unless specified otherwise, a reference to a Law is considered to be a reference to (a) such Law as it may be amended, modified or supplemented from time to time, (b) all regulations and rules pertaining to or promulgated pursuant to such Law, (c) the successor to the Law resulting from recodification or similar reorganizing of Laws and (d) all future Laws pertaining to the same or similar subject matter. Nothing in this Agreement shall fetter or otherwise interfere with the right and authority of any Governmental Authority to enact, administer, apply and enforce any Law. Except for Adverse Actions or if compensation or other relief is otherwise available or provided for pursuant to applicable Law or this Agreement, the Lessee shall not be entitled to claim or receive any compensation or other relief whatsoever as a result of the enactment, administration, application or enforcement of any Law by any Governmental Authority.

Section 1.14 Currency. Unless specified otherwise, all statements of or references to dollar amounts or money in this Agreement are to the lawful currency of the United States of America.

Section 1.15 Accounting Principles. All accounting and financial terms used herein, unless specifically provided to the contrary, shall be interpreted and applied in accordance with then generally accepted accounting principles in the United States of America, consistently applied.

Section 1.16 Time.

(a) *References to Specific Time.* Unless specified otherwise, all statements of or references to a specific time in this Agreement are to Atlantic Standard Time.

(b) *Period of Days.* For purposes of this Agreement, a period of days shall be deemed to begin on the first day after the event that began the period and to end at 5:00 p.m. on the last day of the period. If, however, the last day of the period does not fall on a Business Day, the period shall be deemed to end at 5:00 p.m. on the next Business Day.

Section 1.17 Approvals, Consents and Performance by the Authority.

(a) *Procedures.* Wherever the provisions of this Agreement require or provide for or permit an approval or consent by the Authority of or to any action, Person, Document or other matter contemplated by this Agreement, the following provisions shall apply, as applicable: (i) such request for approval or consent must (A) contain or be accompanied by any documentation or information required for such approval or consent in reasonably sufficient detail, (B) clearly set forth the matter in respect of which such approval or consent is being sought, (C) form the sole subject matter of the correspondence containing such request for approval or consent and (D) state clearly that such approval or consent is being sought; (ii) such approval or consent shall not be unreasonably or arbitrarily withheld, conditioned or delayed (unless such provision provides that such approval or consent may be unreasonably or arbitrarily withheld, conditioned or delayed or that it may be given or provided at the discretion of the Authority); (iii) the Authority shall, within such time period set forth herein (or (A) if no time period is provided, within 45 days, subject to the Authority's right to extend such period once for an additional 15 days or (B) in the event of an Airport Emergency, as promptly and reasonably practicable under the circumstances) after the giving of a notice by the Lessee requesting an approval or consent, advise the Lessee by notice either that it consents or approves or that it withholds its consent or approval, in which latter case it shall (unless such provision provides that such approval or consent may be unreasonably or arbitrarily withheld, conditioned or delayed or is subject to the discretion of the Authority) set forth, in reasonable detail, its reasons for withholding its consent or approval, which reasons may include the insufficiency, as determined by the Authority acting reasonably, of the information or documentation provided; (iv) if the responding notice mentioned in clause (iii) of this Section 1.17(a) indicates that the Authority does not approve or consent, the Lessee may take whatever steps may be necessary to satisfy the objections of the Authority set out in the responding notice and, thereupon, may submit a revised request for approval or consent from time to time and the provisions of this Section 1.17 shall again apply until such time as the approval or consent of the Authority is finally obtained; (v) if the disapproval or withholding of consent mentioned in clause (iv) of this Section 1.17(a) is subsequently determined pursuant to Article 19 to have been improperly withheld, conditioned or delayed by the Authority, such approval or consent shall, unless otherwise determined pursuant to Article 19, be deemed to have been given on the date on which such approval or consent was originally required; and (vi) for the avoidance of doubt, any dispute as to whether or not a consent or approval has been unreasonably withheld, conditioned or delayed shall be resolved in accordance with the provisions of Article 19.

(b) *Approved Documents.* Subject to the other provisions hereof, wherever in this Agreement an approval or consent is required with respect to any document, proposal, certificate, plan, drawing, specification, contract, agreement, budget, schedule, report or other written instrument whatsoever (a "Document"), following such Approval such Document shall not be amended, supplemented, replaced, revised, modified, altered or changed in any material respect without first obtaining a further Approval in accordance with the provisions of this Section 1.17.

ARTICLE 2
THE TRANSACTION; CLOSING; CONDITIONS PRECEDENT; COVENANTS

Section 2.1 Grant of Lease; Right to Sublease; Intent of the Parties; Allocation of the Leasehold Fee.

(a) Upon the terms and subject to the conditions of this Agreement, effective at the Time of Closing, (i) the Lessee (A) shall pay the Authority the exact amount of $615,000,000 in cash (the "Leasehold Fee"), (B) agrees to pay the Annual Authority Payment described in Section 2.1(b) and (C) agrees to pay the Annual Authority Revenue Share described in Section 2.1(c) and (ii) the Authority shall and does hereby (A) grant the Lessee a lease free and clear of Encumbrances other than Permitted Authority Encumbrances, for and during the term (the "Term") commencing as of the Time of Closing and expiring at 11:59 p.m. on the 40th anniversary of the Closing Date, unless terminated earlier or extended in accordance with the terms of this Agreement, to operate, manage, maintain, improve, enhance, develop and rehabilitate the LMM Airport Facility for Airport Purposes and otherwise in accordance with and pursuant to this Agreement and (B) grant the Lessee the right to collect and retain all fees, charges and revenues in respect of the LMM Airport Facility, the LMM Airport Facility Assets and the LMM Airport Facility Contracts, including PFCs and Government Grants-in-Aid (the "Lease"). In addition to the Lease granted hereby to the Lessee, the Authority hereby assigns, transfers and otherwise conveys to the Lessee each (and all) of the LMM Airport Facility Assets (*provided* that no cash received prior to the Time of Closing shall be assigned, transferred or otherwise conveyed to the Lessee, except for cash tendered as security deposits under the Assigned LMM Airport Facility Contracts and cash or cash equivalents on deposit or required to be deposited in the accounts holding the PFCs collected prior to the Closing Date in respect of PFC eligible projects) and the Assigned LMM Airport Facility Contracts (including any security deposits tendered to the Authority by the counterparties thereto), and the Lessee shall accept each such grant, assignment, transfer and conveyance (collectively, including the Lease, the "Transaction").

(b) On or before the last day of each of the first five full Reporting Years, the Lessee shall pay to the Authority, in cash, the exact amount of $2,500,000 (the "Annual Authority Payment"). In the event that this Agreement is terminated prior to the end of the fifth full Reporting Year, the Annual Authority Payment in respect of the Reporting Year in which such termination occurs shall be pro-rated for the number of days elapsed in such Reporting Year prior to such termination and shall be due and shall be paid by the Lessee on the Reversion Date. The payment of the Annual Authority Payment shall be senior and prior to the payment of any debt of the Lessee.

(c) The Lessee shall pay to the Authority, in cash, an amount (the "Annual Authority Revenue Share") equal to (i) for the sixth full Reporting Year through and including the thirtieth full Reporting Year, 5% of the gross Airport Revenues earned by the Lessee in such Reporting Year or (ii) for the thirty-first full Reporting Year and each succeeding Reporting Year, 10% of the gross Airport Revenues earned by the Lessee in such Reporting Year. The Annual Authority Revenue Share for each Reporting Year is due and shall be paid by the Lessee within 30 days after the delivery of the audited annual financial report for such Reporting Year as required by Section 8.1(c)(ii). Any Annual Authority Revenue Share in respect of the final

Reporting Year shall be due and shall be paid by the Lessee within 90 days after the Reversion Date. The payment of the Annual Authority Revenue Share shall be senior and prior to the payment of any debt of the Lessee.

(d) As part of the Lease, the Authority grants the Lessee the right to sublease the non-aeronautical areas of the LMM Airport Facility as provided in this Agreement and collect and retain all fees, charges, payments and revenues in respect of such subleased facilities. Pursuant to this right to sublease, the Authority, by the Time of Closing, shall cause all those LMM Airport Facility Contracts that are lease or concession agreements to include the Lessee as a party thereof or shall assign such LMM Airport Facility Contracts to the Lessee in order for the Lessee to have the right to collect and retain all fees, charges, payments and revenues in respect of such LMM Airport Facility Contracts.

(e) It is the intent of the Parties that the Lessee shall have the right to use the LMM Airport Facility as provided in this Agreement as lessee and that the Authority in no way is assigning, transferring or otherwise conveying title of the LMM Airport Facility to the Lessee.

(f) Prior to the Closing, the Leasehold Fee as allocated among the rights and interests described in Section 2.1(a), shall be set forth on an agreed Schedule to this Agreement. For the avoidance of doubt, to the extent that an Assigned LMM Airport Facility Contract includes services to be provided to the Authority in connection with other facilities or assets of the Authority not being conveyed to the Lessee as part of the Lease, the Authority may partially assign such Assigned LMM Airport Facility Contract to the Lessee, and the Lessee shall accept such partial assignment, in accordance with the foregoing.

Section 2.2 Closing.

(a) The closing of the Transaction (the "Closing") shall take place on a Business Day not later than 180 days after the Bid Date (unless otherwise agreed in writing by the Authority and the Lessee with notice to the Signatory Airlines) (the "Outside Closing Date") that is specified by the Lessee in a notice to the Authority and the Signatory Airlines not less than 10 Business Days prior to such Business Day; *provided* that the Closing shall not take place prior to the later of (i) the first Business Day that is 90 days after the Date of this Agreement and (ii) the date on which all Closing conditions shall have been satisfied or waived by the Party or Parties for the benefit of which such conditions are applicable (the "Closing Date"). The Closing shall be held at the offices of Mayer Brown LLP, 71 South Wacker Drive, Chicago, Illinois 60606, or such other place agreed to in writing by the Authority and the Lessee, with notice to the Signatory Airlines. At the Time of Closing, the Lessee shall deliver or cause to be delivered to the Authority same-day funds by wire transfer in the amount of the Leasehold Fee (less the amount of any Cash Deposit and any interest thereon withdrawn by the Authority pursuant to Section 2.3(c)) in full payment for the Lessee Interest, and upon receipt of such payment the Transaction shall be effective. Upon receipt of the funds described in the preceding sentence, the Authority shall immediately cancel and return the Closing LOC in accordance with the Lessee's instructions.

(b) The Authority shall be entitled to all revenues with respect to the LMM Airport Facility and shall be responsible for all charges, costs and expenses with respect to

Assumed Liabilities that shall have accrued as of 11:59 p.m. on the day immediately preceding the Closing Date. If the Authority and the Lessee are unable to determine if any revenues or charges, costs and expenses with respect to the Assumed Liabilities actually accrued as of 11:59 p.m. on the day immediately preceding the Closing Date, such revenues, charges, costs and expenses shall be prorated between the Authority and the Lessee as of 11:59 p.m. on the day immediately preceding the Closing Date based upon the actual number of days in the month and a 365-day year. Any amounts payable to or owed by the Authority pursuant to this Section 2.2(b) shall be added to or subtracted from the Leasehold Fee accordingly. If final amounts cannot be determined at the Closing for any items contemplated by this Section 2.2(b), then the Authority and the Lessee shall allocate such items on a fair and equitable basis as soon as revenue statements, invoices or bills are available, with final adjustment to be made as soon as reasonably possible after the Closing Date. The Authority and the Lessee shall have reasonable access to, and the right to inspect and audit, the other's books to confirm such final determinations, subject to the terms and conditions set forth in Article 8 and Article 19. Payment of any amount due under the final adjustment will be paid by the Lessee to the Authority or by the Authority to the Lessee (as applicable) within 30 days of agreement by the Authority and the Lessee of the final adjustment. It is understood and agreed that the Authority shall, up to and including 11:59 p.m. on the day immediately preceding the Closing Date, be entitled to all of the cash or cash equivalents in or generated by the LMM Airport Facility (other than cash or cash equivalents on deposit or required to be deposited in the accounts holding the PFCs collected prior to the Closing Date in respect of PFC eligible projects and any security deposit under any Assigned LMM Airport Facility Contract).

Section 2.3 Deposit.

(a) The Authority acknowledges receipt from the Lessee of cash (a "Cash Deposit") or one or more Letters of Credit with a term of at least 180 days from the Date of this Agreement (the Closing LOC"), or a combination of the foregoing, in an aggregate amount equal to 5% of the Leasehold Fee as of the date hereof, to be held by the Authority for the sole purpose described in Section 2.3(b). The Authority shall deposit any Cash Deposit with a Depositary, which shall invest such amount in Eligible Investments pending Closing. The Lessee may provide a combination of a Cash Deposit and Closing LOC to comply with the requirements of this Section 2.3(a), in which case the relevant provisions of this Agreement related to a Cash Deposit and to a Closing LOC, including the rights of the Parties related thereto, shall be construed to apply to both forms of security.

(b) If the Authority terminates this Agreement pursuant to Section 2.4(d)(iv) because a condition set forth in Section 2.4(b) remains unsatisfied (unless such Section 2.4(b) condition remains unsatisfied solely because a condition set forth in Section 2.4(a) or Section 2.4(c) remains unsatisfied), then the Authority shall be entitled to (i) retain any Cash Deposit and all interest earned thereon and/or (ii) draw immediately without notice to the Lessee, the full amount of the Closing LOC upon presentation of a sight draft and a certificate confirming that the Authority has the right to draw under the Closing LOC in the amount of such sight draft, and the Authority shall be entitled to retain all of the proceeds of the Closing LOC, in either case, as the sole and exclusive remedy or right of the Authority against the Lessee hereunder for any cause of action arising under or relating to this Agreement or any document executed in connection herewith. If this Agreement is terminated for any other reason, the Authority shall,

within five days, return any Cash Deposit and all interest earned thereon and return the Closing LOC, if any, to the Lessee marked cancelled. The right of the Authority to retain any Cash Deposit and all interest earned thereon or to draw the Closing LOC is intended to be, and shall constitute, liquidated damages and the exclusive remedy to compensate the Authority for the cost of foregoing alternative opportunities and for other costs incurred by the Authority in reliance on the Lessee's agreement to enter into the transaction contemplated hereunder, and full retention of any Cash Deposit and all interest earned thereon and full payment of the entire draw on the Closing LOC to the Authority shall terminate all other rights and remedies of the Authority with respect to the Lessee. The Parties acknowledge that the damages suffered by the Authority as a result of such termination would be impossible to ascertain and that the combined amount of any Cash Deposit and all interest earned thereon and the Closing LOC is a reasonable estimate thereof and is not intended as a penalty.

(c) At Closing, upon satisfaction of the conditions set forth in Sections 2.4(a), (b) and (c), the Authority shall withdraw the Cash Deposit and all interest earned thereon as a credit against the Leasehold Fee.

Section 2.4 Conditions Precedent; Termination.

(a) *Conditions for the Benefit of the Lessee.* The Lessee shall be obligated to consummate the Closing in accordance with the terms hereof only if each of the following conditions has been satisfied in full at or before the Time of Closing, unless waived in writing by the Lessee:

(i) the representations and warranties of the Authority set forth in Section 9.1 shall be true and correct on and as of the Date of this Agreement and at and as of the Time of Closing with the same force and effect as if made at and as of such time and date except for (A) such representations and warranties made as of a specified date, in which case such representations and warranties shall be true and correct as of such specified date, and (B) failures of representations and warranties (other than the representation and warranty set forth in Section 9.1(o)) to be true or correct that, individually or in the aggregate, have not had and are not reasonably likely to have a Material Adverse Effect (it being understood that, for purposes of determining whether such failures have not had and are not reasonably likely to have a Material Adverse Effect, all materiality qualifications and references to a Material Adverse Effect contained in such representations and warranties shall be disregarded);

(ii) the Authority shall not be in material breach of any covenant on its part contained in this Agreement that is to be performed or complied with by the Authority at or prior to the Time of Closing, and the GDB shall not be in material breach of any covenant on its part contained in the GDB Payment Guaranty that is to be performed or complied with by the GDB at or prior to the Time of Closing; *provided* that the Authority or the GDB, as the case may be, shall have been given prompt notice of such breach and given a reasonable opportunity to cure such breach prior to the Closing Date (it being understood that the opportunity to cure such breach prior to the Closing Date may not extend beyond the Outside Closing Date);

(iii) the Authority shall have arranged for the deposit of funds from the Leasehold Fee or from other sources sufficient to provide for the payment, in full, of all

obligations of the Authority payable from and secured in whole or in part by the LMM Airport Facility, the LMM Airport Facility Operations, the LMM Airport Facility Assets or the revenues generated at the LMM Airport Facility and outstanding at the Time of Closing in such a manner that such obligations shall be legally retired as of the Closing Date and no longer treated as outstanding under the documents under which such obligations were issued and are secured, and at the Closing, the Authority shall deliver to the Lessee a certificate executed by the Executive Director of the Authority certifying that any and all security interests and collateral securing any such obligations will be released in full as of the Time of Closing; and concurrently with such deposit, all such security interests and collateral shall have been released;

(iv) the Authority shall have delivered to the Lessee a legal opinion of (A) the Authority's General Counsel, substantially in the form attached hereto as Schedule 9A and (B) the GDB's General Counsel, substantially in the form attached hereto as Schedule 9B, together with all factual certificates delivered with respect thereto;

(v) the Authority shall have executed and delivered to the Lessee (A) the estoppel certificate contemplated by Section 10.2(b) and (B) the consent agreement contemplated by Section 18.1(l);

(vi) neither the Authority nor the Commonwealth nor any other Governmental Authority established under the Laws of the Commonwealth shall have enacted any legislation or ordinance or promulgated any rule or regulation or taken any action that would constitute an Adverse Action hereunder were such action to take place during the Term or that has resulted or (in the case of any pending review or proceeding, if adversely determined) could reasonably be expected to result in such Governmental Authority conditioning, restricting or prohibiting the consummation of the Transaction in a manner that would impose a material impairment on the Transaction or the rights of the Lessee hereunder or make the consummation of the Transaction illegal;

(vii) the Authority shall have duly filed this Agreement with the Office of the Comptroller of the Commonwealth pursuant to Act No. 18 of the Legislative Assembly of Puerto Rico enacted on October 30, 1975, as amended;

(viii) the Authority shall have duly filed the Partnership Committee Report with respect to this Agreement pursuant to Article 9(g)(ii) and (iii) of the Act;

(ix) the GDB shall have delivered on the Date of this Agreement the GDB Payment Guaranty in substantially the form attached hereto as Schedule 15 (the "GDB Payment Guaranty");

(x) all necessary Authorization, approvals and certifications with respect to the execution, delivery and performance by the Authority of the Agreement or the consummation of the Transaction shall have been obtained from the Board of Directors of the Authority and the Puerto Rico Public-Private Partnerships Authority and the Governor of the Commonwealth;

(xi) the Department of Treasury of the Commonwealth shall have delivered the closing agreement (the "Closing Agreement") in substantially the form attached hereto as Schedule 11;

(xii) the Authority shall have disclosed to the Lessee any Excluded Liabilities arising under Environmental Laws (as described in Section 3.2(c)(vii)) of which the Authority has become aware since delivering the Phase I Environmental Site Assessment of the Airport to the Lessee;

(xiii) the Lessee shall have obtained: (A) a license to operate the parking facilities at the LMM Airport Facility from the Department of Consumer Affairs of Puerto Rico ("DACO") and (B) an exemption for the duration of the Term from the application of DACO Regulation 6753 with respect to the maximum fees chargeable at the LMM Airport Facility's parking facilities, pursuant to Section 8(E) of DACO Regulation 6753; and

(xiv) the Authority shall have delivered to the Lessee a certificate confirming that each of the conditions set forth in Sections 2.4(a)(i) through (xiii) has been satisfied in full by the Authority or the GDB, as the case may be, (except for any such condition that has been waived in writing by the Lessee) at or before the Time of Closing.

(b) *Conditions for the Benefit of the Authority.* The Authority shall be obligated to consummate the Closing in accordance with the terms hereof only if each of the following conditions precedent has been satisfied in full at or before the Time of Closing, unless waived by the Authority:

(i) the representations and warranties of the Lessee in Section 9.2 shall be true and correct on and as of the Date of this Agreement at and as of the Time of Closing with the same force and effect as if made at and as of such time and date except for (A) such representations and warranties made as of a specified date, in which case such representations and warranties shall be true and correct as of such specified date, and (B) failures of representations and warranties to be true or correct that, individually or in the aggregate, have not had and are not reasonably likely to have a material adverse effect on the ability of the Lessee to consummate the transactions contemplated hereby or perform its obligations hereunder (it being understood that, for purposes of determining whether such failures have not had and are not reasonably likely to have a material adverse effect on the ability of the Lessee to consummate the transactions contemplated hereby or perform its obligations hereunder, all materiality qualifications and references to a material adverse effect contained in such representations and warranties shall be disregarded);

(ii) the Lessee shall not be in material breach of any covenant on its part contained in this Agreement that is to be performed or complied with by the Lessee at or prior to the Time of Closing; *provided* that the Lessee shall have been given prompt notice of such breach and given a reasonable opportunity to cure such breach prior to the Closing Date (it being understood that the opportunity to cure such breach prior to the Closing Date may not extend beyond the Outside Closing Date);

(iii) the Lessee shall have delivered to the Authority a legal opinion of counsel to the Lessee, substantially in the form attached hereto as Schedule 10;

(iv) the Lessee shall have delivered to the Authority (A) the evidence of insurance policies (which may be in the form of certificates of insurance) required to be delivered by the last sentence of Section 2.5(e), (B) an Officer's Certificate certifying that the Lessee has a capitalization as of the Closing Date that includes equity that is equal to at least 20% of the Leasehold Fee and (C) Sworn Statement for Closing (duly notarized as of the Closing Date); and

(v) the Lessee shall have delivered to the Authority a certificate confirming that each of the conditions set forth in Section 2.4(b)(i) through (iv) has been satisfied in full by the Lessee (except for any such condition that has been waived in writing by the Authority) at or before the Time of the Closing.

(c) *Conditions for the Benefit of Each of the Parties.* The Authority and the Lessee shall each be obligated to consummate the Closing in accordance with the terms hereof only if each of the following conditions precedent has been satisfied in full at or before the Time of Closing, unless waived by each of the Authority and the Lessee, or otherwise required by Law:

(i) there shall be no preliminary or permanent injunction or temporary restraining order or other order issued by a Governmental Authority of competent jurisdiction (*provided* that the Authority may not claim the benefit of this condition if such injunction or restraining order has been issued by the Authority or any agency thereof) or other legal restraint or prohibition enjoining or preventing the Transaction or preventing Airlines from serving the LMM Airport Facility;

(ii) there shall be no action taken (including the pendency of any review or proceeding), or any Law enacted, entered, enforced or deemed applicable to the Transaction by any Governmental Authority of competent jurisdiction (*provided* that the Authority may not claim the benefit of this condition if such injunction or restraining order has been issued by the Authority or any Governmental Authority under the direction of the Authority) that, in any such case, has resulted or (in the case of any pending review or proceeding, if adversely determined) could reasonably be expected to result in such Governmental Authority conditioning or restricting the consummation of the Transaction in a manner that would impose a material impairment on the Transaction or make the consummation of the Transaction illegal;

(iii) all necessary material Authorizations, approvals and certifications with respect to this Agreement and the Transaction and the operation by the Lessee of the LMM Airport Facility in the manner contemplated hereby shall have been obtained from all relevant Governmental Authorities (other than as described in Section 2.4(a)(x)), including:

(A) all necessary approvals and exemptions by the FAA (which may be subject to or contingent upon the transfer of the leasehold interest to the Lessee and the deposit of operating funds by the Lessee) under the airport privatization pilot program pursuant

to 49 U.S.C. § 47134 for the Lessee to receive all fees and revenues generated at the LMM Airport Facility, to charge fees as set forth in the Use Agreement, to receive and apply PFCs and Government Grants-In-Aid (including approvals of any amendments filed by the Authority with respect to existing FAA approvals necessary to permit the Lessee to charge and collect PFCs previously approved by the FAA (and not representing new PFC authority) in amounts sufficient to pay debt service on approximately $90,000,000 of indebtedness to be incurred by the Lessee to finance a portion of the Leasehold Fee contemplated to be applied by the Authority to retire an equivalent principal amount of previously approved PFC-supported debt issued to fund approved PFC-eligible projects), to transfer and assign all existing Government Grants-In-Aid and PFC approvals to the Lessee and for the Authority's receipt and use for general Authority purposes of the Leasehold Fee, the Annual Authority Payment and the Annual Authority Revenue Share; and no objections shall have been raised in writing or at the public hearing held by the FAA that, in the judgment of either party, create a material possibility of a non-frivolous appeal from the final FAA order under 49 U.S.C. § 47134;

(B) the receipt by the Lessee from the FAA of a Part 139 Airport Operating Certificate and a Part 139 Airport Certification Manual;

(C) the approval by TSA of an Airport Security Program reflecting the Lessee as the airport operator having such TSA-approved Airport Security Program; and

(D) if the Authority has determined that the Transaction may result in control of LMM Airport Facility by foreign interests, the Lessee and the Authority shall have submitted a "Voluntary Notice of Transaction" under Section 721 of Title VII of the Defense Production Act of 1950, as amended (the "Exon-Florio Act") and any of the following shall have occurred: (1) the Authority shall have received notice that a review has been completed and that either the Transaction is not a covered transaction under the Exon-Florio Act or there are no unresolved national security concerns; (2) the President or his designee shall have commenced an investigation and the Authority shall have received notice that such investigation has been completed and that either the Transaction is not a covered transaction under the Exon-Florio Act or there are no unresolved national security concerns; (3) the President shall have announced a decision not to take any action to suspend, prohibit or place any limitations on the Transaction; or (4) the President or his designee shall have indicated that a mitigation agreement shall be required in order to resolve national security concerns and the Lessee and the Authority, after good faith efforts (including as required by Section 2.5(a)), are able to reach agreement with the President or his designee on the terms of a mitigation agreement acceptable to the Lessee and the Authority;

(iv) the prescription period specified in the Act for the commencement of any action challenging the validity of this Agreement shall have expired and no such action shall be pending;

(v) the Parties shall have executed such documents as are necessary to enable the Lessee to record this Agreement in the Commonwealth Registry of Property;

(vi) the Use Agreement between the Authority, the Lessee and any Airline that is a subsidiary of AMR Corporation shall have been authorized to be executed and delivered by such Airline in accordance with all applicable Law and with the approval of the appropriate U.S. federal court having jurisdiction over such bankruptcy matters;

(vii) the Use Agreements (which, prior to the Bid Date, shall have been delivered into escrow by those Airlines that have previously executed a Use Agreement) shall have been duly executed and delivered by the Authority and the Lessee, and shall have become effective as of the Closing Date, and such agreements shall be sufficient in number to satisfy the condition set forth in Section 2.4(c)(iii)(A); and

(viii) those certain Transaction Implementation Agreements shall have been duly executed and delivered by, and shall remain in effect up to the Closing Date among the Authority and Signatory Airlines.

(d) *Termination.* This Agreement may be terminated at any time prior to the Closing:

(i) by the consent of both the Authority and the Lessee in a written instrument;

(ii) by either the Authority or the Lessee, upon notice to the other Party, if (A) any Governmental Authority of competent jurisdiction (other than, with respect to the Authority, the Authority or any Governmental Authority under the direction of the Authority) shall have issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting the Transaction or which would materially impair the Transaction or make the consummation of the Transaction illegal, and such order, decree, ruling or other action has become final and nonappealable; *provided, however*, that the right to terminate this Agreement under this Section 2.4(d)(ii)(A) shall not be available to any Party whose failure to comply with any provision of this Agreement has been the cause of, or resulted in, any order, decree, ruling or other action being imposed or becoming final and nonappealable, (B) any condition set forth in Section 2.4(c)(iii) remains unsatisfied as of the Time of Closing; *provided, however*, that the right to terminate this Agreement under this Section 2.4(d)(ii) shall not be available to any Party whose failure to comply with any provision of this Agreement has been the cause of, or resulted in, the failure of such condition or conditions to be satisfied or (C) the Closing shall not have occurred as of 11:59 p.m. on the Outside Closing Date, unless such date is extended by mutual written agreement of the Lessee and the Authority (*provided* that the right to terminate this Agreement under this Section 2.4(d)(ii)(C) shall not be available to any Party whose actions or failure to act caused the Closing not to occur);

(iii) by the Lessee, upon notice to the Authority, if any condition set forth in Section 2.4(a) or Section 2.4(c) remains unsatisfied as of the Outside Closing Date; *provided, however*, that the Lessee shall not have the right to terminate this Agreement under this Section 2.4(d)(iii) if the Lessee's failure to comply with any provision of this Agreement has been the cause of, or resulted in, the failure of such condition or conditions to be satisfied;

(iv) by the Authority, upon notice to the Lessee, if any condition set forth in Section 2.4(b) or Section 2.4(c) remains unsatisfied as of the Outside Closing Date; *provided, however*, that the Authority shall not have the right to terminate this Agreement under this Section 2.4(d)(iv) if the Authority's failure to comply with any provision of this Agreement has been the cause of, or resulted in, the failure of such condition or conditions to be satisfied; or

(v) by the Authority, upon notice to the Lessee, if any material casualty loss, destruction of or damage to any part of the LMM Airport Facility has occurred and such casualty loss, destruction or damage would permit the Lessee, before giving effect to Section 2.5(i)(iii)(A), to reduce the Leasehold Fee to an amount that is less than 85% of the Leasehold Fee specified in Section 2.1(a)(i)(A).

(e) *Effect of Termination.*

(i) In the event of termination of this Agreement by either the Authority or the Lessee as provided in Section 2.4(d), this Agreement shall forthwith become void and there shall be no liability or obligation on the part of the Authority or the Lessee or their respective Representatives, except as set forth in Section 2.3(b), this Section 2.4(e) and Article 12 and subject to and in accordance with Article 19 and Article 20 and except that no Party shall be relieved or released from any liabilities or damages arising out of its breach of this Agreement (subject to Section 2.3(b) in connection with the Authority's termination of this Agreement pursuant to Section 2.4(d)(iv)).

(ii) In the event that the Lessee terminates this Agreement pursuant to Section 2.4(d)(iii) because a condition set forth in Section 2.4(a) remains unsatisfied or pursuant to Section 2.4(d)(v), the Authority will compensate the Lessee for up to $8,000,000 of the actual documented and reasonable out-of-pocket costs and expenses incurred by the Lessee (or any Affiliate thereof) in connection with the transactions contemplated by this Agreement after the date on which the Authority publicly announced the selection of the Lessee as the winning bidder with respect to such transactions and in connection with its due diligence and preparation of a proposal to act as the Lessee under this Agreement but excluding the costs associated with the unwinding of any hedging arrangement entered into in connection with the prospective financing of the Leasehold Fee.

(iii) Any Cash Deposit and all interest earned thereon shall be retained or returned, and the Closing LOC shall be drawn upon or returned cancelled under the circumstances described in and in accordance with Section 2.3. In the event of termination other than by the Authority as described in Section 2.3, the Authority shall promptly return to the Lessee any Closing LOC marked "canceled" and any Cash Deposit and any interest earned thereon.

(f) *Change in Interest Rate.* Using the 10-year, mid-market LIBOR swap rate in the "Money & Investing, Borrowing Benchmarks" section of *The Wall Street Journal*, from the close of business on the Business Day immediately prior to the Bid Date (as published on the Bid Date) through the close of business two Business Days prior to the Closing Date (as published on the Business Day immediately prior to the Closing Date), the amount of the Leasehold Fee will either be (i) decreased by 1/20 of 1% for every one basis point increase

(above the first 25 basis points increase) in the 10-year, mid-market LIBOR swap rate or (ii) increased by 1/20 of 1% for every one basis point decrease (below the first 25 basis points decrease) in the 10-year, mid-market LIBOR swap rate.

Section 2.5 Covenants.

(a) *Cooperation.* The Parties shall cooperate with each other in good faith in order to permit the Closing to be consummated on the Closing Date as described in this Section 2.5.

(b) *Reasonable Efforts.* Each Party shall use all Reasonable Efforts (i) to take, or cause to be taken, all actions necessary to comply promptly with all requirements of Law that may be imposed on such Party to consummate the Transaction promptly and (ii) to obtain or transfer (and to cooperate with the other Party to obtain or transfer) any Consent or Authorization of any Governmental Authority or any other public or private third-party that is required to be obtained or made by such Party in connection with the consummation of the Transaction, including all Consents and Authorizations from the FAA and TSA with respect to the airport privatization process of the LMM Airport Facility pursuant to 49 U.S.C. § 47134 (including (y) the execution of all necessary approvals and exemptions for the Lessee to receive all revenues generated at the LMM Airport Facility and charge fees as set forth in the Use Agreement and for the Authority's receipt and use for general Authority purposes of the Leasehold Fee, the Annual Authority Payments and the Annual Authority Revenue Share and (z) the receipt by the Lessee of a Part 139 Airport Operating Certificate and a TSA-approved Airport Security Program). The Parties shall promptly cooperate with and furnish information to the other Party at such other Party's reasonable request in connection with any such efforts by, or requirement imposed upon, any of them in connection with the foregoing.

(c) *Injunctions.* If any Governmental Authority of competent jurisdiction (other than the Authority) issues a preliminary or permanent injunction or temporary restraining order or other order before the Time of Closing that would prohibit or materially restrict, hinder or adversely affect the Closing, each Party shall use all Reasonable Efforts (unless the Authority or the Lessee terminates this Agreement pursuant to Section 2.4(d)(ii)) to have such injunction, decree or restraining order or other order dissolved or otherwise eliminated or to eliminate the condition that formed the basis for such injunction or order, in each case promptly and, in any event, prior to the Time of Closing. Subject to Section 2.4(e), any and all costs incurred by any Party pursuant to any action taken in accordance with this Section 2.5(c) shall be borne by the Party against whom such injunction, restraining order or other order has been entered or whose alleged action or inaction in violation of applicable Law is the basis for issuance of such injunction, restraining order or other order (except to the extent that such injunction or other order resulting from, in whole or in part, the actions, direction or instrument of the other Party, in which case such costs shall be borne by such other Party).

(d) *Operation of the LMM Airport Facility.* From the Date of this Agreement up to the Time of Closing, the Authority shall (i) cause the LMM Airport Facility to be operated in the ordinary course in a manner consistent with past practice, (ii) use all Reasonable Efforts to preserve the goodwill of the LMM Airport Facility and to maintain good business relationships with the Airlines and others having business dealings with the Authority in connection with the

LMM Airport Facility, (iii) maintain the LMM Airport Facility Assets in normal operating condition and repair in accordance with past practice (ordinary wear and tear excepted) and not dispose of or acquire the LMM Airport Facility Assets other than in the ordinary course of business, (iv) perform (or cause to be performed) in all material respects all of the Authority's obligations under the LMM Airport Facility Contracts, (v) not enter into any material contracts relating to the LMM Airport Facility or the LMM Airport Facility Operations unless such contracts are terminable by the Lessee on the Closing Date (at no cost to the Lessee) or are approved or consented to in writing by the Lessee prior to the execution thereof, (vi) not incur any Encumbrances on the LMM Airport Facility (other than Permitted Authority Encumbrances) that are not satisfied by the Closing Date or retained by the Authority as an Excluded Liability after the Closing Date and (vii) cause the LMM Airport Facility to be operated in all material respects in accordance with all applicable Laws (except to the extent any non-compliance is being contested in good faith by appropriate proceedings), all with the purpose that the LMM Airport Facility as a going concern shall be unimpaired and leased to the Lessee at the Closing in a condition substantially similar to the condition as of the Date of this Agreement. Without limiting the foregoing, the Authority shall not terminate, assign, amend, modify or agree to a waiver of the terms of any material Assigned LMM Airport Facility Contract or any material Authorization related to the LMM Airport Facility after the Date of this Agreement and before the Time of Closing (or in the case of any material Assigned LMM Airport Facility Contract that has not been assigned or transferred to the Lessee as contemplated herein, before such assignment or transfer is completed) and shall not enter into any new contracts of a similar nature, in each case without the Lessee's consent.

(e) *Policies of Insurance.* The Authority shall cause all applicable policies of insurance maintained in respect of the LMM Airport Facility to be continued in full force and effect from the Date of this Agreement up to the Time of Closing. During the Term, the Lessee shall be responsible for maintaining insurance for the LMM Airport Facility in accordance with the terms of this Agreement.

(f) *Disclosure of Changes.*

(i) From the Date of this Agreement up to the Time of Closing, each Party shall promptly disclose to the other Party any matter which becomes known to it which is inconsistent in any material respect with any of such Party's representations or warranties contained in Article 9. From the Date of this Agreement up to the Time of Closing, each Party shall use good faith efforts to promptly disclose to the other Party any matter which becomes known to it which is inconsistent in any material respect with the representations or warranties of the other Party contained in Article 9; *provided* that the failure of a Party to so notify the other Party shall not operate to foreclose any remedy otherwise available to the Party in accordance with this Agreement with respect to such inconsistency. No such disclosure shall be deemed to change any representation or warranty or cure any breach thereof or affect any inability to make such a representation or warranty for purposes of Section 2.4(a) or for any other purpose.

(ii) From the Date of this Agreement up to the Time of Closing, the Authority may supplement or amend any schedule hereto, including one or more supplements or amendments to correct any matter that would constitute a breach of any representation or warranty contained herein. No such supplement or amendment shall be deemed to change any

representation and warranty, cure any breach thereof or affect any inability to make such a representation and warranty for purposes of Section 2.4(a) or for any other purpose.

(g) *Access to Information.* From the Date of this Agreement up to the Time of Closing, the Authority shall (i) give the Lessee and its Representatives reasonable access during normal business hours and on reasonable notice to (A) the LMM Airport Facility, subject to the Authority's policies and regulations regarding safety and security and any other reasonable conditions imposed by the Authority and (B) employees and management personnel of the LMM Airport Facility, (ii) permit the Lessee and its Representatives to make such inspections of the LMM Airport Facility and such related documents and information as they may reasonably request and (iii) furnish the Lessee and its Representatives with such financial and operating data and other information (including, subject to satisfying the requirements of TSA in 49 C.F.R. Part 1520 and other applicable Governmental Authorities, sensitive security information) that is available with respect to the LMM Airport Facility as they may from time to time reasonably request. The Authority's obligations in the preceding sentence are subject to all confidentiality obligations binding on the Authority with respect to any Person; *provided* that the Authority has disclosed to the Lessee the applicable agreement or other document in which such confidentiality obligations are set out in order to enable the Lessee to evaluate the materiality and significance of not disclosing the information that is subject to such confidentiality obligations. From the Date of this Agreement until the Closing Date, the Lessee shall hold and will cause its Representatives to hold in strict confidence all documents and information concerning the LMM Airport Facility to the extent and in accordance with the terms and conditions of the confidentiality agreement entered into prior to the Date of this Agreement governing the Authority and the Lessee as if such terms and conditions were fully restated herein; *provided* that to the extent that the terms and conditions of such confidentiality agreement conflict with the terms of this Agreement, the terms of this Agreement shall prevail (with terms and conditions of such confidentiality agreement becoming null and void at any time following the Closing Date). From the Closing Date and until the End Date, the Authority shall hold and will cause its Representatives to hold in strict confidence all documents and information concerning the LMM Airport Facility to the extent and in accordance with Section 8.2(b). After the Closing Date, the Lessee shall, at the request of the Authority, provide reasonable assistance with respect to claims or actions brought by third parties against the Authority or by the Authority against third parties based upon events or circumstances concerning the LMM Airport Facility and in that regard the Lessee shall (A) provide reasonable assistance in the collection of information or documents and (B) make the Lessee's employees available when reasonably requested by the Authority.

(h) *Transition.* From the Date of this Agreement up to the Time of Closing, the Parties shall cooperate with each other and with the Airlines to ensure the orderly transition of control, custody, operation, management, maintenance, improvement, enhancement, development and rehabilitation of the LMM Airport Facility at the Time of Closing. The Authority shall cooperate with and provide the Lessee with reasonable assistance in carrying out the Transition Plan (as defined in the Use Agreement). At the request of the Lessee, the Authority shall provide the Lessee, for up to six months following the Closing Date (which six-month period can be extended by the Lessee for up to an additional six months upon reasonable notice to the Authority), the services of the Authority Employees who do not become employees of the Lessee and remain employed by the Authority and the services of employees of the Authority who are assigned for such purpose. The Authority shall also provide, for up to 18

months following the Closing Date (which 18-month period may be extended by the Lessee for up to an additional six months upon reasonable notice to the Authority), administrative or operational informational technology systems and services (including relevant hardware, software, personnel and all operating manuals, guidelines and instructions) related to the operation of the LMM Airport Facility that were provided prior to the Closing Date by the Authority employees who were not LMM Airport Facility employees. The Lessee shall compensate the Authority for the provision of all such services in an amount equal to the Authority's reasonable cost therefor, including *pro rata* employment costs and related reasonable expenses allocable to such employees, for the relevant period of time for services being rendered to the Lessee, which amount shall be billed to the Lessee as soon as reasonably practicable following the end of each month and shall be payable by the Lessee within 30 days of receipt of any such billing statement. Such services shall be provided upon such other reasonable terms and conditions as the Authority and the Lessee shall agree.

(i) *Casualty Loss Prior to Closing.*

(i) *Restoration.* If, following the Bid Date and prior to the Time of Closing, there has occurred any material casualty loss, destruction or damage to any part of the LMM Airport Facility and this Agreement has not been terminated under Section 2.4(d), then the Authority shall promptly and diligently Restore the affected portion of the LMM Airport Facility; *provided* that if the affected portion of the LMM Airport Facility cannot be Restored prior to the Closing Date, then the Authority shall make or cause to be made such Restoration as can reasonably be completed prior to the Closing Date (in a good and workmanlike manner, in accordance with any applicable Operating Standards and using Reasonable Efforts to minimize interference with the LMM Airport Facility Operations and further damage to the LMM Airport Facility) and assign all warranties and guarantees in respect of such Restoration to the Lessee on the Closing Date and, at the option of the Lessee, either (A) the Authority, prior to the Closing Date, shall provide to the Lessee a plan for the completion of such Restoration efforts by the Authority or its agents following the Time of Closing at the Authority's sole expense and subject to the Lessee's reasonable approval and shall then complete such Restoration in substantial accordance with such plan; *provided* that the Lessee may choose in its discretion to undertake such Restoration pursuant to such approved plan at the Authority's sole cost and expense or (B) the Lessee shall Restore the remaining affected portion of the LMM Airport Facility in accordance with its own plan for the completion of such Restoration. Notwithstanding whether the Authority is required to complete the Restoration or the Lessee shall have elected to complete the Restoration as contemplated above, the Authority shall provide Leasehold Compensation to the Lessee during the period from the Closing Date until the Restoration is complete (which Leasehold Compensation, for the avoidance of doubt, may be provided by extending the Term in accordance with Section 15.1(c)(i)).

(ii) *Compensation.* If the Lessee exercises its option to Restore the remaining affected portion of the LMM Airport Facility as described in Section 2.5(i)(i)(B), then (A) the Authority shall assign to the Lessee all available insurance and other proceeds payable by third-party insurers or other third parties to the Authority in respect of such casualty loss, destruction or damage and enforce (with the cooperation of the Lessee) all of its rights, remedies and privileges under any applicable insurance policies with third-party insurers any rights to recovery it may have against other third parties, whether at law, pursuant to contract or otherwise

and (B) the Lessee shall have the right to reduce the Leasehold Fee to be paid at Closing by any expected deficiency between the amount of such insurance and the cost to the Lessee of Restoring the affected portion of the LMM Airport Facility, in each case as estimated by the Lessee.

(iii) *Adjustments.*

(A) In no event shall the Leasehold Fee be reduced in accordance with Section 2.5(i)(ii)(B) to an amount that is less than 85% of the Leasehold Fee specified in Section 2.1(a)(i)(A).

(B) In the event that the cost of Restoring the affected portion of the LMM Airport Facility pursuant to Section 2.5(i)(i)(B) is greater than the net amount of insurance proceeds received by the Lessee from the Authority therefor plus the amount deducted from the Leasehold Fee in accordance with Section 2.5(i)(ii), such event shall be a Compensation Event, and the Authority shall pay Leasehold Compensation to the Lessee in accordance with Section 15.1(b) with respect to any Restoration required to be undertaken pursuant to this Section 2.5(i).

(C) In the event that the cost of Restoring the affected portion of the LMM Airport Facility pursuant to Section 2.5(i)(i)(B) is less than the net amount of insurance proceeds received by the Lessee from the Authority therefor plus the amount deducted from the Leasehold Fee in accordance with Section 2.5(i)(ii), such excess shall be the property of the Authority and shall be paid by the Lessee to the Authority upon the Restoration of the affected portion of the LMM Airport Facility.

(j) *Airport Security Program.* The Lessee acknowledges and agrees that it is obligated under 49 C.F.R. Part 1542 to develop and have in effect the TSA-approved Airport Security Program as of the Closing Date. The Lessee understands and agrees that the implementation, maintenance and operation of the LMM Airport Facility pursuant to the requirements of a TSA-approved Airport Security Program that complies with TSA's security regulations is essential to the operation of the LMM Airport Facility. The Authority shall cooperate with the Lessee and TSA (including by making relevant Authority personnel available) in connection with the preparation and approval process relating to the TSA-approved Airport Security Program.

(k) *Airport Employees.*

(i) Within 20 days after the Date of this Agreement, the Authority shall provide the Lessee with a list of the Authority Employees. Prior to the Time of Closing, the Lessee shall use its Reasonable Efforts to interview all Authority Employees who apply to the Lessee for employment and to offer, on terms and conditions designated by the Lessee taking into account applicable Law, employment to commence following the Closing Date to such Authority Employees who, as determined by the Lessee, meet the Lessee's stated requirements for employment; *provided, however*, that the Lessee shall have no obligation to offer employment to any such Authority Employee. On the Closing Date, the Lessee shall deliver to

the Authority a list of all Authority Employees hired by the Lessee or its affiliates as of the Time of Closing.

(ii) With respect to any Authority Employee hired by the Lessee who, on the Closing Date, has 10 years or more of accumulated service under the Commonwealth Employee Retirement System (the "Commonwealth Retirement System") and elects to continue participating in the Commonwealth Retirement System (each such Authority Employee, a "Qualified Employee"), the Lessee agrees to make the employer contributions that government employers are required to make pursuant to Sections 2-116, 3-105 and 4-113 of Act No. 447, approved by the Legislative Assembly of Puerto Rico on May 15, 1951, as amended, that would become due and payable after the Closing Date for all Qualified Employees hired by the Lessee.

(l) *Noticed Required by the Act.* The Authority shall have sent all notices required under the Act in sufficient time to have allowed the prescription period specified in the Act for the commencement of any action challenging the validity of this Agreement to have expired by the Time of Closing.

Section 2.6 Recordation of Lease. At the Time of Closing, the Parties shall execute such documents as are necessary to enable the Lessee, at its expense, to record this Agreement in the appropriate Commonwealth Registry of Property (including a deed of elevation of this Agreement). To the extent that changes are made to this Agreement with respect to the Term or other material matters, the Parties shall execute, deliver and record, at the Lessee's expense, an amendment to the recorded Agreement reflecting such changes. For the sole purposes of determining the fee payable in connection with the deed of elevation and the recordation of the Agreement pursuant to Article 2 of the P.R. Mortgage and Property Registry Law, the Parties agree that the Leasehold Fee, the Annual Authority Payments and the Annual Authority Revenue Share will be allocated to each year of the Term in the manner set forth in Schedule 16.

Section 2.7 Closing Deliveries. At the Time of Closing, each Party shall execute and deliver all assets, agreements, bills of sale, assignments, endorsements, instruments, affidavits and documents as are reasonably necessary in the opinion of the other Party to effect the Transaction (and in form and substance that are reasonably satisfactory to such other Party).

Section 2.8 Intended Treatment for Federal Income Tax Purposes. This Agreement is intended for United States federal income Tax purposes to be (a) with respect to the transfer of the LMM Airport Facility and the LMM Airport Facility Assets, (i) a sale to the Lessee of those portions of the LMM Airport Facility and the LMM Airport Facility Assets that are tangible property having useful lives of 40 years or less and (ii) a lease to the Lessee of the portions of the LMM Airport Facility and those LMM Airport Facility Assets that are tangible property having useful lives materially greater than 40 years and (b) with respect to the Lease, the acquisition by the Lessee of one or more Section 197 intangibles within the meaning of Section 197(d) of the U.S. Revenue Code. The Parties agree, in the absence of a change of Law or final adverse determination by the Internal Revenue Service, to report the transactions contemplated herein consistently with the intentions expressed in this Section 2.8 for U.S. federal income tax purposes, to treat the Agreement consistently with such intentions and not to take any positions inconsistent with such treatment.

Section 2.9 Intended Treatment for Commonwealth Income Tax Purposes. This Agreement is intended for Commonwealth income tax purposes to be considered an intangible asset acquired by purchase by the Lessee consisting of an exclusive lease and a *contrato de alianza* granting the right to administer and operate the LMM Airport Facility during the Term pursuant to the Act and amortizable under the provisions of Section 1033.07(a)(1)(D) of the New P.R. Revenue Code. It is the intention that the Lessee shall be subject to the provisions of Article 12 of the Act and the Closing Agreement.

ARTICLE 3
TERMS OF THE LEASE

Section 3.1 Right to Operate; Present Condition.

(a) *Right to Operate.* The Authority agrees that, so long as no Lessee Default has occurred and is continuing hereunder, the Lessee shall, at all times during the Term, be entitled to and shall have the exclusive right to conduct LMM Airport Facility Operations and the rights and privileges granted to the Lessee hereunder, subject to the provisions contained in this Agreement. The Authority and the Lessee acknowledge that the Lessee's rights to use and operate the LMM Airport Facility as a public airport are subject to the right of the Authority, in accordance with the terms of this Agreement, to monitor compliance with this Agreement to ensure that the LMM Airport Facility is used and operated as required by this Agreement and Law. The Authority shall, at its sole cost and expense and at all times during the Term, defend its title to the LMM Airport Facility and the rights granted to the Lessee hereunder, or any portion thereof, against any Person claiming any interest adverse to the Authority or the Lessee in the LMM Airport Facility, or any portion thereof, except where such adverse interest arises as a result of the act, omission, negligence, willful misconduct or violation of Law of the Lessee, its Affiliates or their respective Representatives.

(b) *Present Condition.* Subject to Section 2.5(i) and Section 3.2(c) and except as specifically set forth in Section 9.1, the Lessee understands, agrees and acknowledges that the Lessee (i) by the execution of this Agreement, agrees to accept the LMM Airport Facility "AS IS" at the Time of Closing (subject to the "Excluded Liabilities" and subject to the Authority's obligation for Restoration under Section 2.5(i)) and (ii) has inspected the LMM Airport Facility and is aware of its condition and acknowledges that the Authority neither has made nor is making any representation or warranty, express or implied, regarding the condition of the LMM Airport Facility (or any part thereof) or its suitability for the Lessee's proposed use.

Section 3.2 LMM Airport Facility Operations.

(a) *Use.* The Lessee and the Authority agree that a primary purpose and essential consideration of this Agreement is for the Authority to operate a public use airport in a safe and secure manner. Except as otherwise specifically provided herein, the Lessee shall, at all times during the Term, (i) be responsible for all aspects of the LMM Airport Facility Operations and (ii) cause the LMM Airport Facility Operations to be performed in accordance with the provisions of this Agreement (including the Operating Standards), the Use Agreement and applicable Law (including maintaining compliance with 14 C.F.R. Part 139, 49 C.F.R. Parts 1520, 1540 and 1542 and 49 U.S.C. § 47134). The LMM Airport Facility Operations will not be

interrupted in the event that the Lessee becomes insolvent or seeks or becomes subject to any federal, Commonwealth or State bankruptcy, reorganization, insolvency, liquidation, or dissolution proceeding or any petition or similar law seeking the dissolution or reorganization of the Lessee or the appointment of a receiver, trustee, custodian, or liquidator for the Lessee or a substantial part of the Lessee's property, assets, or business.

(b) *Costs and Expenses.* Except as otherwise specifically provided herein, the Lessee shall, at all times during the Term, pay or cause to be paid all costs and expenses relating to the LMM Airport Facility Operations as and when the same are due and payable; *provided, however,* that the Lessee shall not be responsible, and shall not be required to reimburse the Authority, for costs and expenses incurred by the Authority in connection with LMM Airport Facility Operations following the Closing, except as otherwise specifically provided herein.

(c) *Assumed Liabilities.* The Lessee agrees to assume and discharge or perform when due, all debts, liabilities and obligations whatsoever relating to the LMM Airport Facility or the LMM Airport Facility Operations to the extent arising out of or relating to, or based on actions occurring during the Term, but only to the extent such debts, liabilities or obligations do not arise from or relate to any breach by the Authority of any covenant, representation or warranty set forth in this Agreement (collectively, the "Assumed Liabilities"); *provided, however*, that the Assumed Liabilities shall not include, and the Authority shall perform or cause to be performed and discharge or cause to be discharged as and when due, any debts, liabilities and obligations, whether such debts, liabilities or obligations are initially charged to the Authority, the Lessee or any other Person, (i) with respect to the Authority's obligations under this Agreement; (ii) arising out of the satisfaction of the conditions precedent set forth in Section 2.4(a) of this Agreement; (iii) arising out of LMM Airport Facility Operations prior to the Time of Closing (including any debts, liabilities or obligations in existence at the Time of Closing that are required to be paid or performed upon the consummation of the transactions contemplated hereby to occur at the Time of Closing); (iv) with respect to the employment of any Authority Employee hired by the Lessee if such debts, liabilities and obligations arise under employment or labor Law or under any contracts or arrangements with or regarding such Employee and relate to, or were otherwise incurred or accrued during, the time period prior to or at the Time of Closing (including obligations in respect of benefits that had accrued but had not vested in favor of such Employee prior to the Time of Closing), including any unfunded compensation or other benefits or any pension or retirement fund liabilities at the Time of Closing; (v) with respect to any claim made by any Authority Employee not hired by the Lessee arising under employment or labor Law (except if such claim arises from the act or omission of the Lessee); (vi) with respect to any LMM Airport Facility Contracts that are not assigned to the Lessee; (vii) under any Environmental Law arising out of or relating to (A) any Additional Lands required by any Required Modifications, (B) any Additional Lands required by any Agreed Modifications in accordance with the terms thereof or (C) the ownership, operation or condition of the LMM Airport Facility (including the LMM Airport Facility Assets) at any time prior to the Time of Closing, including any noncompliance with Environmental Law that existed at or prior to the Time of Closing and continued after the Time of Closing, or (D) any Hazardous Substance or other contaminant that was present or Released on or migrated or escaped from or was Released from the LMM Airport Facility (including the LMM Airport Facility Assets) or otherwise existed at any time prior to the Time of Closing (a "Pre-Existing Hazardous Substance"), to the extent the Release or condition is not

exacerbated as a result of the Lessee's negligent, unlawful or willful acts or omissions, including and subject to the preceding conditions: (1) the full extent of any Release that began prior to the Time of Closing and continued after the Time of Closing, (2) any Release that occurs after the Time of Closing as a result of any Capital Project undertaken by the Lessee and (3) the proper disposal of any such Pre-Existing Hazardous Substances required as a result of any Capital Project undertaken by the Lessee, and including any environmental conditions existing prior to the Time of Closing, whether or not the manifestation of which occurs at or following the Time of Closing, in each case whether or not known by the Authority or the Lessee at the Time of Closing (including the conditions identified as recognized environmental conditions in the Phase I ESA Report of URS Caribe, LLP dated April 2012); (viii) arising out of the PRANG Property until such time, if ever, as the PRANG Property is included in the LMM Airport Facility in accordance with Section 3.21; (ix) arising out of the Hotel Property until such time, if ever, as the payment in respect of the Hotel Property is made by the Lessee as described in Section 3.19; (x) arising out of the Cargo Facility until such time, if ever, as the payment in respect of the Cargo Facility is made by the Lessee as described in Section 3.20; and (xi) arising prior to the Time of Closing out of (A) work in connection with any Airline Capital Improvement Project and (B) any contract assigned to the Lessee pursuant to Section 4.5 (collectively, the "Excluded Liabilities"). Notwithstanding the foregoing, the Assumed Liabilities shall include any liabilities and obligations arising due to the Lessee's failure to comply with established Engineering or Institutional Controls for such environmental conditions on the LMM Airport Facility; *provided* that, prior to having any obligation to comply therewith, the Lessee shall have (i) received written notice of such Engineering or Institutional Controls from the Authority and (ii) a reasonable period of time in which to implement such controls (which period shall not exceed 60 days unless such implementation reasonably requires a longer period, and the Lessee has demonstrated to the satisfaction of the Authority, acting reasonably, that it is proceeding with all due diligence during such period to implement such compliance); and *provided further* that the Lessee may submit any dispute with respect to such obligation to dispute resolution in accordance with Article 19.

(d) *Operating Agreements.* The Lessee may not enter into any Operating Agreement that extends beyond the Term unless (i) such agreement is assignable to the Authority and subject to a right by the Authority to terminate such agreement without penalty within three Business Days' notice or (ii) the Authority consents to such Operating Agreement.

(e) *Business Plan.* The Lessee shall endeavor in good faith to implement its initial business plan, a copy of which is attached hereto as Schedule 14, subject to alterations thereto in light of changing conditions and the ongoing business judgment of the Lessee. To the extent that the implementation of any part of the Lessee's initial business plan (including as modified to reflect the alterations contemplated above) constitutes a Modification, the Authority and the Lessee shall be considered to have agreed to and approved such Modification, as if in accordance with Section 5.1, without further action (it being understood, however, that (x) the implementation of such Modification shall be subject to approval by the Airlines as required under and in accordance with Section 8.8 of the Use Agreement and (y) to the extent that any alterations to the initial business plan constitute Modifications, any such Modifications that are not consistent with the types of Modifications originally contemplated in the initial business plan and that are material shall be subject to Section 5.1.

Section 3.3 Lessee Responsibility.

(a) The Lessee shall, at all times during the Term, (i) remain solely responsible for compliance with the Part 139 Airport Operating Certificate and (ii) be the sole holder of the Part 139 Airport Certification Manual.

(b) The Lessee shall, at all times during the Term, be responsible for the LMM Airport Facility Operations in a manner consistent with the Operating Standards, the Use Agreement and all applicable requirements of Law, including the Part 139 Airport Operating Certificate, Part 139 Airport Certification Manual and the TSA-approved Airport Security Program. The Lessee may, consistent with the operations plan under the Operating Standards and the provisions of the Part 139 Airport Operating Certificate and the TSA-approved Airport Security Program, enter into contracts or agreements with other parties (which may include Affiliates of the Lessee) to provide services in connection with the LMM Airport Facility Operations. No contract or agreement of any kind between the Lessee and any other Person shall relieve the Lessee of its responsibility and liability for the performance of all of its obligations under this Agreement, the Part 139 Airport Operating Certificate and the TSA-approved Airport Security Program. Further, no agreement or contract of any kind between the Lessee and any other Person shall affect the right of the Authority to exercise any remedies provided hereunder, including any right of access to the LMM Airport Facility in connection therewith, for the failure by the Lessee to carry out any of its obligations under this Agreement.

Section 3.4 FAA Airport Privatization Pilot Program.

(a) *FAA Airport Privatization Pilot Program.* The Lessee shall, at all times during the Term and (except as otherwise set forth herein or in the Use Agreement) at its sole cost and expense, observe and comply with, in all material respects, and cause the LMM Airport Facility Operations to comply with, in all material respects, all applicable Laws now existing or later in effect that are applicable to it or the LMM Airport Facility Operations with respect to the FAA's Airport Privatization Pilot Program pursuant to 49 U.S.C. § 47134, including by ensuring that:

(i) the LMM Airport Facility will continue to be available for public use on reasonable terms and conditions and without unjust discrimination;

(ii) the LMM Airport Facility Operations will not be interrupted in the event that the Lessee becomes insolvent or seeks or becomes subject to any federal, Commonwealth or State bankruptcy, reorganization, insolvency, liquidation, or dissolution proceeding or any petition or similar Law seeking the dissolution or reorganization of the Lessee or the appointment of a receiver, trustee, custodian, or liquidator for the Lessee or a substantial part of the Lessee's property, assets, or business;

(iii) the Lessee will maintain, improve, and modernize the LMM Airport Facility through capital investments and will submit to the Secretary a plan for carrying out such maintenance, improvements, and modernization;

(iv) every fee of the LMM Airport Facility imposed on an air carrier on the day before the Closing will not increase faster than the rate of inflation unless a higher

amount is approved by at least 65% of the Airlines serving the LMM Airport Facility and by Airlines whose aircraft landing at the LMM Airport Facility during the preceding calendar year had a total landed weight during the preceding calendar year of at least 65% of the total landed weight of all aircraft landing at the LMM Airport Facility during such year;

(v) the percentage increase in fees imposed on general aviation aircraft at the LMM Airport Facility will not exceed the percentage increase in fees imposed on air carriers at the airport;

(vi) safety and security at the LMM Airport Facility will be maintained at the highest possible levels;

(vii) the adverse effects of noise from LMM Airport Facility Operations will be mitigated to the same extent as at a public airport;

(viii) any adverse effects on the Environment from LMM Airport Facility Operations will be mitigated to the same extent as at a public airport; and

(ix) any collective bargaining agreement that covers employees of the LMM Airport Facility and is in effect on the Date of this Agreement will not be abrogated by this Agreement.

The Lessee shall promptly notify the FAA, the Authority and the Airlines after receiving notice from a Governmental Authority that the Lessee may have violated any of the above. The Lessee shall promptly notify TSA after receiving notice from a Governmental Authority that the Lessee may have violated any Law relating to safety and security at the LMM Airport Facility. This Section 3.4(a) shall not be construed to allow the imposition of new or increased fees in excess of those provided under the Use Agreement.

(b) *Grant Agreements*. The Lessee hereby confirms its acceptance of all Grant Agreements, including the assurances contained therein. The Lessee and the Authority agree that the Grant Agreements and the assurances required for the granting by the FAA of exemptions under 49 U.S.C. § 47134 create third-party beneficiary rights of the Secretary and the FAA and the Secretary of Homeland Security and TSA in this Agreement with respect to the LMM Airport Facility enforceable by the Secretary and the FAA in administrative or judicial legal proceedings. Notwithstanding any other provision of this Agreement, and in accordance with the statutory objectives of 49 U.S.C. § 47134 and the regulations promulgated thereunder, the Secretary and the FAA are hereby granted all right, title and interest in, to and under this Agreement as third-party beneficiaries of the Lessee's obligations with respect to those items set forth in Section 3.4(a) and the Grant Agreements in order to ensure that the statutory objectives of 49 U.S.C. § 47134 are satisfied. The Authority agrees that it will carry out the terms of all Grant Agreements relating to property or activities that are not part of the LMM Airport Facility.

(c) *Authorizations*. The Lessee shall obtain, comply with, promptly renew and maintain in good standing all Authorizations necessary to perform its obligations hereunder; *provided, however*, that if (i) the Lessee is, at any time during the Term, required to obtain any Authorization from a Governmental Authority that the Authority was not required to obtain in connection with its operation of the LMM Airport Facility prior to the Time of Closing or (ii)

any such Authorization can be obtained only by the Authority or some other Governmental Authority, then the Authority shall (x) use its Reasonable Efforts to assist the Lessee in obtaining such Authorization and (y) subject to Law, promptly deliver to the Lessee a copy of any notice, summons, letter or other communication in respect of any Authorization obtained, renewed or maintained in the Authority's name following the Authority's receipt thereof. Nothing in this Agreement, including Section 2.1, shall be deemed to waive or modify any Authorization required to be obtained by the Lessee or any other Person in connection with the LMM Airport Facility, the LMM Airport Facility Operations or any activities generating revenues at the LMM Airport Facility.

(d) *Prohibition Against Exclusive Rights.* Nothing in this Agreement shall be construed to authorize the Lessee to grant an Airline the exclusive right to conduct an Air Transportation Business, and the Lessee shall have the right to grant to airlines other than the Signatory Airlines the privileges and right of conducting any or all activities of an aeronautical nature.

(e) *Subordination.* The Parties covenant and agree that this Agreement and any Leasehold Mortgage shall be subordinated to the provisions of any existing or future agreement or assurances between the Lessee and the United States federal government (including any such agreement or assurance between the Authority and the United States federal government that are assumed by the Lessee), the execution of which has been or will be required as a condition precedent to the granting of federal funds or the approval to impose or use PFCs for the development of the LMM Airport Facility. The Authority further agrees that it shall not cause the Lessee to violate any assurances made by the Lessee to the federal government in connection with the granting of such federal funds or approvals.

(f) *Qualifications.* The Lessee shall, at all times during the Term, maintain in full force and effect its existence and all qualifications necessary to carry on its business pertaining to the LMM Airport Facility (including the Part 139 Airport Operating Certificate and TSA-approved Airport Security Program), the LMM Airport Facility Operations or any activities generating revenues at the LMM Airport Facility, including all rights, franchises, licenses, privileges and qualifications required in connection with the LMM Airport Facility Operations. Nothing contained in the foregoing shall be deemed to prohibit or limit the Lessee from changing its organizational form or status (for example, a change from a limited liability company to a corporation or a limited partnership), subject to the terms of Section 17.1(a).

Section 3.5 No Encumbrances.

(a) *By the Lessee.* The Lessee shall not do any act or thing that will create any Encumbrance (other than a Permitted Lessee Encumbrance) against the LMM Airport Facility and shall promptly remove any such Encumbrance (other than a Permitted Lessee Encumbrance) against the LMM Airport Facility unless any such Encumbrance comes into existence as a result of an act or omission by the Authority, any other Governmental Authority or any Person claiming through the Authority or any other Governmental Authority, which in turn was not caused by an act or omission of the Lessee. The Lessee shall not be deemed to be in default hereunder if the Lessee continuously, diligently and in good faith contests any such Encumbrance, or the validity thereof (or causes such contest), by appropriate legal proceedings

that shall operate to prevent the foreclosure of any such Encumbrance; *provided* that the Lessee (i) has given advance notification to the Authority that it is the intent of the Lessee to contest the validity or collection thereof or cause such contest and (ii) has given a reasonably satisfactory indemnity to the Authority or has deposited with the Authority a Letter of Credit, surety bond consistent (as to form and credit quality of issuer) with the requirements set forth herein for Letters of Credit, cash or Eligible Investment reasonably satisfactory to the Authority in an amount equal to the amount of the claim or Encumbrance, plus such interest and penalties, court costs or other charges as the Authority may reasonably estimate to be payable by the Lessee at the conclusion of such contest or as is required to provide insurance over any potential Encumbrance; *provided, however*, that in the event such Letter of Credit, surety bond, cash or Eligible Investment shall be so deposited, the same shall be held until such claim or other Encumbrance shall have been released and discharged and shall thereupon be returned to the Lessee, less any amounts expended by the Authority, if any, to procure such release or discharge, or any loss, cost, damage, reasonable attorneys' fees or expense incurred by the Authority, if any, by virtue of the contest of such Encumbrance.

(b) *By the Authority.* Neither the Authority nor any Governmental Authority of or in the Commonwealth shall do any act or thing that will create or permit to exist any Encumbrance (other than a Permitted Authority Encumbrance) against the LMM Airport Facility and shall promptly remove any Encumbrance (other than a Permitted Authority Encumbrance) against the LMM Airport Facility that came into existence as a result of an act of or omission by the Authority or a Person claiming through the Authority. The Authority shall not be deemed to be in default hereunder if the Authority continuously, diligently and in good faith contests any such Encumbrance, or the validity thereof (or causes such contest), by appropriate legal proceedings that shall operate to prevent the foreclosure of any such Encumbrance; *provided* that the Authority (i) has given advance notification to the Lessee that it is the intent of the Authority to contest the validity or collection thereof or cause such contest and (ii) has given a reasonably satisfactory indemnity to the Lessee or has deposited with the Lessee a Letter of Credit, surety bond consistent (as to form and credit quality of issuer) with the requirements set forth herein for Letters of Credit, cash or Eligible Investment reasonably satisfactory to the Lessee in an amount equal to the amount of the claim or Encumbrance, plus such interest and penalties, court costs or other charges as the Lessee may reasonably estimate to be payable by the Authority at the conclusion of such contest or as is required to provide insurance over any potential Encumbrance; *provided, however*, that in the event such Letter of Credit, surety bond, cash or Eligible Investment shall be so deposited, the same shall be held until such claim or other Encumbrance shall have been released and discharged and shall thereupon be returned to the Authority, less any amounts expended by the Lessee, if any, to procure such release or discharge, or any loss, cost, damage, reasonable attorneys' fees or expense incurred by the Lessee, if any, by virtue of the contest of such Encumbrance.

(c) *Removal.* Each Party, at the reasonable request of the other Party, shall use its Reasonable Efforts to assist such other Party in attempting to remove any Encumbrance that has come into existence as a result of an act of or omission by such other Party (excluding Encumbrances permitted by Section 3.5(a) or (b)); *provided* that nothing herein shall obligate the Authority to waive, modify or otherwise limit or affect the enforcement by the Authority of any applicable Law with respect to the LMM Airport Facility or any activities generating revenues at the LMM Airport Facility and *provided further* that the costs and expenses incurred by any Party

in connection with such efforts shall be borne by the Party whose act or omission has given rise to such Encumbrance.

Section 3.6 Single Purpose Covenants. The Lessee shall, at all times during the Term, (a) be formed and organized solely for the purpose of owning the Lessee Interest and using, possessing, leasing, operating and otherwise dealing with the LMM Airport Facility (and carrying out any activities permitted pursuant to this Agreement (and any activities reasonably incidental thereto, including the financing thereof and of the Transaction)), (b) not engage in any business unrelated to clause (a) above, (c) not have any assets other than those related to its activities in accordance with clauses (a) and (b) above, (d) maintain its own separate books and records and its own accounts, in each case that are separate and apart from the books and records and accounts of any other Person; *provided, however*, that the Lessee's assets may be included in a consolidated financial statement of a direct or indirect shareholder or other owner of a beneficial interest of the Lessee if inclusion on such consolidated financial statement is required to comply with the requirement of generally accepted accounting principles of the relevant jurisdiction, but only if (i) such consolidated financial statement shall be appropriately footnoted to the effect that the Lessee's assets are owned by the Lessee and that they are being included on the consolidated financial statement of such shareholder or other owner of a beneficial interest only to comply with the requirements of generally accepted accounting principles of the relevant jurisdiction and (ii) such assets shall be listed on the Lessee's own separate balance sheet, (e) hold itself out as being a Person, separate and apart from any other Person, (f) not commingle its funds or assets with those of any other Person, (g) conduct its own business in its own name independently and through its own authorized officers and agents, (h) except as noted in clause (d) above, maintain separate financial statements and file its own Tax returns (to the extent required by applicable Law), (i) pay its own debts and liabilities when they become due out of its own funds, (j) observe all corporate, limited partnership or limited liability company, as applicable, formalities and do all things necessary to preserve its existence, (k) have sufficient officers and personnel to run its business operations and to supervise its Contractors pursuant to one or more contractual arrangements, (l) pay the salaries of its own employees, if any, and maintain a sufficient number of employees in light of its contemplated business operations, (m) not guarantee or otherwise obligate itself with respect to the debts or obligations of any other Person, or hold out its credit as being available to satisfy the debts or obligations of any other Person, (n) not acquire obligations of or securities issued by its shareholders, partners or members, as applicable, (o) use separate stationery, invoices and checks bearing its own name, (p) except as expressly permitted hereby or by any Leasehold Mortgage or in connection with the ordinary course of business of the LMM Airport Facility, not pledge its assets for the benefit of any other Person or make any loans or advances to any other Person, (q) correct any known misunderstanding regarding its separate identity, (r) maintain adequate capital in light of its contemplated business operations, (s) observe all customary organizational and operational formalities, including taking and maintaining of complete minutes of all member, manager, shareholder, board or similar meetings, (t) maintain an arm's length relationship with its Affiliates and enter into transactions with Affiliates only on a commercially reasonable basis and pursuant to enforceable agreements and (u) have organizational documents which do not conflict with the requirements set forth in this Section 3.6.

Section 3.7 Rights of the Authority to Access and Perform Work at the LMM Airport Facility.

(a) *Reservation of Rights*. The Authority (for itself and any of its Representatives and any other Governmental Authority of competent jurisdiction, as well as grantees, tenants, mortgagees, licensees and others claiming or acting by, through or under the Authority (each, an "Authority Related Entity")) reserves the right and shall, at all times during the Term, have the right to enter the LMM Airport Facility and each and every part thereof in response to any event, circumstance or purpose described in this Section 3.7(a), subject to applicable Law and the Airport Security Program:

(i) to inspect the LMM Airport Facility or determine whether or not the Lessee is in compliance with its obligations under this Agreement pursuant to Section 8.3;

(ii) if a Lessee Default then exists, to make any necessary repairs to the LMM Airport Facility and perform any work therein and take any reasonable actions in connection therewith pursuant to Section 16.1(b)(v);

(iii) in the event of an actual or reported emergency, danger, threat, circumstance or event that is reasonably believed by the Authority or its designee (including relevant police, fire, emergency services, armed forces and any other security or emergency personnel in accordance with Section 3.17) to have caused (or to present the imminent potential to cause) injury to individuals, damage to property, or harm to the Environment or to public safety, to take, at such times as the Authority determines necessary in its discretion (or as directed by the FAA, TSA or other affected federal agency) and with notice to the Lessee if practicable under the circumstances, such actions as the Authority or such designee reasonably determines necessary (or as directed by the FAA, TSA or other affected federal agency) to respond to or to rectify such emergency, danger, threat, circumstance or event;

(iv) in the event of any circumstance or event that is reasonably believed by the Authority to have caused a material impairment to the continuous operation of the LMM Airport Facility as a public airport (and the Authority shall provide written notice to the Lessee of such event or circumstance as soon as is reasonably practicable after first becoming aware of such event or circumstance), and if the Authority in its discretion (or as directed by the FAA, TSA or other affected federal agency) reasonably determines that the Lessee is not then taking all necessary steps to respond to or to rectify such circumstance or event, to take, at such times as the Authority determines necessary in its discretion (or as directed by the FAA, TSA or other affected federal agency) and with notice to the Lessee if practicable under the circumstances, such actions as the Authority determines may be reasonably necessary (or as directed by the FAA, TSA or other affected federal agency) to respond to or to rectify such circumstance or event or to restore the operation of the LMM Airport Facility;

(v) at its own cost and expense, to design, construct, operate, service, manage, maintain, repair, rehabilitate or replace any Affected Property;

(vi) at its own cost and expense, to use the LMM Airport Facility for all purposes not inconsistent with the rights granted to the Lessee in this Agreement;

(vii) at its own cost and expense, to (A) install, design, manage, maintain, inspect, repair and rehabilitate any existing or future utilities or similar services or

safety measures related to such utilities or services (whether provided by the Authority or third parties) in, on, under, across, over or through the LMM Airport Facility (including water and sewer lines, power transmission lines, fiber optic cable, surveillance equipment and other communications and other equipment) (*provided* that the Authority shall not be required to compensate the Lessee with respect to the use of the LMM Airport Facility for such utilities, services or measurers unless they materially impair the Lessee's use of the LMM Airport Facility for the LMM Airport Facility Operations and such impairment results in Losses or reduced revenues), (B) grant easements and rights on, over, under or within the LMM Airport Facility for the benefit of suppliers or owners of any such utilities, services or measures and (C) use the LMM Airport Facility in connection with any such installation, design, management, maintenance, repair or rehabilitation (provided that notwithstanding the foregoing clauses (A), (B) and (C), the Lessee shall have the right, but not the obligation, at all times during the Term, and subject to applicable Law, to install, design, manage, maintain, repair and rehabilitate utilities or other services for its own account (and, except as contemplated by the Use Agreement, not for lease, resale or service to third parties) to the extent that the said utilities or services are necessary or desirable for the LMM Airport Facility Operations);

(viii) at its own cost and expense, for the purposes described in Section 14 of Act No. 83 of the Legislative Assembly of Puerto Rico, enacted on May 2, 1941, as amended; and

(ix) at its own cost and expense (except as otherwise expressly set out in this Agreement) and solely in accordance with the terms hereof, to do any other act or thing that the Authority or any Authority Related Entity may be obligated to do or have a right to do under this Agreement and/or the Use Agreement.

In connection with any entry made pursuant to (x) Section 3.7(a)(i) and (ii), such right to be exercised at all reasonable times upon reasonable prior notice to the Lessee; (y) Section 3.7(a)(iii) and (iv), such right to be exercised at all reasonable time with notice to be provided as set forth in such subclauses (iii) and (iv), respectively; and (z) Section 3.7(a)(v) through (vii) and Section 3.7(a)(ix), such right to be exercised at all reasonable times with the Authority to request, with reasonable prior written notice, the Lessee's consent to the exercise of such right.

In connection with any entry made pursuant to this Section 3.7(a), (aa) such right to enter the LMM Airport Facility shall not include any of the private business offices of the Lessee that may be located at the LMM Airport Facility; (bb) notwithstanding Sections 3.7(a)(v) through (ix), any cost or expense related to any exercise by the Authority of its rights under Section 3.7(a)(ii) shall be borne by the Parties according to Section 16.1(b)(v); (cc) the Authority (A) shall conduct all activities in connection therewith consistent with the TSA-approved Airport Security Program, (B) shall consult with TSA, as appropriate, if such entry is reasonably expected to adversely impact transportation security at the LMM Airport Facility (*provided* that if the Authority deems in its reasonable discretion that the emergency nature of the situation requiring such entry precludes it from consulting with TSA in advance, it will notify TSA as soon as reasonably practicable following such entry), (C) shall, and shall use its Reasonable Efforts to cause any Authority Related Entity effecting such entry or action to, use Reasonable Efforts to minimize interference with the LMM Airport Facility Operations (including security) and damage to the LMM Airport Facility in connection with any entry on the LMM Airport Facility and (D) pay to

the Lessee the Leasehold Compensation, upon demand by the Lessee, resulting from any entry or action on the LMM Airport Facility that qualifies as a Compensation Event pursuant to the definition thereof or as a result of any liability or obligation of or to the Lessee under any Environmental Law directly caused by an entry or action with respect to the LMM Airport Facility or LMM Airport Facility Operations pursuant to this Section 3.7(a).

(b) *Access Rights.* The Authority, its Representatives and any Governmental Authority of or in the Commonwealth, during the progress of any work referred to in this Section 3.7, at no additional cost to the Authority, its Representatives or any Governmental Authority of or in the Commonwealth, shall have all necessary or appropriate access rights and may keep and store at the LMM Airport Facility all necessary or appropriate materials, tools, supplies, equipment, shed, mobile trailers and other vehicles, in a reasonably neat and orderly fashion, in material compliance with all Laws (including Environmental Laws) and the Operating Standards; *provided* that such access and storage shall not unreasonably interfere with the Lessee's conduct of the LMM Airport Facility Operations. The Lessee shall not have any liability for theft of or damage to such material and other items or with respect to any acts or omissions of the Authority, its Representatives or any Governmental Authority of or in the Commonwealth or any Person acting on behalf of any of them. To the extent that the Authority or any Governmental Authority of or in the Commonwealth of any other Person on the Authority's behalf undertakes works or repairs under this Section 3.7 or any other provision of this Agreement, such work or repairs shall be commenced and diligently completed in a good and workmanlike manner, in accordance with any applicable Operating Standards and in such a manner as not to materially interfere with the Lessee's conduct of business in or use of such space to the extent reasonably possible without incurring any additional cost.

(c) *Effect of Reservation.* Any exercise or reservation of a right by the Authority and any of its Representatives to enter the LMM Airport Facility and to make or perform any repairs, alterations, Restoration or other work in, to or about the LMM Airport Facility that is the Lessee's obligation pursuant to this Agreement, shall not be deemed to (i) impose any obligation on the Authority to do so, (ii) render the Authority liable to the Lessee or any other Person for the failure to do so or (iii) relieve the Lessee from any obligation to indemnify the Authority as otherwise provided in this Agreement. Nothing in this Agreement shall impose any duty upon the part of the Authority to do any work required to be performed by the Lessee hereunder and performance of any such work by the Authority and any of its Representatives shall not constitute a waiver of the Lessee's default in failing to perform the same.

Section 3.8 LMM Airport Facility Cash Reserves. In accordance with and subject to any Leasehold Mortgage, the Lessee shall (subject to the penultimate sentence of this Section 3.8) at all times during the Term maintain reserves in an amount equal to at least (on any date of determination) (a) the total amount of debt payable (other than any principal amount of any debt payable within 12 months of the final maturity date of such debt) with respect to the LMM Airport Facility in the then-current Term Year (the "Debt Service Reserve Requirement") and (b) 25% of the projected operating expenses for the LMM Airport Facility (excluding, for the avoidance of doubt, Annual Authority Revenue Share payments) for the then-current Term Year, as determined as of the commencement of such current Term Year (the "Opex Reserve Requirement"); *provided* that, if, at any time during the Term Year, changes to the Lessee's

projected operating expenses result in the Lessee maintaining an Opex Reserve Requirement that is 10% more than the amount of the Opex Reserve Requirement that would be required taking into account such changes, then the Lessee may adjust (the "Interim Adjustment") the amount in reserve to conform to the Lessee's then-current forecast; *provided, further*, that in no event will the Lessee be entitled to make more than two Interim Adjustments during any Term Year. Such cash reserves may not be satisfied with accounts consisting of PFC collection. The Debt Service Reserve Requirement and the Opex Reserve Requirement may be satisfied by cash (or cash equivalents or Eligible Investments) held by the Lessee for such purpose or by the undrawn available amount of any Qualifying Account Instrument. The Lessee shall be entitled to use funds on deposit or available in respect of the cash reserves contemplated in this Section 3.8 for the purpose of funding any shortfalls in operating expenses or debt service, as applicable. Following the use of any such funds in the cash reserve for operating expenses, the Lessee shall be obligated to replenish the amount so utilized by the later of (i) the date on which it is required to deliver the compliance certificate noted in the immediately succeeding sentence and (ii) 60 days following any such utilization; and following the use of any such funds in the cash reserve for debt service, the Lessee shall be obligated to replenish the amount so utilized by the date that is six months following any such utilization. To the extent that the Leasehold Mortgagee requires account reserves substantially similar to the Debt Service Reserve Requirement and Opex Reserve Requirement, such that the Debt Service Reserve Requirement and Opex Reserve Requirement are satisfied in all material respects by compliance with such Leasehold Mortgagee account reserve requirements, the Lessee shall be in compliance with the requirements of this Section 3.8 for so long as the Lessee continues to satisfy such Leasehold Mortgagee account reserve requirements. The Lessee shall deliver to the Authority on the first Business Day of each quarter of each Term Year (or at such times as may be required by the Leasehold Mortgagee; *provided* that such Leasehold Mortgagee's requirement is a quarterly requirement), and as otherwise requested by the Authority from time to time, an Officer's Certificate in which the Lessee represents and warrants that it is in compliance with the requirements contemplated in this Section 3.8.

Section 3.9 Coordination.

(a) *Utility Coordination.* Subject to Section 3.7(a)(vii) and Section 3.9(c), the Lessee shall be responsible for coordinating or ensuring the coordination of all LMM Airport Facility Operations with utilities and Persons having service lines, pipelines, transmission lines and other equipment, cables, systems and other apparatus in, on, under, over or adjacent to the LMM Airport Facility. The Lessee shall cause provision to be made for the removal or temporary or permanent relocation and restoration of utilities and other services and any lines, equipment, cables, systems and other apparatus that intersect, interfere with, interface with or otherwise affect the LMM Airport Facility Operations and shall arrange for temporary rights of entry and access to utilities and other services to be made available that are necessary in connection with the LMM Airport Facility Operations or as may exist under this Agreement or applicable Law, in each case at the sole cost and expense of such utilities or other Persons or the Lessee. The Authority shall cooperate with the Lessee with respect to its obligations under this Section 3.9.

(b) *Affected Property Coordination.* The Lessee shall be responsible for coordinating or ensuring the coordination of all LMM Airport Facility Operations with Affected

Property, but shall have no responsibility for such Affected Property. The Authority shall cooperate with the Lessee with respect to its obligations under this Section 3.9(b).

(c) *No Interference.* The Parties understand and agree that (i) nothing in the foregoing Sections 3.9(a) and (b) is in any way intended to interfere with LMM Airport Facility Operations and (ii) the Authority shall cooperate with the Lessee in minimizing any effect that the obligations of the Lessee under this Section 3.9 may have on the LMM Airport Facility Operations and the revenues of the LMM Airport Facility.

Section 3.10 No Entry on Authority Property. Except in the case of an emergency (and then only to the extent necessary to avoid injury or death to individuals or damage to property) and except for limited access necessary for the Lessee's performance of its obligations hereunder or its compliance with applicable Laws that does not interfere with the Authority's use or operation of such other properties in any material respect or otherwise except to the extent available for public use, the Lessee shall not enter upon any property of the Authority adjacent to, above, under or within the boundaries of the LMM Airport Facility, in connection with the LMM Airport Facility Operations without the prior Approval of the Authority.

Section 3.11 Payment of Taxes.

(a) *Payment of Taxes.* Except as otherwise provided herein, the Lessee shall pay when due all Taxes that are or become payable by the Lessee or that are required to be collected by the Lessee from other Persons in respect of periods during the Term in respect of the operations at, occupancy of or conduct of business, in each case of (or by) the Lessee, in or from the LMM Airport Facility and fixtures or personal property included in the LMM Airport Facility, other than as set forth below. The Authority reserves the right, without being obligated to do so, to pay the amount of any such Taxes not timely paid by the Lessee, and the amount so paid by the Authority shall be due and payable by the Lessee promptly upon demand by the Authority. The Lessee shall have the right to contest in good faith the validity or amount of any Taxes which it is responsible to pay under this Section 3.11; *provided* that (i) the Lessee has given prior notice to the Authority of each such contest, (ii) no contest by the Lessee may involve a reasonable possibility of forfeiture or sale of the LMM Airport Facility and (iii) upon the final determination of any contest by the Lessee, if the Lessee has not already done so, the Lessee shall pay the amount found to be due, if any, together with any costs, penalties and interest applicable thereto (if any). If the Lessee is contesting in good faith the validity or amount of any Taxes in accordance with the immediately preceding sentence, the Authority shall not have the right to pay the amount of such Taxes until there is a final determination of such contest.

(b) *Exemption from Taxes.* The Authority covenants that during the Term the Lessee shall not be responsible for, and the Lessee and the LMM Airport Facility shall not be subject to, (i) any real property Tax imposed on or measured by the value of the LMM Airport Facility (including any LMM Airport Facility Assets deemed to be real property constituting part of the LMM Airport Facility) that is imposed by the Authority or any other Governmental Authority of the Commonwealth or that is imposed on the "owner" of the LMM Airport Facility (including relating to future expenditures for real property) or, (ii) sales and use tax imposed by the Commonwealth on the Leasehold Fee or any passenger charges (it being recognized that such

a tax is not permitted by federal Law as of the Date of this Agreement), (iii) any personal property tax on personal property owned by the Authority and used by the Lessee exclusively in the LMM Airport Facility or in the operations conducted therein that is imposed by the Authority or any Governmental Authority of the Commonwealth. The Authority shall provide Leasehold Compensation to the Lessee resulting from any breach of the covenant set forth in this Section 3.11(b).

Section 3.12 Utilities. The Lessee shall pay, or cause to be paid, when due all charges (including all applicable Taxes and fees) for the Utility Systems; *provided* that, in the event that the Lessee is unable to source utilities from third-party providers at a rate classification that is at least as favorable as that enjoyed by the Authority at other airports operated by the Authority in the Commonwealth, the Lessee shall have the right to receive Leasehold Compensation from the Authority in respect thereof. Upon the reasonable request of the Authority, the Lessee shall forward to the Authority, within 30 days following the respective due dates, official receipts, photocopies thereof, or other evidence satisfactory to the Authority, acting reasonably, of the payment required to be made by the Lessee in accordance with this Section 3.12. The Authority does not warrant that any utility services will be free from interruptions caused by war, insurrection, civil commotion, riots, acts of God, government action, terrorism, repairs, renewals, improvements, alterations, strikes, lockouts, picketing, whether legal or illegal, accidents, inability to obtain fuel or supplies or any other causes, and any such interruption of utility services shall never be deemed an Adverse Action or an eviction or disturbance of the Lessee's use and possession of the LMM Airport Facility or any part thereof unless in such case caused by the Authority, or render the Authority liable to the Lessee for damages or, unless the same constitutes a Delay Event, relieve the Lessee from performance of the Lessee's obligations under this Agreement. The Authority shall maintain and preserve, for the length of the Term, all legal rights and easements in its possession related to utility services to the extent necessary for the Lessee to operate the LMM Airport Facility.

Section 3.13 Negotiations with Governmental Authorities.

(a) Prior to entering into any agreement with any Governmental Authority in connection with the LMM Airport Facility Operations (a "Government Agreement"), the Lessee shall submit such Government Agreement for Approval by the Authority, which Approval may be withheld, delayed or otherwise conditioned in the discretion of the Authority in the case of Government Agreements that extend or could extend beyond the Term (unless such agreement is assignable and subject to a right by the Authority to terminate such agreement without penalty upon three Business Days' notice or less, effective upon such extension) or pursuant to which the Authority may incur any liability whatsoever. Notwithstanding the foregoing, if the absence of such Government Agreement may cause the Lessee or LMM Airport Facility Operations to fail to be in compliance with applicable Law or the terms of this Agreement, the Lessee may enter into such Government Agreement upon notice to the Authority; *provided* that the Lessee indemnifies the Authority for any Losses relating thereto. If the Lessee wishes the Authority to be a party to a Government Agreement, in the place and stead of, or in addition to, the Lessee, then the Lessee must provide notice of the proposed terms of such Government Agreement to the Authority for the Authority's Approval, which Approval will be in the Authority's discretion, and all costs and expenses incurred by the Authority in connection with or related to such Government Agreement shall be borne by the Lessee.

(b) The Authority shall use its Reasonable Efforts to cooperate with the Lessee in any negotiations with any Governmental Authority regarding any Government Agreements. All reasonable out-of-pocket costs and expenses incurred by the Authority in connection with or related to such negotiations shall be borne by the Lessee.

Section 3.14 Notices of Defaults and Claims. The Lessee or the Authority (the "Notifying Party") shall promptly give notice to the other Party (a) if the Notifying Party becomes aware that it is in default of its obligations under this Agreement (including the Operating Standards), the Use Agreement, any material Assigned LMM Airport Facility Contract or any other Operating Agreement and (b) of all material claims, proceedings, disputes (including labor disputes) or litigation pertaining to the LMM Airport Facility, the LMM Airport Facility Operations or the Notifying Party (whether or not such claim, proceeding or litigation is covered by insurance) of which the Notifying Party has actual knowledge. The Notifying Party's notice shall provide all reasonable information requested by the Authority or the Lessee, as applicable, from time to time concerning the status of such default, claims, proceedings or litigation. A copy of the notices provided pursuant to this Section 3.14 shall be given to each of the Leasehold Mortgagee, FAA Associate Administrator of Airports and TSA.

Section 3.15 Assignment of Operating Agreements and Plans. At the request of the Authority, the Lessee shall collaterally assign, to the extent reasonably practicable, to the Authority, in form and substance satisfactory to the Authority, acting reasonably, all of the right, title and interest of the Lessee in, to and under all or any of the Operating Agreements and all present and future specifications, plans, software (including source code) to the extent that such software is subject to a non-exclusive license permitting collateral assignment, drawings, information and documentation in relation to the LMM Airport Facility Operations except to the extent that any of the foregoing involve proprietary information (the "Plans") as collateral security to the Authority for the observance and performance by the Lessee of its covenants and obligations under this Agreement, to the extent so requested by the Authority and subject to the rights of the Leasehold Mortgagee. The Lessee covenants that it shall use all Reasonable Efforts to cause all of the right, title and interest of the Lessee in, to and under all Operating Agreements and the Plans entered into or created after the Time of Closing to be collaterally assignable to the Authority for the purposes of this Section 3.15. The Authority acknowledges that the Operating Agreements and the Plans may also be assigned as security to a Leasehold Mortgagee and that each of the Authority and such Leasehold Mortgagee shall be entitled to use the Operating Agreements or the Plans in enforcing their respective security as hereinafter provided. The Authority agrees that it shall exercise any amendments or take any other actions necessary for the Lessee to exercise all of the Authority's rights under the Operating Agreements, and the Authority shall transfer to the Lessee all security under any such Operating Agreements. Without limiting the generality of the foregoing, but subject to the Authority's assumption of liabilities under the Operating Agreements accruing after such time as the Authority exercises its rights under this Section 3.15 subject to Article 18, the Authority shall be entitled to use the Operating Agreements and the Plans in each of the following events: (a) if the Authority terminates this Agreement without a lease agreement being granted to the Leasehold Mortgagee or nominee thereof pursuant to the provisions of Article 18 and (b) if the Authority elects to use the Operating Agreements or the Plans to remedy a Lessee Default under this Agreement. Notwithstanding the foregoing, in the event that the Leasehold Mortgagee has entered into possession or is diligently enforcing and continues to diligently enforce its security, whether by

way of exercising the Lessee's rights under this Agreement, the appointment of a receiver or receiver and manager, foreclosure or power of sale in accordance with Article 18, or otherwise, and is using or reasonably expects to be using the Operating Agreements or the Plans in respect of the LMM Airport Facility Operations, the Authority shall not be entitled to use the Operating Agreements or the Plans in enforcing its security, it being acknowledged that any assignment of the Operating Agreement or the Plans to a Leasehold Mortgagee shall have priority over any assignment of the Operating Agreements or the Plans to the Authority and the Authority shall cooperate with the Lessee and the Leasehold Mortgagee in connection with ensuring such priority, including that the Authority shall execute and deliver to the Leasehold Mortgagee an intercreditor and subordination agreement in form and substance satisfactory to such Leasehold Mortgagee, acting reasonably, acknowledging such priority. The Lessee shall promptly deliver to the Authority, at the sole cost and expense of the Lessee, forthwith after completion or execution and delivery, a copy of each item of the Operating Agreements and the Plans.

Section 3.16 Name.

(a) The name designated for the LMM Airport Facility is "Luis Muñoz Marín International Airport." The Lessee shall not have the right to (i) sell or lease any naming rights for the LMM Airport Facility, or any portion of the LMM Airport Facility, to any third-party or (ii) change the name of the LMM Airport Facility or to sell or lease naming rights for the LMM Airport Facility or any portion thereof without the prior Approval of the Authority, which Approval may be withheld, delayed or otherwise conditioned in the discretion of the Authority.

(b) The Authority, in its discretion, shall have the right to change the name of the LMM Airport Facility, or any portion of the LMM Airport Facility (and to cause the Lessee to change, at the Authority's expense, any signage on or at the LMM Airport Facility in connection therewith), at any time during the Term upon 90 days' prior notice to the Lessee; *provided, however*, that the Authority shall grant a license of the name together with all related logos and marks to the Lessee upon terms substantially similar to those contained in Section 3.16(c); *provided further* that any change in the name of the LMM Airport Facility by the Authority in accordance with this Section 3.16 shall not result in a name of the LMM Airport Facility, or any portion of the LMM Airport Facility, being odious or offensive or otherwise likely to result in a negative association by the public. The exercise of such right by the Authority shall not constitute an Adverse Action. The Authority shall have the right to all proceeds and other consideration received in connection with any such name change and shall reimburse the Lessee for all out-of-pocket and documented costs and expenses reasonably incurred by the Lessee in connection with any such name change.

(c) The Authority grants to the Lessee a non-exclusive, non-transferable (except pursuant to a Transfer permitted under Section 17.1), royalty-free license during the Term to use the name "Luis Muñoz Marín International Airport" together with all existing and future developed logos and marks (not including the Authority seal) used in connection with the LMM Airport Facility Operations, solely in connection with the performance of the Lessee's obligations and exercise of rights under this Agreement. The Lessee may grant sublicenses of the same to Contractors.

Section 3.17 Police, Fire and Emergency Services; Access Rights.

(a) At all times during the Term, the Authority shall cause the LMM Airport Facility to be serviced by adequate police, perimeter security and firefighting, including law enforcement officer (LEO) support as required by federal security requirements (including increases required by the TSA or other federal agencies) and armed perimeter security and other law enforcement services, in each case at a level that satisfies the TSA-approved Airport Security Program. The Lessee shall be obligated to utilize all such services and shall not take any actions that would in any way inhibit or restrict the Authority's ability to provide such services. Without limiting the generality of the foregoing, at all times during the Term, the Lessee shall be responsible for providing (or causing the provision of) all remaining security and emergency functions at the LMM Airport Facility in compliance with the TSA-approved Airport Security Program, including interior auxiliary security and access control functions. For the avoidance of doubt, services of the type that are, as of the Bid Date, provided to the Authority by (i) St. James Security Services, Inc. pursuant to that certain Agreement, AP-09-10-5-041, dated as of August 14, 2009, and (ii) Kristal Ambulance Corp. pursuant to that certain Agreement, AP-11-12-5-029, dated as of September 1, 2011, are functions for which the Lessee has responsibility during the Term. The Lessee acknowledges that the Authority's personnel that provide police, perimeter security and/or firefighting to the LMM Airport Facility may provide other police, perimeter security and/or firefighting in the general vicinity of the LMM Airport Facility; *provided* that such other services do not unreasonably interfere with the level of police, perimeter security and/or fire fighting to be provided at the LMM Airport Facility. Notwithstanding any other provision of this Agreement, and subject to all applicable FAA, TSA and other Governmental Authority requirements, the Lessee shall have the right to contract with the Commonwealth Police Department and private security and emergency service providers for enhanced levels of service.

(b) Subject to Section 3.17(c), the Lessee shall reimburse the Authority for all costs and expenses reasonably incurred by the Authority during the Term related to the provision of all such police, perimeter security and firefighting (including employment costs and related overhead expenses allocable thereto, as reasonably determined by the Authority based on the time expended by the employees who render such services to the extent that such costs and expenses are not reimbursed to the Authority from a source other than the Lessee; *provided* that any such allocation of costs (direct and indirect) and related overhead expenses shall be in compliance with DOT/FAA "Policy and Procedures Concerning the Use of Airport Revenue"), including in the event of a fundamental change to the security conditions related to the LMM Airport Facility that requires the Authority in its reasonable discretion to increase the levels of such services at the LMM Airport Facility on an ongoing basis. All expenses directly related to the provision of services by the Authority pursuant to Section 3.17(a) shall be the responsibility of the Lessee in accordance with the Use Agreement and subject to Section 3.17(c). The Authority shall use its Reasonable Efforts to seek reimbursement for the costs and expenses of providing of such police, firefighting and perimeter security services that may be available from the TSA or another Governmental Authority. The Lessee shall provide the Authority with all reasonable assistance as may be requested by the Authority in connection with the application for and administration of any reimbursement program referred to in the previous sentence.

(c) Not less than 60 days prior to the beginning of each Term Year, the Lessee and the Authority shall agree on an annual budget for the police, perimeter security and/or firefighting to be provided with respect to the LMM Airport Facility for that upcoming Term Year, which will specify the level of services to be provided and the cost of such services (and any additional services that may be requested by the Lessee as contemplated herein). The Authority's costs and expenses for such services for the first Term Year, which shall be reimbursed by the Lessee, shall be $2,800,000. If by the first day of any Term Year the Authority and the Lessee have been unable to reach agreement concerning such annual budget, then the annual budget in effect for the immediately prior Term Year, Adjusted for Inflation, shall continue to be in effect until such time as the Authority and the Lessee reach such agreement. For the avoidance of doubt, if the Lessee pays any provider of such services (which are caused to be provided by the Authority in accordance with the Authority's obligations hereunder) directly on behalf of the Authority, such amount shall be considered to have been reimbursed to the Authority for the purpose of this Section 3.17(c).

(d) Notwithstanding any other provision of this Agreement, at all times during the Term and without notice or compensation to the Lessee (i) any police, perimeter security and fire and any other security or emergency personnel retained by or on behalf of the Authority (including the Commonwealth Police Department and Authority's fire/rescue personnel) shall have access, as required by such services or personnel, to the LMM Airport Facility for the performance of their duties; (ii) the Authority shall have access to the LMM Airport Facility as necessary for the protection of public safety; and (iii) any Governmental Authority (including the TSA and the armed forces) with jurisdiction over the LMM Airport Facility shall have access to the LMM Airport Facility as necessary for emergency management and homeland security purposes, including the prevention of, practice drills for, or response to, a public safety emergency. The Lessee shall cooperate with police, fire and emergency services and any other security or emergency personnel, including the armed forces, in respect of such emergency management and homeland security purposes.

(e) Consistent with its responsibility to satisfy all applicable FAA and TSA requirements (including maintaining compliance with 14 C.F.R. Part 139 and the TSA-approved Airport Security Program), the Lessee shall, at all times during the Term, on a 24-hour basis at the LMM Airport Facility maintain sufficient personnel who shall be qualified to respond to emergencies. If, at any time during the Term, the Authority, in its discretion, determines that the Lessee is not satisfying its obligations under this Section 3.17(e), then the Authority may, at the cost of the Lessee, provide sufficient personnel at the LMM Airport Facility, in addition to those otherwise provided by the Authority and other Governmental Authorities hereunder, to respond to emergencies. The Lessee shall be responsible for, and shall pay the costs of, any additional security measures implemented at the LMM Airport Facility at the request of any Governmental Authority pursuant to any adopted rule, regulation, standard, recommended practice or procedure.

Section 3.18 Other Actions by Governmental Authorities. In the event that any Governmental Authority (other than the Authority or the Commonwealth (or any subdivision or agency of any of the foregoing)) proposes to take any action at any time during the Term (including or enacting any Law) and the effect of such action is reasonably expected (i) to be principally borne by the Lessee or private operators of Comparable Public Airports or

Contratantes and (ii) to have a material adverse effect on the fair market value of the Lessee Interest, except where such action is in response to any act or omission on the part of the Lessee that is illegal (other than an act or omission rendered illegal by virtue of an Adverse Action or such action by any such other Governmental Authority), then at the request of the Lessee, the Authority shall use its Reasonable Efforts to oppose and challenge such action by any such other Governmental Authority; *provided, however*, that all reasonable out-of-pocket costs and expenses incurred by the Authority in connection with such opposition or challenge shall be borne by the Lessee and *provided further* that, except as expressly provided in Article 14, the Authority shall have no liability to the Lessee on account of the taking of any action by a Governmental Authority described in this Section 3.18.

Section 3.19 Hotel Operations and Litigation Pending Resolution.

(a) From and after the Closing Date, the Authority shall retain responsibility for the litigation, ongoing as of the Closing Date, between the Authority and Hotel Airport, Inc. (the "Hotel Operator") in connection with that certain Contract for Lease, dated as of March 27, 2003, as amended, by and between them for that certain property (the "Hotel Property").

(b) Until the final, unappealable resolution of such litigation and the making of the additional up-front payment by the Lessee in accordance with this Section 3.19, the Authority shall be responsible for costs and obligations of the Hotel Property and such Contract for Lease, shall retain the right to use or operate the Hotel Property (without paying compensation to the Lessee) and shall retain all revenues under such Contract for Lease or otherwise derived from the use of the Hotel Property.

(c) Upon the final, unappealable resolution of the litigation between the Authority and the Hotel Operator, the result of which permits use of the Hotel Property by the Lessee, the Authority shall provide the Lessee with notice of the final, unappealable resolution of such litigation. Within 60 days after receiving such notice, at the option of the Lessee, either (i) the Lessee shall make an additional up-front payment to the Authority, the amount of which shall be equal to the value of the availability of the Hotel Property for use by the Lessee for the then-remaining Term (as determined by mutual agreement of the Parties or, absent such agreement, in accordance with Section 3.19(d) or, if the Lessee elects, Article 19) or (ii) the Authority shall retain the right to use the Hotel Property, pursuant to which right the Authority shall pay no compensation to the Lessee, shall assume the costs and obligations of the Hotel Property, shall be entitled to retain all revenues from operations at and use of the Hotel Property and may contract with a third party to operate and use the Hotel Property; *provided* that use of the Hotel Property by the Authority or a third-party operator shall not materially interfere with the LMM Airport Facility Operations. Any failure by the Authority to comply with its obligations under this Section 3.19(c) shall constitute a Compensation Event.

(d) If the Parties are unable to agree upon the amount of additional up-front payment for the purposes described in Section 3.19(c), and the Lessee does not elect to determine the value in accordance with Article 19, the Lessee may (within the 60-day period described in Section 3.19(c)) offer to the Authority an amount of additional up-front payment for use of the Hotel Property by the Lessee for the then-remaining Term.

(i) If the Lessee does not make such an offer, the Authority shall retain responsibility for the Hotel Property in accordance with Section 3.19(b) and may solicit bona fide offers from third parties for the use or operation of the Hotel Property, which the Authority may freely accept (and upon consummation of the transaction with such third party, the Authority and the third party, acting as agent of the Authority, shall retain responsibility for the Hotel Property in accordance with Section 3.19(b)).

(ii) If the Lessee makes such an offer, the Authority shall either accept or reject such offer within 30 days of receipt thereof. If the Authority rejects the Lessee's offer, the Authority may solicit bona fide offers from third parties for the use or operation of the Hotel Property, which the Authority may accept (and upon consummation of the transaction with such third party, the Authority and the third party, acting as agent of the Authority, shall retain responsibility for the Hotel Property in accordance with Section 3.19(b)); *provided* that the Authority, before accepting such third-party offer, shall notify the Lessee of the third-party offer and provide the Lessee with an opportunity to match the third-party offer within 15 days of providing notice thereof, and the Authority shall accept the Lessee's offer, if made, on the same terms as the third-party offer. If the Authority does not receive a bona fide offer from a third party within 120 days after rejecting the Lessee's offer, the Lessee shall renew its rejected offer, which the Authority shall accept.

Section 3.20 CAF Operations and Litigation Pending Resolution.

(a) From and after the Closing Date, the Authority shall retain responsibility for the litigation, ongoing as of the Closing Date, between the Authority and Caribbean Airport Facilities, Inc. ("CAF") in connection with that certain agreement, dated as of October 24, 1988, as amended, by and between them for that certain property (the "Cargo Facility").

(b) Until the final, unappealable resolution of such litigation or the receipt of unencumbered title to the Cargo Facility by the Authority and the making of the additional up-front payment by the Lessee in accordance with this Section 3.20, the Authority shall be responsible for costs and obligations of the Cargo Facility and such Contract for Lease, shall retain the right to use or operate the Cargo Facility (without paying compensation to the Lessee) and shall retain all revenues under such Contract for Lease or otherwise derived from the use of the Cargo Facility.

(c) Upon the final, unappealable resolution of the litigation between the Authority and CAF or the receipt of unencumbered title to the Cargo Facility by the Authority, the result of which permits use of the Cargo Facility by the Lessee, the Authority shall provide the Lessee with notice of the final, unappealable resolution of such litigation. Within 60 days after receiving such notice, at the option of the Lessee, either (i) the Lessee shall make an additional up-front payment to the Authority, the amount of which shall be equal to the value of the availability of the Cargo Facility for use by the Lessee for the then-remaining Term (as determined by mutual agreement of the Parties or, absent such agreement, in accordance with Section 3.20(d) or, if the Lessee elects, Article 19) or (ii) the Authority shall retain the right to use the Cargo Facility, pursuant to which right the Authority shall pay no compensation to the Lessee, shall assume the costs and obligations of the Cargo Facility, shall be entitled to retain all revenues from operations at and use of the Cargo Facility and may contract with a third party to

operate and use the Cargo Facility; *provided* that use of the Cargo Facility by the Authority or a third-party operator shall not materially interfere with the LMM Airport Facility Operations. Any failure by the Authority to comply with its obligations under this Section 3.20(c) shall constitute a Compensation Event.

(d) If the Parties are unable to agree upon the amount of additional up-front payment for the purposes described in Section 3.20(c), and the Lessee does not elect to determine the value in accordance with Article 19, the Lessee may (within the 60-day period described in Section 3.20(c)) offer to the Authority an amount of additional up-front payment for use of the Cargo Facility by the Lessee for the then-remaining Term.

(i) If the Lessee does not make such an offer, the Authority shall retain responsibility for the Cargo Facility in accordance with Section 3.20(b) and may solicit bona fide offers from third parties for the use or operation of the Cargo Facility, which the Authority may freely accept (and upon consummation of the transaction with such third party, the Authority and the third party, acting as agent of the Authority, shall retain responsibility for the Cargo Facility in accordance with Section 3.20(b)).

(ii) If the Lessee makes such an offer, the Authority shall either accept or reject such offer within 30 days of receipt thereof. If the Authority rejects the Lessee's offer, the Authority may solicit bona fide offers from third parties for the use or operation of the Cargo Facility, which the Authority may accept (and upon consummation of the transaction with such third party, the Authority and the third party, acting as agent of the Authority, shall retain responsibility for the Cargo Facility in accordance with Section 3.20(b)); *provided* that the Authority, before accepting such third-party offer, shall notify the Lessee of the third-party offer and provide the Lessee with an opportunity to match the third-party offer within 15 days of providing notice thereof, and the Authority shall accept the Lessee's offer, if made, on the same terms as the third-party offer. If the Authority does not receive a bona fide offer from a third party within 120 days after rejecting the Lessee's offer, the Lessee shall renew its rejected offer, which the Authority shall accept.

Section 3.21 Puerto Rico Air National Guard Property Option. As of the Closing Date, the property (the "PRANG Property") utilized by the Puerto Rico Air National Guard ("PRANG") pursuant to that certain Joint Use Agreement by and between the Authority and PRANG, dated as of December 11, 2002, as amended (the "PRANG Contract"), is excluded from the LMM Airport Facility. At any time during the Term, the Authority may elect to enter into to negotiations with PRANG with respect to the relocation of PRANG to alternate facilities; it being understood that any relocation of PRANG to alternate facilities shall be subject to the consent of PRANG in accordance with the PRANG Contract. The Authority shall give notice to the Lessee of such election, and the Lessee, at its option, may participate in such negotiations with the Authority and PRANG. To the extent that PRANG is relocated to alternate facilities, the Lessee shall have the right to include the PRANG Property in the LMM Airport Facility in accordance with the terms of this Section 3.21.

(a) The Authority shall provide the Lessee with notice of any agreement between PRANG and the Authority to relocate PRANG to alternate facilities.

(b) The Lessee may, within 90 days following the Lessee's receipt of notice from the Authority with respect to the PRANG Property, provide an offer to the Authority to include the PRANG Property in the LMM Airport Facility. Such offer from the Lessee to the Authority shall include the amount of any compensation that the Lessee is prepared to pay to the Authority in respect of the inclusion of the PRANG Property and any other material terms and conditions related thereto.

(c) Within 30 days after the Authority's receipt of the offer from the Lessee pursuant to Section 3.21(b), the Authority shall either accept or reject the offer.

(i) If the Authority accepts the Lessee's offer, the parties shall cooperate with each other to consummate the transaction (and take all actions reasonably necessary to effect the same) within 30 days of such acceptance (or such other time period as the parties shall agree).

(ii) If the Authority rejects the Lessee's offer, the Authority may solicit other offers for a lease or concession for the PRANG Property from third parties. If the Authority receives such a bona fide offer from a third party that the Authority is prepared to accept, and if such offer would provide less compensation to the Authority than the offer of the Lessee that was rejected by the Authority, then prior to the Authority accepting such offer, (i) the Authority shall notify the Lessee of the terms and conditions of such bona fide offer and (ii) the Lessee may, within 15 days following the Lessee receipt of such notice, elect to include the PRANG Property in the LMM Airport Facility (by notice to the Authority) at the same price and on the same terms and conditions as such bona fide offer. If the Lessee so elects in accordance with the foregoing, the parties shall cooperate with each other to consummate the transaction (and take all actions reasonably necessary to effect the same) within 30 days of such election (or such other time period as the parties shall agree).

(d) If the Lessee does not make an offer pursuant to Section 3.21(b) within the time allowed, the Authority may thereafter freely negotiate a lease or concession for the PRANG Property with third parties.

(e) For the avoidance of doubt, (i) at the time the transaction for the inclusion of the PRANG Property in the LMM Airport Facility is consummated, the PRANG Property will be so included free and clear of all Encumbrances except for Permitted Authority Encumbrances and (ii) in the event that a transaction by which the PRANG Property is included in the LMM Airport Facility is not consummated in accordance with the foregoing, the Authority shall have the right to use the PRANG Property as the Authority may determine in its discretion; *provided* that such use (including as a result of a new third-party operator) shall not materially interfere with the LMM Airport Facility Operations. Any failure by the Authority to comply with its obligations under this Section 3.21(e) shall constitute a Compensation Event.

Section 3.22 Other Aviation Services. The Authority shall be required to provide Leasehold Compensation to the Lessee in accordance with Section 15.1 to the extent that the Authority or any other Governmental Authority established under the Laws of the Commonwealth or any other Person that is authorized by the Authority or any other Governmental Authority established under the Laws of the Commonwealth (including under any

concession, lease or other similar arrangement) obtains an airport operating certificate under 14 C.F.R. Part 139 (or any successor regulation) that would authorize scheduled passenger commercial service at any airport located within the Commonwealth that did not as of the Date of this Agreement have such a 14 C.F.R. Part 139 Certificate (whether or not such airport existed as of the Date of this Agreement) (a) prior to the 20th anniversary of the Date of this Agreement at any airport located within the jurisdiction of the municipality of Ceiba or (b) prior to the 15th anniversary of the Date of this Agreement at any airport located in the Commonwealth outside the jurisdiction of the municipality of Ceiba. Any such Leasehold Compensation shall be provided only to the extent that the Lessee reasonably demonstrates a decrease in net income as a result of such commercial scheduled passenger service subsequent to the issuance of the Part 139 operating certificate. Scheduled passenger commercial service shall be defined to include services offered or operated by a U.S. or foreign air carrier that constitute a "scheduled operation" or a "public charter" as such terms are defined by 14 C.F.R. Sections 110.2 and 380.2 or in the relevant foreign equivalent regulations. For the avoidance of doubt, no Leasehold Compensation shall be required under this Section 3.22 in respect of commercial aviation services to the extent that such services (i) represent an expansion of scheduled operations as defined by 14 C.F.R. Section 110.2 at an airport that has a Part 139 certificate as of the date of this Agreement or (ii) consist of cargo aviation services. Any Leasehold Compensation required under this Section 3.22 shall be paid by the Authority from revenues that do not include revenues from any airport other than the LMM Airport Facility.

ARTICLE 4
CAPITAL PROJECTS

Section 4.1 Lessee Responsibility for Capital Projects. The Lessee's capital improvement obligations shall comprise the capital improvement projects set forth on Schedule 13 (the "General Accelerated Upgrades"), the capital improvement projects required to be completed by the Lessee during the Term in accordance with the terms of this Agreement (including the Operating Standards) and the capital improvement projects required to be completed by the Lessee in accordance with the Use Agreement (including Section 6.1 of the Use Agreement). The Lessee, with reasonable diligence, and at its sole cost and expense (except as other provided herein or in the Use Agreement), shall complete or cause the completion of all such capital improvement projects in a good and workmanlike manner in accordance with the terms of this Agreement and the Use Agreement. Each General Accelerated Upgrade set forth on Schedule 13 shall be substantially completed by the Lessee on or before the deadline for completion set forth on Schedule 13. The Authority at its option may cancel or postpone the commencement of any General Accelerated Upgrade by giving prior notice to the Lessee; *provided that* (i) to the extent that any notice of cancellation shall have been provided to the Lessee following the date on which the Lessee shall have incurred any liabilities or commitments with respect to such project, the Authority shall be required to provide Leasehold Compensation to the Lessee upon demand, the calculation of which shall, for the avoidance of doubt, take into account the Lessee's out-of-pocket costs in connection therewith and any cost savings to the Lessee as a result of the cancellation of such project and (ii) the Authority shall provide Leasehold Compensation to the Lessee in connection with the cancellation or postponement of any such project. The Authority shall consult with the Lessee prior to the postponement of any such projects concerning revised timing and scheduling for implementation and shall use its Reasonable Efforts to ensure that the revised schedule does not unduly interfere with the LMM

Airport Facility Operations. The Lessee shall not be in breach of this Section 4.1 for failure to substantially complete any General Accelerated Upgrade by the deadline for completion thereof as set forth on Schedule 13 if such failure is caused directly by (i) the postponement or cancellation of such project by the Authority in accordance with this Section 4.1 (unless such postponement, cancellation or failure is the result of a Lessee Default), (ii) the discovery of protected plant or animal species, human remains, archaeological, paleontological or cultural resources at or about the site of the lands required by any General Accelerated Upgrade or (iii) any action or omission of the Authority or the Commonwealth or any agency or instrumentality thereof.

Section 4.2 Authorizations Related to General Accelerated Upgrades. The Lessee's obligation to perform the General Accelerated Upgrades shall be subject to the terms and conditions of this Agreement and the Use Agreement and the timely issuance by the Authority or any other applicable Governmental Authority of any and all Authorizations with respect thereto without extraordinary expenses or conditions, and the Authority agrees not to withhold, condition or delay unreasonably the issuance of any such Authorizations issued by the Authority. The Authority shall use its Reasonable Efforts to assist the Lessee in obtaining Authorizations from other applicable Governmental Authorities. For the avoidance of doubt, the Authority hereby acknowledges that all Authorizations of the Authority otherwise required of the Authority for the Initial Capital Projects (as defined in the Use Agreement) and the General Accelerated Upgrades have been given by the Authority.

Section 4.3 Authority Responsibility for Affected Property. The Authority shall maintain, repair and rehabilitate any existing or future roads, streets, sidewalks or bridges constituting any Affected Property under the jurisdiction of the Authority that provide direct access to or from the LMM Airport Facility in such a manner as to maintain reasonable public access to and from the LMM Airport Facility, in each case in a good and workmanlike manner, in accordance with any applicable Operating Standards and in such a manner as could not reasonably be expected to interfere with the LMM Airport Facility Operations.

Section 4.4 Condition of the LMM Airport Facility During Work. The Authority acknowledges that the Lessee shall not be in default under the terms of this Agreement, including for failure to comply with the Operating Standards, in relation to the condition of portions of the LMM Airport Facility that are subject to the General Accelerated Upgrades or other capital improvement projects required to be completed by the Lessee in accordance with the terms of this Agreement and the Use Agreement, at any time during which work on any such project and the planning for such project is being undertaken by the Lessee; *provided* that (a) with respect to the General Accelerated Upgrades, the Lessee shall comply with the requirements of Schedule 13, (b) with respect to all projects, the Lessee shall comply with all obligations under the Operating Standards related to such projects, including the scope of work and construction documents Approved by the Authority for such projects and (c) the Lessee shall comply with all other terms of this Agreement and the Use Agreement, including the Lessee's general maintenance obligations under the Operating Standards, related to the portions of the LMM Airport Facility subject to a General Accelerated Upgrade or other capital improvement project prior to the commencement of work on any such portion of the LMM Airport Facility.

Section 4.5 Airline Capital Improvement Contracts. The Authority has entered into certain contracts with Airlines identified on Schedule 17 (the "Airline Capital Improvement Contracts"), which contracts obligate the Authority to undertake capital improvements as described therein (the "Airline Capital Improvement Projects"). To the extent that the Authority has not completed any Airline Capital Improvement Project as the Time of Closing, the Lessee shall complete, as soon as practicable following the Closing Date, such uncompleted Airline Capital Improvement Projects. To the extent that, as of the Time of Closing, the Authority has entered into any third-party contracts in respect of any uncompleted Airline Capital Improvement Projects, the Authority shall assign such third-party contracts to the Lessee. As between the Parties, the Authority shall be responsible for any and all costs incurred by the Lessee in connection with the completion of any such uncompleted Airline Capital Improvement Projects (notwithstanding any agreements or terms set forth in the underlying applicable Airline Capital Improvement Contract).

ARTICLE 5
MODIFICATIONS

Section 5.1 Agreed Modifications.

(a) Either the Authority or the Lessee may propose a Modification. Promptly after any proposal of a Modification by the Authority or the Lessee, the Lessee shall prepare and deliver to the Authority a written statement setting forth (i) a description of the Modification and any services, obligations, rights or work related to the Modification, (ii) if applicable, a schedule for the implementation of the Modification, (iii) if applicable, a firm price for implementing the Modification and (iv) the impact the Modification would have on (A) LMM Airport Facility Operations, (B) related changes to the Operating Standards, if any, and increases or decreases to the forecasted cost of operation and maintenance of the LMM Airport Facility following completion of the Modification, (C) any requirement to acquire Additional Lands and (D) any other obligations of either Party under this Agreement related to the proposed Modification. The costs of preparing such written statement shall be borne by the Party proposing the Modification.

(b) If the Lessee proposes a Modification (i) for which the Lessee will bear the cost, (ii) that does not require (A) Additional Lands, (B) any contribution from the Authority or any other Governmental Authority established under the Laws of the Commonwealth or (C) any related changes to the Authority's obligations under this Agreement and (iii) that does not produce revenue not otherwise permitted under applicable Law as of the Date of this Agreement, then, upon receipt by the Authority of the Lessee's written statement of the Modification, the Lessee shall be entitled to implement the Modification, subject to the rights of the Airlines under the Use Agreement.

(c) For all Modifications proposed by the Lessee not subject to Section 5.1(b), upon receipt by the Authority of the Lessee's written statement of the Modification, and for all Modifications proposed by the Authority, the Authority and the Lessee will negotiate in good faith to determine the following, while having no obligation to agree with respect thereto: (i) the final scope of the Modification and any work related to the Modification, (ii) if applicable, the contribution to the cost of implementing the Modification to be made by each of the Authority and the Lessee, (iii) if applicable, the schedule for implementing the Modification, (iv) if

applicable with respect to Modifications proposed by the Authority, the compensation for any decrease in fees, charges or revenues from the LMM Airport Facility projected to be incurred during the implementation of the Modification to be paid to the Lessee by the Authority, (v) any additional consideration or share of additional revenues (to the extent the Modification relates to revenues not otherwise permitted under applicable Law as of the Date of this Agreement) to be paid to the Authority following implementation of the Modification, (vi) related changes to the Operating Standards, if any, (vii) any requirement for the Authority to acquire Additional Lands and (viii) any other related changes in the Parties' obligations under this Agreement (including any obligation to pay monies with respect to such Modification or any of the matters contemplated in this Section 5.1).

(d) If the Parties agree on the terms of the Modification in accordance with Section 5.1(c), they shall memorialize their agreements in a written document (an "Agreed Modification") that shall take effect when executed by the Parties or as otherwise agreed to by the Parties. To the extent applicable, an Agreed Modification shall provide for the receipt of all necessary Authorizations by the Lessee and the acquisition of Additional Lands by the Authority as a condition precedent to the commencement of any such Modification.

Section 5.2 Required Modifications.

(a) If the Authority and the Lessee cannot agree on the terms of a Modification proposed pursuant to Section 5.1, then the Authority shall have the right to require the Lessee to implement the Modification under terms set forth by the Authority, and the Authority shall provide the Lessee with Leasehold Compensation related thereto pursuant to Section 15.1(b) (a "Required Modification"); *provided* that the Lessee shall not be required to commence any work related to the Required Modification, until (i) the Authority has obtained the GDB's consent to such Required Modification, (ii) the Authority has provided to the Lessee evidence reasonably satisfactory to the Lessee of the Authority's ability to finance such Required Modification and, if the Lessee has requested the Authority to advance funds necessary to implement the Required Modification, the Lessee has received such funds from the Authority, (iii) the Lessee has obtained all Authorizations and the Authority has acquired all Additional Lands required to begin work on the Required Modification and the Lessee has no reason to believe that other required Authorizations that cannot be obtained until a later date will not be obtained when needed and (iii) the Lessee and the Authority have agreed to the terms of the Required Modification (including, as applicable, the amount of Leasehold Compensation payable pursuant to this Section 5.2(a) and any additional consideration or share of additional revenues to be paid to the Authority following implementation of such Required Modification), or if not, the terms of the Required Modification and the amount of such Leasehold Compensation payable pursuant to this Section 5.2(a) (or additional Leasehold Fee, Annual Authority Revenue Share or other share of additional revenues to be paid to the Authority) have been resolved pursuant to Article 19. Any Leasehold Compensation provided pursuant to this Section 5.2 shall include any costs incurred by the Lessee in connection with the preparation of the written statement described in Section 5.1 and shall be payable pursuant to Section 15.1(b).

(b) If a Compensation Event necessitates a Modification, the Parties shall first proceed under this Article 5 to attempt in good faith to negotiate an Agreed Modification that resolves the effects of the Compensation Event. If the Parties are unable to agree on an Agreed

Modification within 60 days (or such longer period of time as the Parties may agree) the Lessee shall be entitled to complete the necessary Modification and receive Leasehold Compensation and shall not be required to pay additional consideration or to provide any other compensation related thereto.

(c) The Parties acknowledge that no Required Modification shall in any way interfere or prevent the Lessee from performing its duties and responsibilities as FAA sponsor at the LMM Airport Facility and from complying with the Part 139 Airport Operating Certificate.

Section 5.3 Implementation of Modifications. The Lessee shall (a) ensure that any work or construction performed in connection with a Modification is performed in a good and workmanlike manner, (b) ensure the terms of an Agreed Modification or a Required Modification are diligently complied with and implemented in such manner that the costs and delays relating to a Modification are minimized and (c) conduct a competitive process, which shall be determined by the Lessee in its discretion, for the services of any Contractor to be engaged in connection with a Modification based on commercially reasonable criteria for contract award (including such Contractor's technical qualifications, bid price and relevant experience). Without limiting the generality of the foregoing, the Lessee shall comply with applicable Law, applicable codes, good industry practice and, to the extent not superseded by the terms of the relevant Agreed Modification or Required Modification, the provisions of the Operating Standards with respect to the manner in which Modifications are implemented.

Section 5.4 Acquisition or Condemnation by Authority of Additional Lands.

(a) *Pursuant to an Agreed Modification.* In the case of an Agreed Modification requiring acquisition of Additional Lands, the Authority shall take such actions as may be reasonably necessary to initiate and diligently pursue to completion the proceedings necessary for the acquisition or condemnation of such Additional Lands. In such event, the costs and expenses, including all judgments and settlements in condemnation, all awards of compensation, costs and litigation expenses, all awards of damages, all costs incurred in prosecuting the condemnation action, including the cost of all legal and support services and the fees of all witnesses, shall be borne as provided in the related Agreed Modification; *provided, however*, that any payment by the Lessee of any of the costs or expenses in relation to such acquisition shall not, by itself, entitle the Lessee to any real property interest in the Additional Lands so acquired except as provided in Section 5.1(c).

(b) *Pursuant to a Required Modification.* In the case of a Required Modification pursuant to Section 5.2, the Authority shall take such actions as may be reasonably necessary to initiate and diligently pursue to completion the proceedings necessary for the acquisition or condemnation of Additional Lands for such Required Modification. The Lessee's obligation to implement any such Required Modification shall be subject to the prior completion of the proceedings described in the preceding sentence. In such event, all costs and expenses in respect of such acquisition or condemnation of Additional Lands for such Required Modification, including all judgments and settlements in condemnation, all awards of compensation, costs and litigation expenses, all awards of damages, all costs incurred in prosecuting the condemnation action, including the cost of all legal and support services and the fees of all witnesses, shall be borne by the Authority.

(c) *Transfer.* Any lands acquired pursuant to this Section 5.4 shall be deemed to be part of the LMM Airport Facility subject to this Agreement. In connection with the foregoing, the Lessee shall, and shall cause any Leasehold Mortgagee to, execute such instruments as may be reasonably requested or required by the Authority to give effect to the foregoing. The applicable costs and expenses with respect to Additional Lands contemplated in this Section 5.4 shall be borne as provided in the related Agreed Modification and the applicable costs and expenses with respect to Additional Lands contemplated by Section 5.4(b) shall be borne by the Authority.

(d) *Pre-existing Environmental Conditions.* If a Party proposes a Modification that requires the acquisition of Additional Lands, that Party (or in the case of Required Modifications, the Authority) shall assume and discharge any liabilities and obligations whatsoever arising under any Environmental Law relating to the ownership, operation or condition of the Additional Lands and shall be responsible for any environmental conditions existing prior to the time of acquisition, whether or not the manifestation of which occurs following acquisition (including any Hazardous Substance or contaminant that was present or Released or migrated or escaped from or was Released from Additional Lands or otherwise existed at any time prior to the time of acquisition). Notwithstanding the foregoing, in all circumstances, the Lessee shall comply with Engineering or Institutional Controls associated with such Additional Lands; *provided* that, prior to having any obligation to comply therewith, the Lessee shall have (i) received written notice of such Engineering or Institutional Controls from the Authority and (ii) a reasonable period of time in which to implement such controls (which period shall not exceed 60 days unless such implementation reasonably requires a longer period and the Lessee has demonstrated to the satisfaction of the Authority, acting reasonably, that it is proceeding with all due diligence during such period to implement such compliance); *provided further* that in the case of environmental conditions for which the Authority is responsible pursuant to the preceding sentence, prior to having any obligation to comply therewith, the Lessee shall have received notice of such Engineering or Institutional Controls from the Authority; and *provided further* that the Lessee may submit any dispute with respect to such obligation to dispute resolution in accordance with Article 19. Notwithstanding any obligation to assume and discharge any liabilities arising under any Environmental Laws contained in this Section 5.4(d), to the extent the Lessee is obligated to assume such liabilities, the Lessee shall not acquire or be entitled to any real property interest in the Additional Lands associated with such liabilities, except as provided in Section 5.4(c).

(e) *NEPA and FAA Review.* It is acknowledged and agreed that the acquisition or condemnation of Additional Lands and the inclusion of Additional Lands in the LMM Airport Facility may be subject to review or approval in accordance with applicable Law, including the National Environmental Policy Act (42 U.S.C. § 4321 *et seq.*) and the policies and regulations of the FAA with respect to the Airport's airport layout plan, and that the Parties' obligations under this Section 5.4 are subject to such review and approval process.

ARTICLE 6
OPERATING STANDARDS

Section 6.1 Compliance with Operating Standards. The Lessee shall, and shall cause the LMM Airport Facility Operations to, comply with and implement the Operating

Standards in all material respects at all times during the Term (including any changes or modifications to the Operating Standards made pursuant to the terms of this Agreement or the Use Agreement); *provided* that the Lessee shall have a reasonable period of time (a) following the Closing Date to carry out changes to the operations of the LMM Airport Facility in order to cause the LMM Airport Facility to comply with the Operating Standards in effect as of the Closing Date, to the extent the LMM Airport Facility is not in compliance therewith as of the Closing Date (which period of time shall not exceed 180 days; *provided* that such 180-day period will be extended for a reasonable period of time for the Lessee to cure such noncompliance (i) if such noncompliance cannot be cured within 180 days, (ii) if such noncompliance is susceptible to a cure and (iii) for long as the Lessee is proceeding with diligence and in good faith to cure such noncompliance), and (b) from time to time to comply with the introduction of changes or modifications to the Operating Standards that are made in accordance with the terms of this Agreement and the Use Agreement (which period of time shall not exceed 90 days, except as otherwise may be provided in the revised Operating Standards; *provided* that such 90-day period will be extended for a reasonable period of time for the Lessee to cure such noncompliance (i) if such noncompliance cannot be cured within 90 days, (ii) if such noncompliance is susceptible to a cure and (iii) for long as the Lessee is proceeding with diligence and in good faith to cure such noncompliance). The Authority and the Lessee acknowledge and agree that the Operating Standards shall be construed flexibly in light of their objectives. The Lessee shall have in place procedures that are reasonably designed to achieve compliance with the Operating Standards. The Operating Standards shall not be deemed to be violated by occasional, isolated acts or omissions, including any occasional, isolated failure to comply with specific requirements set forth therein. Without limiting the generality of the foregoing, any non-recurring failure to meet specific time limits, durations or frequencies set forth in the Operating Standards shall not constitute a violation; *provided* that the Lessee is not deliberately violating or failing to comply with such requirements; and *provided* further that any such violation or failure is not inconsistent with procedures and immediate affirmative corrective steps that are reasonably designed to achieve, through the Lessee's best efforts, compliance with the requirements set forth in the Operating Standards. Except as specifically set forth in this Agreement or the Use Agreement (including the Operating Standards), the Lessee shall perform all work required to comply with and implement the Operating Standards (including the capital improvements described therein) as part of the LMM Airport Facility Operations and at its sole cost and expense. To the extent that any term or provision of the Operating Standards conflicts with any term or provision otherwise specified in this Agreement, then such term or provision of this Agreement shall govern and shall supersede any such conflicting term or provision in the Operating Standards. To the extent that any term or provision of the Operating Standards conflicts with any term or provision otherwise specified in either the Part 139 Airport Certification Manual (including any subsequently-issued amendments thereto as issued by the FAA) or the TSA-approved Airport Security Program (including any subsequently-issued requirements thereunder as issued by TSA), then such term or provision of the Part 139 Airport Certification Manual or the TSA-approved Airport Security Program, as applicable, shall govern and shall supersede any such conflicting term or provision in the Operating Standards.

Section 6.2 Modified Operating Standards.

(a) The Authority shall have the right, at any time during the Term, to modify or change the Operating Standards upon reasonable notice to the Lessee to comply with any new

Law or FAA or TSA directive or requirement applicable to the LMM Airport Facility, so long as such Law does not constitute an Adverse Action and such modification or change is permitted under the Use Agreement. In the event that the Authority modifies or changes the Operating Standards in accordance with the immediately preceding sentence, the Lessee, at its cost and expense, shall perform all work required to implement such modification or changes and shall comply with all such modifications or changes and in no event shall the Lessee be excused from compliance with any such modification or change. For the avoidance of doubt, the Lessee will have the right to challenge any modified Operating Standard pursuant to Article 19 on the basis that it does not meet the requirement set forth above.

(b) The Authority shall have the right, at any time during the Term, to propose a change to the Operating Standards upon reasonable notice to the Lessee to conform the Operating Standards to standards or practices generally adopted at Comparable Public Airports. Promptly upon receipt of such proposed change, the Lessee shall in good faith engage the Authority to determine whether such proposed change is necessary to satisfy the requirement set forth above. If the Lessee does not agree that such proposed change is necessary to satisfy the requirement set forth above, the Lessee shall provide prompt written notice of such disagreement to the Authority. Following the receipt by the Authority of such notice from the Lessee, the parties shall work together in good faith to resolve such disagreement, including by discussing alternative changes to the Operating Standards and examining the standards or practices generally adopted at Comparable Public Airports. If the Lessee and the Authority are unable to resolve such disagreement, the matter may be submitted to dispute resolution under the provisions of Article 19.

(c) If, during the Term, the Authority is of the opinion that a modification or change to the Operating Standards is necessary or desirable but such modification or change is not subject to Sections 6.2(a) or 6.2(b), the Authority may upon reasonable notice to the Lessee modify or change the Operating Standards, subject to obtaining prior authorization from the GDB; *provided, however,* that the Authority shall pay the Leasehold Compensation, if any, to the Lessee with respect thereto at the time such modification or change is implemented. The Lessee shall perform all work required to implement and shall comply with all such modifications and changes, and in no event shall the Lessee be excused from compliance with any such modification or change. The Authority shall have the right to undertake the work necessary to ensure implementation of and compliance with any modification or change to the Operating Standards if the Lessee fails to do so within a reasonable period of time; *provided, however*, that to the extent that such work is undertaken by the Authority, the Lessee shall pay to the Authority within 10 Business Days following demand therefor, or the Authority may offset from amounts owing to the Lessee in connection with such modification or change, the costs of the portion of the work performed in order to comply with the Operating Standards existing immediately prior to such modification or change, and the Authority shall be responsible only for the incremental costs of the additional work required in order to implement such proposed modification or change to the Operating Standards and, without duplication with the foregoing, the Leasehold Compensation with respect to such modification or change.

(d) If the Lessee, at its cost and expense, wishes to modify the Operating Standards, the Lessee must obtain the Approval of the Authority and the approval of the

Signatory Airlines in accordance with Section 3.4(d) of the Use Agreement (or the equivalent provision in any successor use agreement) in accordance with the following:

(i) The Lessee shall submit the proposed modifications to the Authority for Approval and to the Signatory Airlines for approval in accordance with Section 3.4(d) of the Use Agreement (or the equivalent provision in any successor use agreement), together with an explanation of the Lessee's rationale for making its proposal and all relevant supporting information, certificates, reports, studies, investigations and other materials as are necessary to demonstrate that the Lessee's proposed modifications are reasonably designed to achieve the objectives of the applicable Operating Standards. The Authority or a Signatory Airline may request any additional supporting information, certificates, reports, studies, investigations and other materials as are reasonably required to determine if the Lessee's proposed modifications are reasonably designed to achieve the objectives of the applicable Operating Standards.

(ii) Approval of the Lessee's proposed modifications may be withheld, delayed or conditioned only if there is a reasonable basis to determine that the Lessee's proposed operating standards are not reasonably designed to achieve the objectives of the applicable Operating Standards. Until the modifications are approved by the Authority and the requisite number of Signatory Airlines in accordance with Section 3.4(d) of the Use Agreement (or the equivalent provision in any successor use agreement), the Lessee shall not implement the proposed modifications. The Lessee's proposed modifications shall be deemed incorporated into the Operating Standards upon approval by the Authority and the Signatory Airlines in accordance with the terms hereof. If the Authority or the requisite number of Signatory Airlines refuses to approve any proposed modifications and the Lessee disagrees with such refusal, the Lessee may submit the matter to dispute resolution under the provisions of Article 11 of the Use Agreement (or the equivalent provision in any successor use agreement).

(iii) Notwithstanding anything to the contrary, neither the Authority nor a Signatory Airline may withhold, delay or condition the approval of any proposed modification to the Operating Standards if the Lessee reasonably believes that such proposed modification is necessary to comply with the Part 139 Airport Operating Certificate, the TSA-approved Airport Security Program or any other requirements of Law or FAA or TSA directive or requirement; *provided* that the Authority and the Signatory Airlines each reserves the right to contest any such proposed modification, including by seeking FAA or TSA guidance or interpretation to the extent that the Authority or Signatory Airline reasonably believes that such proposed modification is not reasonably designed to achieve the objective of compliance with either the Part 139 Airport Operating Certificate, the TSA-approved Airport Security Program or other requirement of Law. Any such contest shall be asserted by the Authority or the Signatory Airline, as appropriate, by giving the Lessee prompt notice thereof in accordance with Section 3.4(d) of the Use Agreement (or the equivalent provision in any successor use agreement). Following the receipt by the Lessee of such notice, the Lessee and the Authority or Signatory Airline, as appropriate, shall work together in good faith to resolve such contest, including by working with the FAA or the TSA, as appropriate. If the Lessee and the Authority or Signatory Airline, as appropriate, are unable to resolve such contest, the matter may be submitted to dispute resolution under the provisions of Article 11 of the Use Agreement (or the equivalent provision in any successor use agreement). The Lessee may implement (and continue to implement) any

proposed modification to the Operating Standards that it reasonably believes is necessary to comply with the Part 139 Airport Operating Certificate, the TSA-approved Airport Security Program or other requirement of Law while it works in good faith with the Authority or Signatory Airline, as appropriate, to resolve any contest regarding the implementation of such modification.

ARTICLE 7
AIRPORT FEES AND REVENUES

Section 7.1 Generally. The Lessee shall, at all times during the Term, have the right to establish, collect, retain and enforce payment of all fees, rents, tariffs, revenues and any other type of charge for use of or in connection with the LMM Airport Facility to the fullest extent permitted by Section 10(c) of the Act, subject to all applicable requirements of Law and the terms and conditions of any applicable use agreement or Assigned LMM Airport Facility Contract.

Section 7.2 Specific Authorizations. Without limiting Section 7.1, the Lessee shall have the sole and specific right to charge, assess, collect, seek and apply the following fees, charges, revenues and grants:

(a) *PFCs.* The Lessee shall have the right to charge, assess, collect, seek, and apply such PFCs that may have in the past or in the future been authorized under 49 U.S.C. § 40117, or any predecessor or successor Law, and as approved by the FAA from time to time with respect to the LMM Airport Facility. PFCs collected for the LMM Airport Facility may not be used to finance projects at any other airport facility.

(b) *Government Grants-in-Aid.* The Lessee shall have the right to apply for and receive Government Grants-in-Aid, including grants authorized under 49 U.S.C § 47101, *et seq.*, and 49 U.S.C § 44923, or any predecessor or successor Law, and as approved by the appropriate Governmental Authority from time to time with respect to the LMM Airport Facility.

(c) For the avoidance of doubt, during the Term, the Authority shall not apply for any PFCs or Government Grants-in-Aid with respect to the LMM Airport Facility.

(d) *Ground Transportation Private Access and Use Fees.* The Lessee shall have the right, subject to applicable Law, to collect any private access and/or use fees for ground transportation at the LMM Airport Facility.

ARTICLE 8
REPORTING; AUDITS; INSPECTIONS

Section 8.1 Reports.

(a) *Incident Management and Notifications.* The Lessee shall promptly notify the Authority of all material emergencies upon receiving knowledge thereof, promptly notify the Authority of all material accidents and airfield incidents occurring on or at the LMM Airport Facility within 24 hours of receiving knowledge of the occurrence of such material accident or incident and promptly notify the Authority of all material claims made by or against the Lessee

of which the Lessee has knowledge, or potential material claims that the Lessee reasonably expects to make against, or to be made against it by, third parties.

(b) *Environmental Incident Management and Notifications.* Upon receiving knowledge thereof, the Lessee shall promptly report to the Authority, on a per occurrence basis, the discharge, dumping, spilling (accidental or otherwise) of any reportable quantity, as defined under applicable Environmental Law, of Hazardous Substances and the location at which the incident has occurred, the time, the agencies involved, the damage that has occurred and the remedial action taken or to be taken. Notice of any such incident, if initially delivered orally, shall be delivered in writing promptly following the Lessee's knowledge of such incident. This reporting obligation shall be in addition to any other reporting obligation under Environmental Laws.

(c) *Financial Reports.* Until the End Date, the Lessee, at its sole cost and expense, shall deliver to the Authority (i) within 60 days after the end of each six-month period following the first day of each Reporting Year, a copy of the unaudited balance sheets of the Lessee at the end of each such six-month period and the related unaudited statements of income, changes in equity and cash flows for such six-month period, in a manner and containing information consistent with the Lessee's current practices and (ii) within 120 days after the end of each Reporting Year a copy of the audited balance sheets of the Lessee at the end of each such Reporting Year, and the related audited statements of income, changes in equity and cash flows for such Reporting Year, including in each case the notes thereto, in each case prepared in accordance with generally accepted accounting principles consistently applied in the United States and certified by the Lessee's chief financial officer that such financial statements fairly present, in all material respects, the financial condition and the results of operations, changes in equity and cash flows of the Lessee as at the respective dates of and for the periods referred to in such financial statements, all in accordance with generally accepted accounting principles in the United States consistently applied; *provided* that any interim financial statements shall be subject to year-end adjustments. Such financial statements shall reflect the consistent application of such accounting principles throughout the periods involved, except as disclosed in the notes to such financial statements. In addition to the foregoing, together with the financial statements identified in clause (ii) of this Section 8.1(c), the Lessee shall provide an opinion thereon of an independent public accountant of national stature in the United States of America engaged by the Lessee. In lieu of the foregoing, the Lessee may comply with this Section 8.1(c) by providing to the Authority a copy of the financial statements pertaining to the LMM Airport Facility that the Lessee files with the FAA on an annual basis as part of its compliance with its Part 139 Airport Operating Certificate.

(d) *Reports Required By Use Agreement.* Promptly upon receipt thereof, and in any event within five Business Days of the receipt thereof, the Lessee shall provide the Authority with copies of all reports required to be delivered to the Lessee by the Airlines in accordance with the Use Agreement, including traffic forecasts, traffic results and environmental reports.

Section 8.2 Information.

(a) *Information; Inspection.* At the request of the Authority or any other Governmental Authority of competent jurisdiction (each, an "Authorized Auditor"), the Lessee shall (at the sole cost and expense of the Lessee and at all reasonable times during the Term) (i) make available or cause to be made available (and, if requested by such Authorized Auditor, furnish or cause to be furnished) to such Authorized Auditor all Information related to this Agreement or the LMM Airport Facility as may be specified in such request and as shall be in the possession or control of the Lessee or its Representatives and (ii) permit such Authorized Auditor, after having provided 10 Business Days' prior notice to the Lessee (which notice shall identify the persons such Authorized Auditor requests to be present for an interview and describe with reasonable specificity the subject matter to be raised in the interview) (except in the case of investigations of possible criminal conduct, violations of regulations promulgated by the Authority or violations of the general aviation regulations promulgated by a Governmental Authority, in which case no prior notice shall be required by such Authorized Auditor), to discuss the obligations of the Lessee under this Agreement with any of the directors, chief executive officer and chief financial officer of the Lessee and its Representatives, for the purpose of enabling such Authorized Auditor to determine whether the Lessee is in compliance with this Agreement and applicable Law.

(b) *Confidentiality.* Unless disclosure is required by applicable Law, the Authority shall keep confidential any Information obtained from the Lessee or its Representatives that (i) constitutes trade secrets or commercial or financial information (A) where the trade secret or commercial or financial information are proprietary, privileged or confidential or (B) where the disclosure of the trade secrets or commercial or financial information may cause competitive harm and (ii) is designated as confidential by the Lessee in writing to the Authority. In the event that the Lessee requests the Authority to defend an action seeking the disclosure of Information that the Authority determines to be confidential pursuant to this Section 8.2(b), the Lessee shall reimburse the Authority for the reasonable costs and expenses incurred by the Authority in defending such action. This Section 8.2(b) shall not apply to any Information that (w) is already in the possession of the Authority; *provided* that such information is not known by the Authority to be subject to another confidentiality agreement with or other obligation of secrecy to the Lessee or another party; (x) becomes generally available to the public other than as a result of a disclosure by the Authority or their Representatives in violation of the terms of this Section 8.2(b); (y) becomes available to the Authority on a non-confidential basis from a source other than the Lessee or its advisors, *provided* that such source is not known by the Authority to be bound by a confidentiality agreement with or other obligation of secrecy to the Lessee or another party or (z) is independently developed by the Authority or its Representatives.

Section 8.3 Inspection, Audit and Review Rights of the Authority.

(a) *Audit Right.* In addition to the rights set out in Section 8.2, any Authorized Auditor may, at all reasonable times, upon 48 hours' prior notice, or may cause a Representative designated by it to, carry out subject to Section 8.2(b) (i) an Audit of the Information required to be maintained or delivered by the Lessee under this Agreement in connection with the performance of the LMM Airport Facility Operations for the purpose of

verifying the information contained therein; and (ii) any Audit required by the Act. The Lessee, at the cost and expense of the Lessee, shall, at reasonable times, make available or cause to be made available to such Authorized Auditor or its designated Representative such reasonable information and material as may reasonably be required by such Authorized Auditor or its designated Representative for purposes of such Audit and otherwise provide such cooperation as may reasonably be required by such Authorized Auditor in connection with the same. Such Authorized Auditor shall be entitled to make copies of the Information related to the conduct of such Audit and to take extracts therefrom at such Authorized Auditor's expense.

(b) *Inspection Right.* Each Authorized Auditor and its Representatives shall, at all times, have access to the LMM Airport Facility and every part thereof and the Lessee, at the reasonable cost and expense of the Lessee, shall, and shall cause its Representatives to, furnish each Authorized Auditor with every reasonable assistance for inspecting the LMM Airport Facility and the LMM Airport Facility Operations for the purpose of Auditing the Information or ascertaining compliance with this Agreement.

(c) *Tests.* Any Authorized Auditor and its Representatives shall, with the prior consent of the Lessee be entitled, at the sole cost and expense of such Authorized Auditor, and at any time and from time to time, to perform or cause to be performed any test, study or investigation in connection with the LMM Airport Facility or the LMM Airport Facility Operations as such Authorized Auditor may determine to be reasonably necessary in the circumstances; and the Lessee, at the cost and expense of the Lessee, shall, and shall cause its Representatives to, furnish such Authorized Auditor or its Representatives with every reasonable assistance in connection with the carrying out of such tests, procedures, studies and investigations. In connection with the foregoing, such Authorized Auditor and its Representatives shall, with the prior consent of the Lessee, be entitled to install machines, equipment, systems, monitors, counters and other devices in, on, under, over or adjacent to the LMM Airport Facility to permit and facilitate any test, study, monitor, review or investigation of or relating to the LMM Airport Facility Operations to the extent that the same foes not materially interfere with the LMM Airport Facility Operations or damage the LMM Airport Facility.

(d) *No Waiver.* Failure by any Authorized Auditor or any of its Representatives to inspect, review or Audit the Lessee's responsibilities under this Agreement or any part thereof or the Information, shall not constitute a waiver of any of the rights of any Authorized Auditor hereunder or any of the obligations or liabilities of the Lessee hereunder. Inspection, review or Audit not followed by a notice of Lessee Default shall not constitute a waiver of any Lessee Default or constitute an acknowledgement that there has been or will be compliance with this Agreement and applicable Law.

(e) *No Undue Interference.* In the course of performing its inspections, reviews and Audits hereunder, each Authorized Auditor shall use its Reasonable Efforts, except as necessary in the case of the Authority when performing investigations of possible criminal conduct, to avoid (and to cause any auditor appointed pursuant to Sections 8.2(a) or 8.3(a) to avoid) any disruption to the LMM Airport Facility Operations or the Lessee's rights or responsibilities under this Agreement, having regard to the nature of the inspections, reviews and Audits being performed.

Section 8.4 Audits, Assistance, Inspections and Approvals. Wherever in this Agreement reference is made to any Authorized Auditor or its Representatives providing assistance, services, Approvals or Consents to or on behalf of the Lessee or its Representatives or to any Authorized Auditor or its Representatives performing an Audit or inspecting, reviewing or examining the LMM Airport Facility, the LMM Airport Facility Operations or any part thereof or the books, records, documents, budgets, proposals, requests, procedures, certificates, plans, drawings, specifications, contracts, agreements, schedules, reports, lists or other instruments of the Lessee or its Representatives, such undertaking by such Authorized Auditor or its Representatives shall not relieve or exempt the Lessee from, or represent a waiver of, any requirement, liability, Lessee Default, covenant, agreement or obligation under this Agreement or at law or in equity and shall not create or impose any requirement, liability, covenant, agreement or obligation (including an obligation to provide other assistance, services or Approvals) on any Authorized Auditor or its Representatives not otherwise created or imposed pursuant to the express provisions of this Agreement.

Section 8.5 Reimbursement of Costs. Except as otherwise provided herein, the Lessee shall reimburse each Authorized Auditor for all documented costs and expenses reasonably incurred by such Authorized Auditor during the Term (including employment costs and related overhead expenses allocable thereto, as reasonably determined by such Authorized Auditor based on the time expensed by the employees who tender such services to the Authorized Auditor) in monitoring the LMM Airport Facility Operations and the Lessee's compliance with its obligations and duties hereunder (including any Audits, tests, reviews or exams of the LMM Airport Facility, the LMM Airport Facility Operations (or any part thereof), any information or the proposals, requests, procedures, certificates, plans, drawings, specifications, contracts, agreements, schedules, reports, lists or other instruments of the Lessee or its Representatives required or permitted to be provided or undertaken hereunder); *provided, however,* that the aggregate amount payable by the Lessee pursuant to this Section 8.5 and any other provision set forth in this Agreement that requires the Lessee to reimburse such Authorized Auditor for costs and expenses incurred in connection with the matters set forth in this Agreement (including Section 8.3(b), but excluding payments described in Section 3.7(a)(ii) and (iii), Section 3.17, and Section 8.2(b)) shall not exceed $250,000 per calendar year, Adjusted for Inflation.

ARTICLE 9
REPRESENTATIONS AND WARRANTIES

Section 9.1 Representations and Warranties of the Authority. The Authority makes the following representations and warranties to the Lessee, and the Authority acknowledges that the Lessee and its Representatives are relying upon such representations and warranties in entering into this Agreement:

(a) *Organization.* The Authority is an instrumentality of the Commonwealth.

(b) *Power and Authority.* The Authority has the power and authority to enter into this Agreement and to do all acts and things and execute and deliver all other documents as are required hereunder to be done, observed or performed by it in accordance with the terms hereof.

(c) *Enforceability.* This Agreement has been duly authorized, executed and delivered by the Authority and constitutes a valid and legally binding obligation of the Authority, enforceable against the Authority in accordance with the terms hereof, subject only to (i) the effect of bankruptcy, insolvency, reorganization, moratorium or other similar requirements of Law and judicial decisions now or hereafter in effect generally affecting the enforcement of creditors' rights and remedies and (ii) the effect of requirements of Law governing equitable remedies and defenses and the discretion of any court of competent jurisdiction in awarding equitable remedies.

(d) *Title.* The Authority has good and sufficient title to and/or sufficient rights to grant to the Lessee the rights described in Section 2.1 with respect to the LMM Airport Facility and the LMM Airport Facility Assets, subject only to Permitted Authority Encumbrances, Permitted Lessee Encumbrances created, incurred, assumed or suffered to exist by the Lessee or any Person claiming through it (other than the Permitted Lessee Encumbrances specified in clause (ix) of the definition of the term "Permitted Lessee Encumbrances") and any recorded or unrecorded restrictions, exceptions, easements, rights-of-way, reservations, limitations and interests that do not have a material adverse effect on the Lessee's ability to operate the LMM Airport Facility. Subject to any and all Permitted Authority Encumbrances, Permitted Lessee Encumbrances created, incurred, assumed or suffered to exist by the Lessee or any Person claiming through it (other than the Permitted Lessee Encumbrances specified in clause (ix) of the definition of the term "Permitted Lessee Encumbrances") and any recorded or unrecorded restrictions, exceptions, easements, rights-of-way, reservations, limitations and interests that do not have a material adverse effect on the Lessee's ability to operate the LMM Airport Facility existing at the Time of Closing, there is no recorded or unrecorded agreement, contract, option, commitment, right, privilege or other right of another binding upon, or which at any time in the future may become binding upon, the Authority to sell, transfer, convey, subject to lien, charge, grant a security interest in, or in any other way dispose of or materially encumber the LMM Airport Facility or the LMM Airport Facility Assets or any material portion thereof. The recorded or unrecorded restrictions, exceptions, easements, rights-of-way, reservations, limitations, interests and other matters that affect title to the LMM Airport Facility and the LMM Airport Facility Assets (or any portion thereof) do not materially adversely affect the Lessee's ability to operate the LMM Airport Facility in accordance with the terms hereof. Following the Authority's satisfaction of the condition set forth in Section 2.4(a)(iii), no obligation of the Authority or other Governmental Authority of the Commonwealth will be secured by any interest in the LMM Airport Facility (or any revenues generated therefrom) or the LMM Airport Facility Assets and no Person will have any claim or right to, or interest in, any income, profits, grants, rents or revenue derived from or generated with respect to the LMM Airport Facility (other than the Lessee under this Agreement and any claims, rights or interests granted by or otherwise relating to the Lessee).

(e) *No Conflicts.* The execution and delivery of this Agreement by the Authority, the consummation of the transactions contemplated hereby (including the operation of the LMM Airport Facility in accordance with the terms of this Agreement) and the performance by the Authority of the terms, conditions and provisions hereof do not and/or will not contravene or violate or result in a breach of (with or without the giving of notice or lapse of time, or both) or acceleration of any material obligations of the Authority or give rise to a right of termination, cancellation or augmentation of any obligation or loss of a material benefit under or result in the

creation of any material Encumbrance (other than a Permitted Authority Encumbrance) under (i) any applicable Law or (ii) any agreement, instrument or document to which the Authority is a party or by which the Authority is bound.

(f) *Consents*. No Consent is required to be obtained by the Authority from, and no notice (other than the prescription period notice required to be delivered pursuant to Section 2.5(l)) or filing (other than the filing required pursuant to Section 2.4(a)(vii)) is required to be given by the Authority to or made by the Authority with, any Person (including any Governmental Authority) in connection with the execution, delivery and performance by the Authority of this Agreement or the consummation of the transactions contemplated hereby.

(g) *Compliance with Law; Litigation.* The Authority has operated and is operating the LMM Airport Facility in compliance, in all material respects, with all applicable Laws and the Authority is not in material breach of any applicable Law. Except for those matters referred to in Section 3.19 and Section 3.20 or disclosed on Schedule 4, there is no action, suit or proceeding, at law or in equity, or before or by any Governmental Authority, pending nor, to the best of the Authority's knowledge, threatened against the LMM Airport Facility, the LMM Airport Facility Assets or the Authority or any agency thereof in respect of the LMM Airport Facility prior to or at the Time of Closing, which (i) would reasonably be expected to have a Material Adverse Effect on the operations of the LMM Airport Facility or (ii) would affect the power of the Authority to enter into this Agreement or the validity or enforceability of this Agreement or the transactions contemplated hereby. The Authority has complied with all applicable Laws related to the negotiation, authorization and execution of this Agreement.

(h) *Environmental Matters*. The Authority has made available to the Lessee true, correct and complete copies of all environmental assessments, audits, investigations, studies or other reports performed at the Authority's direction since 2000 and all notices of violations, administrative orders and enforcement actions received by the Authority since 2000 and in its possession or control relating to the LMM Airport Facility ("Environmental Reports"), and to the best of the Authority's knowledge, except as disclosed in the Environmental Reports, there have been no material Releases of Hazardous Substances in, on, under, about or emanating from the LMM Airport Facility.

(i) *LMM Airport Facility Contracts.*

(i) Each LMM Airport Facility Contract has been made available for review by the Lessee and, to the extent not constituting an Assigned LMM Airport Facility Contract, has been terminated on or prior to the Closing Date. As of the Date of this Agreement, each LMM Airport Facility Contract is valid and is in full force and effect, and as of the Closing Date, each Assigned LMM Airport Facility Contract is valid and in full force and effect, and any consent required to assign such Assigned LMM Airport Facility contract has been obtained. The Authority is not, and as a result of the transactions contemplated by this Agreement will not be, in material breach of any of its obligations under any LMM Airport Facility Contract, and no act or event has occurred which, with notice or lapse of time, or both, would constitute a material breach thereof, and, except as disclosed on Schedule 4, to the knowledge of the Authority no other party to any LMM Airport Facility Contract will be, nor as a result of the transactions

contemplated by this Agreement will be, in material breach of its obligations under any LMM Airport Facility Contract, and no act or event has occurred with respect to any such party, which with notice or lapse of time, or both, would constitute a material breach thereof. The LMM Airport Facility Contracts are all of the material contracts and agreements (A) to which the Authority is a party that relate to the LMM Airport Facility Operations, (B) that bind the LMM Airport Facility in any material respect or (C) that are necessary for provision of utilities or other third-party services for the continued operation of the LMM Airport Facility by the Lessee immediately following the Time of Closing, except that the LMM Airport Facility Contracts do not include those contracts referenced in Section 3.19, Section 3.20, Section 3.21 or Section 4.5 as well as those immaterial contracts and agreements which do not constitute Assumed Liabilities and to which the Authority is a party involving the provision of goods and services in the ordinary course of business that are used in connection with the LMM Airport Facility as well as by various other Authority departments, none of which will be applicable or binding on the Lessee, and all of which will be terminated at or prior to the Closing Date (at least as they relate to the LMM Airport Facility). Notwithstanding the foregoing, none of the representations and warranties set forth in this Section 9.1(i)(i) shall apply to those LMM Airport Facility Contracts listed in Part A of Schedule 5, except that the Authority represents and warrants that the LMM Airport Facility Contracts listed in Part B of Schedule 5 are, as of the Date of this Agreement and as of the Closing Date, valid and in full force and effect.

(ii) The Authority has provided true and complete copies of each of the LMM Airport Facility Contracts listed on Part A of Schedule 5, each of which shall be an Assigned LMM Airport Facility Contract. As of the Date of this Agreement, there are no contracts pursuant to which a counterparty to such contract is claiming exclusivity rights with respect to Terminal A, except for those contracts set forth in Part A of Schedule 5. From and after the Bid Date, unless otherwise agreed to or consented by the Lessee, the Authority has not entered into any amendments, supplements, side agreements or other understandings with the counterparties to those LMM Airport Facility Contracts listed on Part A of Schedule 5.

(j) *Insurance Policies.* All insurance policies in effect as of the Bid Date are in full force and effect and shall continue in full force and effect until the Time of Closing.

(k) *Brokers.* Except for Credit Suisse Securities (USA) LLC, whose fees will be paid by the Authority, there is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of the Authority who might be entitled to any fee or commission from the Authority in connection with the transactions contemplated by this Agreement.

(l) *Accuracy of Information.* To the knowledge of the Authority, the factual and past historical information regarding the LMM Airport Facility, the LMM Airport Facility Operations and the LMM Airport Facility Assets that the Authority provided to the Lessee in the virtual data room for this transaction at https://www.imprimarooms.net was complete and accurate in all material respects at the time such information was provided. As of the Time of Closing, the Authority does not have actual knowledge of any material misstatement in respect of any such information as of the time such information was provided. The Authority makes no additional representation or warranty with respect to such information.

(m) *Operation of the LMM Airport Facility.* Since the Bid Date, the Authority (i) has caused the LMM Airport Facility to be operated in the ordinary course in a manner consistent with past practice, (ii) has used all Reasonable Efforts to preserve the goodwill of the LMM Airport Facility and to maintain good business relationships with the Airlines and others having business dealings with the Authority in connection with the LMM Airport Facility, (iii) has maintained the LMM Airport Facility Assets in normal operating condition and repair in accordance with past practice (ordinary wear and tear excepted) and has not disposed of the LMM Airport Facility Assets other than in the ordinary course of business, (iv) has performed (or caused to be performed) in all material respects all of the Authority's obligations under the LMM Airport Facility Contracts, (v) has not entered into any material contracts relating to the LMM Airport Facility or the LMM Airport Facility Operations unless such contracts are terminable by the Lessee on the Closing Date (at no cost to the Lessee) or have been approved or consented to in writing by the Lessee prior to the execution thereof and (vi) has caused the LMM Airport Facility to be operated in all material respects in accordance with all applicable Laws (except to the extent any non-compliance is being contested in good faith by appropriate proceedings), all with the purpose that the LMM Airport Facility as a going concern shall be unimpaired at the Closing in a condition substantially similar to the condition as of the Bid Date.

(n) *Public Private Partnerships Act.* The Legislative Assembly of Puerto Rico has duly enacted into law the Act, which remains in full force and effect. The Act (i) authorizes the Authority to enter into this Agreement and grant the Lease, (ii) authorizes the exemption from Taxes contemplated by Section 3.11(b)(i) and (ii) and (iii) provides that the Lessee shall have the authority to establish charges and fees in connection with the LMM Airport Facility, pursuant to this Agreement. This Agreement is a "Partnership Contract" under the Act and a recordable lease under the P.R. Mortgage and Property Registry Law.

(o) *Material Adverse Effect.* Since June 30, 2011, through and including the Closing Date, no transaction or occurrence has taken place that has resulted or is reasonably likely to result in a Material Adverse Effect.

(p) *Financial Statements.* The audited financial statements of the Authority, dated as of June 30, 2011, 2010 and 2009, fairly present in all material respects the financial position and results of operations of the Authority as of the date and for the periods stated in such financial statements in accordance with generally accepted accounting principles, as applied to governmental units.

(q) *PFC Commitments.* As of the Date of this Agreement, the information shown on Schedule K to the Use Agreement regarding PFC commitments is complete and accurate in all material respects.

(r) *Airport Security Program.* The revisions to the Airport Security Program with respect to the Authority's operation of the LMM Airport Facility, which are expected to become effective following the Bid Date and prior to the Closing Date, will not cause a material increase in security-related operational costs for the LMM Airport Facility as compared to the security-related operational costs associated with the Airport Security Program for the LMM Airport Facility in effect as of the Bid Date.

Section 9.2 Representations and Warranties of the Lessee. The Lessee makes the following representations and warranties to the Authority, and the Lessee acknowledges that the Authority and its Representatives are relying upon such representations and warranties in entering into this Agreement:

(a) *Organization.* The Lessee is duly organized, validly existing and in good standing under the laws of the state of its organization and is duly qualified to conduct business in the Commonwealth. Except as disclosed in the written certification that the Lessee delivered to the Authority prior to the Bid Date (or, to the extent changes in ownership of the Lessee are made prior to Closing that would be permitted under the definition of "Change in Control", the Closing Date), no Person owns, directly or indirectly, 10% or more of the capital stock, units, partnership or membership interests and other equity interests or securities of the Lessee (including options, warrants and other rights to acquire any such equity interests).

(b) *Power and Authority.* The Lessee has the power and authority to enter into this Agreement and to do all acts and things and execute and deliver all other documents as are required hereunder to be done, observed or performed by it in accordance with the terms hereof.

(c) *Enforceability.* This Agreement has been duly authorized, executed and delivered by the Lessee and constitutes a valid and legally binding obligation of the Lessee, enforceable against it in accordance with the terms hereof, subject only to (i) the effect of bankruptcy, reorganization, moratorium or other similar requirements of Law and judicial decisions now or hereafter in effect generally affecting the enforcement of creditors' rights and remedies and (ii) the effect of requirements of Law governing equitable remedies and defenses and the discretion of any court of competent jurisdiction in awarding equitable remedies.

(d) *No Conflicts.* The execution and delivery of this Agreement by the Lessee, the consummation of the transactions contemplated hereby and the performance by the Lessee of the terms, conditions and provisions hereof has not and will not contravene or violate or result in a material breach of (with or without the giving of notice or lapse of time, or both) or acceleration of any material obligations of the Lessee under (i) any applicable Law, (ii) any material agreement, instrument or document to which the Lessee or any Equity Participant is a party or by which it is bound or (iii) the articles, bylaws or governing documents of the Lessee and each of the Equity Participants.

(e) *Consents; Authorizations.* Except as set forth in Section 2.4(c), no Consent or Authorization is required to be obtained by the Lessee or any Equity Participant from, and no notice or filing is required to be given by the Lessee or any Equity Participant to or made by the Lessee or any Equity Participant with, any Person (including any Governmental Authority) in connection with the execution and delivery by the Lessee of this Agreement or the consummation of the transactions contemplated hereby, except for such consents that have been obtained and notices of filings that have been given as of the Date of this Agreement or such other Consents that are not required to be obtained as at the Date of this Agreement and are expected to be obtainable following the Date of this Agreement.

(f) *Compliance with Law; Litigation.* The Lessee is not in breach of any applicable Law that could have a material adverse effect on the ability of the Lessee to comply with its obligations under this Agreement. Neither the Lessee nor any other Affiliate of the Lessee is listed on any of the following lists maintained by the Office of Foreign Assets Control of the United States Department of the Treasury, the Bureau of Industry and Security of the United States Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List or the Debarred List, or any other list of Persons with which the Authority may not do business under applicable Law. There is no action, suit or proceeding, at law or in equity, or before or by any Governmental Authority, pending nor, to the best of the Lessee's knowledge, threatened against the Lessee or any Equity Participant that (i) would have a material adverse effect on the transactions contemplated by this Agreement or the Lessee's ability to operate the LMM Airport Facility or (ii) would affect the validity or enforceability of this Agreement.

(g) *Accuracy of Information.* All of the information relating to the Lessee or any Equity Participant delivered by or on behalf of the Lessee to the Authority in connection with the execution of this Agreement was true, accurate and correct in all material respects when delivered.

(h) *Brokers.* Except for any broker or advisor whose fees will be paid by the Lessee, any Equity Participant or any of their respective Affiliates, there is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of the Lessee, any Equity Participant or any of their respective Affiliates who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

(i) *Foreign Corrupt Practices Act.* To the Lessee's knowledge, (i) no Governmental Authority in the United States has notified the Lessee in writing of any actual or alleged violation or breach by the Lessee of the Foreign Corrupt Practices Act, (ii) the Lessee has not undergone nor is undergoing any audit, review, inspection, investigation, survey or examination of records relating to compliance with the Foreign Corrupt Practices Act, (iii) the Lessee has not been and is not now under any administrative, civil or criminal investigation or indictment and is not party to any litigation involving alleged false statements, false claims or other improprieties relating to the Lessee's compliance with the Foreign Corrupt Practices Act, nor is there any basis for such an investigation or indictment and (iv) there are no situations with respect to the business of the Lessee that involved or involves (w) the illegal use of any corporate funds or unlawful contributions, gifts, entertainment or other unlawful expenses related to political activity, (x) the making of any direct or indirect unlawful payments to government officials or others from corporate funds or the establishment or maintenance of any unlawful unrecorded funds to be used for such purposes, (y) the violation of any of the provisions of the Foreign Corrupt Practices Act (or any rules or regulations promulgated thereunder) that apply to the Lessee or (z) the receipt of any illegal discounts or rebates or any other violation of United States antitrust laws.

(j) *Code of Ethics.* The Lessee acknowledges, represents and warrants that no official or employee of the Authority has a direct or indirect economic interest in the Lessee's rights under this Agreement in accordance with the provisions of Act No. 84 of the Legislative Assembly of Puerto Rico enacted on June 18, 2002, as amended, also known as the Code of

Ethics for Contractors (the "Code of Ethics"), which Code of Ethics the Lessee herein certifies it has received a copy of, read, understood and complied with at all times previous to the execution of this Agreement and will subsequently comply with it in its entirety.

(k) *Criminal Proceedings.*

(i) The Lessee warrants and certifies that as of the Date of this Agreement and for the preceding 20 years, (i) neither it, nor any of its president, vice presidents, executive director, directors, members of its board of directors (or any person that holds a position with the Lessee functionally equivalent to any of the foregoing), nor any of its subsidiaries (each a "Covered Party"), nor any of its Equity Participants, has been convicted, has entered a plea of guilty or *nolo contendere* or has been indicted in any criminal procedure in any State, Commonwealth or federal court or in any foreign country for criminal charges related to acts of corruption, the public treasury, the public trust, a public function, or charges involving public funds or property, or for the felonies or misdemeanors mentioned in Act No. 458 of the Legislative Assembly of Puerto Rico, enacted on December 29, 2000, as amended, and (ii) each Covered Party is complying and shall continue to comply at all times with laws that prohibit corruption and regulate criminal acts involving public functions or public funds applicable to the Lessee under State, Commonwealth or federal Law, including the Foreign Corrupt Practices Act. If a Covered Party after the Date of this Agreement becomes indicted or convicted in a criminal procedure for any type of offense described in this Section 9.2(k), the Lessee shall immediately notify the Authority thereof in writing as required by Act No. 458 of the Legislative Assembly of Puerto Rico, enacted on December 29, 2000, as amended.

(ii) Neither the Lessee nor, to the knowledge of the Lessee, any of its officers, directors or Equity Participants has been convicted of offenses against public integrity, as defined in the P.R. Penal Code, or of embezzlement of public funds, and neither the Lessee nor any of its officers, directors or Equity Participants has been found guilty of any such type of offense in the Courts of the Commonwealth of Puerto Rico, the federal courts or any court of any jurisdiction of the United States of America.

Section 9.3 Tax Filings.

(a) The Lessee for itself and each of its Equity Participants (if the Lessee is a partnership under the New P.R. Revenue Code) represents that as of the Date of this Agreement (i) neither it nor any of its Equity Participants has any outstanding debts for unemployment insurance, temporary disability (workmen's compensation), chauffeur's social security with the Department of Labor and Human Resources of the Commonwealth, income taxes with the Department of Treasury of the Commonwealth or real or personal property taxes with the Municipal Revenues Collection Center or (ii) it or its Equity Participants have a payment plan in place with respect to any outstanding debt for the foregoing items and have complied therewith.

(b) The Lessee acknowledges and agrees that it shall obtain and deliver to the Authority, in each case dated not earlier than 60 days prior to the Closing Date, the following:

(i) A certification of filing of income tax returns, issued by the Internal Revenue Division of the Department of Treasury of the Commonwealth or a

certification by the Lessee and each of its Equity Participants (if the Lessee is a partnership under the New P.R. Revenue Code) that as of the Date of this Agreement it does not have and has not had to submit income tax returns and pay taxes in the Commonwealth during the past five years.

(ii) A "no taxes debt due" certificate, or payment plan and compliance therewith, issued by the Internal Revenue Division of the Department of Treasury of the Commonwealth.

(iii) A certificate of no debt, or payment plan and compliance therewith, with respect to real and personal property taxes issued by the Municipal Revenues Collection Center.

(iv) A certificate of no debt, or payment plan and compliance therewith, for unemployment insurance, temporary disability (workmen's compensation) and chauffeur's social security issued by the Department of Labor and Human Resources of the Commonwealth.

Section 9.4 Non-Waiver. No investigations made by or on behalf of any Party at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation or warranty made by the other Party in this Agreement or pursuant to this Agreement. No waiver by a Party of any condition, in whole or in part, shall operate as a waiver of any other condition.

Section 9.5 Survival.

(a) *Authority's Representations and Warranties.* The representations and warranties of the Authority contained in Section 9.1 shall survive and continue in full force and effect for the benefit of the Lessee as follows: (i) as to the representations and warranties contained in Sections 9.1(a) through 9.1(h), inclusive, and Section 9.1(n) without time limit and (ii) as to all other matters, for a period of 24 months following the Closing Date unless a bona fide notice of a Claim under Section 12.2 shall have been given, in writing in accordance with Section 20.1, prior to the expiry of such period, in which case the representation and warranty to which such notice applies shall survive in respect of that Claim until the final determination or settlement of that Claim; *provided* such determination or settlement is being pursued diligently and in good faith by the applicable Party.

(b) *Lessee's Representations and Warranties.* The representations and warranties of the Lessee contained in Section 9.2 shall survive and continue in full force and effect for the benefit of the Authority as follows: (i) as to the representations and warranties contained in Sections 9.2(a) through 9.2(f), inclusive, without time limit and (ii) as to all other matters, for a period of 24 months following the Closing Date unless a bona fide notice of a Claim under Section 12.2 shall have been given, in writing in accordance with Section 20.1, prior to the expiry of such period, in which case the representation and warranty to which such notice applies shall survive in respect of that Claim until the final determination or settlement of that Claim; *provided* such determination or settlement is being pursued diligently and in good faith by the applicable Party.

ARTICLE 10
FINANCE OBLIGATIONS

Section 10.1 Lessee's Obligations. Except in those instances in which the Authority is required to provide the funding of costs and expenses under Section 2.5(i) or related to Required Modifications as contemplated by Sections 5.2, the Lessee shall be responsible for obtaining any financing for the performance of its obligations under this Agreement, which financing shall comply with all requirements of this Agreement.

Section 10.2 Authority's Obligations.

(a) The Authority shall, to the extent consistent with applicable Law and at the sole cost and expense of the Lessee, cooperate with the Lessee with respect to documentation reasonably necessary to obtain, maintain, syndicate and replace financing (including refinancings) for the performance of the obligations of the Lessee hereunder. The Authority's cooperation may include reviewing, approving and executing documents which substantiate the terms of this Agreement (including any consents and agreements necessary to confirm that the debt evidenced by the relevant financing constitutes Leasehold Mortgage Debt) and responding to reasonable requests for available information and material to furnish to any proposed Leasehold Mortgagee to facilitate financing to the extent permitted by applicable Law and contractual obligations with third-parties; *provided, however*, that nothing herein shall obligate the Authority to consent to service of process, to become subject to any legal process in any jurisdiction other than in the Commonwealth, or to enter into any agreement not governed by the Laws of the Commonwealth. Any agreement entered into under this Section 10.2(a) shall be subject to review for form and legality by the General Counsel of the Authority. If requested to do so by the Lessee, the Authority shall, at the sole cost and expense of the Lessee, use its Reasonable Efforts to cause the Authority's independent public accountants to consent to the use and inclusion of certain financial information regarding the LMM Airport Facility in connection with the Lessee's public or private offering of securities, as the case may be.

(b) The Authority shall, promptly upon the request of the Lessee or any Leasehold Mortgagee, execute, acknowledge and deliver to the Lessee, or any of the parties specified by the Lessee, standard consents and estoppel certificates with respect to this Agreement (including consents with respect to Operating Agreements and Plans assigned to any Leasehold Mortgagee) that may be qualified to the best of the knowledge and belief of a designated representative of the Authority. Nothing herein shall require the Authority to incur any additional obligations or liabilities (unless the Authority shall have received indemnification, as determined in the Authority's discretion, with respect thereto) or to take any action, give any consent or enter into any document inconsistent with or in violation of any applicable Law or the provisions of this Agreement.

(c) The Authority, upon the request of the Lessee, shall use Reasonable Efforts to cooperate in the Lessee's efforts to obtain debt financing assistance through the issuance of bonds or from other financing programs for which the Lessee may be eligible; *provided* that the Lessee shall reimburse the Authority for all costs and expenses incurred by the Authority in connection therewith. Nothing in this Section 10.2(c) shall obligate the Authority (i) to advocate or recommend the enactment or adoption of any federal or Commonwealth

legislation or regulations, (ii) to make or recommend an allocation of the Authority's private activity bond authorization under Section 146 of the U.S. Revenue Code or any similar provision, including authorizations related to other forms of private activity bonds or of tax credit bonds or (iii) to cooperate with the Lessee in connection with obtaining any such debt financing if the Authority (A) has, or reasonably expects to have, a competing application for such financing, (B) is required to commit to the expenditure or allocation of Authority funds in connection with such request or (C) such finance would have a material adverse effect on the credit rating of the Authority.

(d) The Authority, upon the request of the Lessee, shall also use Reasonable Efforts to cooperate in any other respects in the Lessee's efforts to obtain debt financing; *provided* that the Lessee shall reimburse the Authority for all costs and expenses incurred by the Authority in connection therewith.

Section 10.3 Lessee's Obligation for Estoppel Certificates. The Lessee shall, promptly upon the request of the Authority, execute and deliver to the Authority, or any of the parties specified by the Authority, standard consents and estoppel certificates with respect to this Agreement which may be qualified to the best of the knowledge and belief of a designated representative of the Lessee. Nothing herein shall require the Lessee to incur any additional obligations or liabilities or to take any action, give any consent or enter into any document inconsistent with applicable Law and the provisions of this Agreement.

Section 10.4 Prohibited Tax Shelter Transactions. The Lessee covenants and agrees that it shall not enter into any lease, sublease, concession, management agreement, operating agreement or other similar arrangement or other transaction that would cause the Authority to become a party to a "prohibited tax shelter transaction" within the meaning of section 4965 of the U.S. Revenue Code (it being agreed that, for purposes of this Section 10.4, the Authority shall not be treated as having become a party to such transaction solely by virtue of the execution of this Agreement or any future or ancillary agreements between the Authority and the Lessee relating to this Agreement). A violation of this Section 10.4 by the Lessee shall entitle the Authority to (a) recover from the Lessee, to the extent permitted by applicable Law, the amount of any Tax liability to which the Authority and/or any Authority official is subject as a result of any agreement contemplated by this Section 10.4 and (b) require the Lessee, at the Lessee's expense, to prepare timely all statements and returns, and to maintain all lists and similar information that the Authority becomes obligated to disclose, file or maintain with any taxing authority or participant or otherwise as a result of such transaction.

ARTICLE 11
COMPLIANCE WITH LAWS

Section 11.1 Compliance with Laws. The Lessee shall, at all times and at its own cost and expense, observe and comply with, in all material respects, and cause the LMM Airport Facility Operations to observe and comply with, in all material respects, all applicable Laws now existing or later in effect that are applicable to it or such LMM Airport Facility Operations, including those Laws expressly enumerated in this Article 11, and those that may in any manner apply with respect to the performance of the Lessee's obligations under this Agreement; *provided* that nothing in this Section 11.1 shall be interpreted to limit the rights of the Lessee

under Article 14. It is expressly acknowledged and agreed that the obligations of the Lessee to comply with the provisions of this Article 11 shall be subject to applicable Law, for so long as such Law remains in effect and only to the extent required thereunder as the same may be amended from time to time. The Lessee shall notify the Authority within seven days after receiving notice from a Governmental Authority that the Lessee may have violated any of the above.

Section 11.2 Non-Discrimination Laws.

(a) The Lessee shall comply with all applicable Commonwealth and federal Laws regarding non-discrimination, including: (i) the Civil Rights Act of 1964, 42 U.S.C. § 2000 *et seq.* (1981); (ii) the Civil Rights Act of 1991, P.L. 102-166; (iii) Executive Order Number 11246, 30 Fed. Reg. 12,319 (1965), reprinted in 42 U.S.C. § 2000(e) note, as amended by Executive Order Number 11375, 32 Fed. Reg. 14,303 (1967) and by Executive Order Number 12086, 43 Fed. Reg. 46,501 (1978); (iv) the Age Discrimination Act, 42 U.S.C. §§ 6101-6106 (1981); (v) the Age Discrimination in Employment Act, 29 U.S.C. §§ 621-34 (1967); (vi) the Rehabilitation Act of 1973, 29 U.S.C. §§ 793-794 (1981); (vii) the Americans with Disabilities Act, 42 U.S.C. § 12101 *et seq.* (1990); (viii) Act No. 100 of the Legislative Assembly of Puerto Rico, enacted on June 30, 1959, 29 P.R. Laws Ann. § 146 *et seq.*, as amended; (ix) Act No. 17 of the Legislative Assembly of Puerto Rico, enacted on April 22, 1988, 29 P.R. Laws Ann. § 155 *et seq.*, as amended; and (x) Act No. 69 of the Legislative Assembly of Puerto Rico, enacted on June 6, 1985, 29 P.R. Laws Ann. § 1321 *et seq.*, as amended.

(b) Pursuant to federal regulations promulgated under the authority of The Americans With Disabilities Act, 28 C.F.R. § 35.101 *et seq.*, the Lessee understands and agrees that it shall not cause any individual with a disability to be excluded from participation in this Agreement or from activities provided for under this Agreement on the basis of the disability. The Lessee agrees to comply with the "General Prohibitions Against Discrimination," 28 C.F.R. § 35.130, and all other regulations promulgated under Title II of the Americans With Disabilities Act which are applicable to all benefits, services, programs, and activities provided by the Authority through contracts with outside contractors. The Lessee shall be responsible for and agrees to indemnify and hold harmless the Authority from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against the Authority as a result of the Lessee's failure to comply with the provisions of this Section 11.2(b).

Section 11.3 Commonwealth Non-Discrimination/Sexual Harassment Clause. Pursuant to Act No. 100 of the Legislative Assembly of Puerto Rico, enacted on June 30, 1959, 29 P.R. Laws Ann. § 146 *et seq.*, as amended (Non-Discrimination Act), Act No. 17 of the Legislative Assembly of Puerto Rico, enacted on April 22, 1988, 29 P.R. Laws Ann. § 155 *et seq.*, as amended (Sexual Harassment Act), and Act No. 69 of the Legislative Assembly of Puerto Rico, enacted on June 6, 1985, 29 P.R. Laws Ann. § 1321 *et seq.*, as amended (Sexual Discrimination Act), the Lessee agrees as follows during the Term:

(a) In the hiring of any employees for the manufacture of supplies, performance of work, or any other activity required under this Agreement or any subcontract, the Lessee, any Contractor or any Person acting on behalf of the Lessee or a Contractor shall not by

reason of gender, race, creed, or color discriminate against any person who is qualified and available to perform the work to which the employment relates.

(b) Neither the Lessee nor any Contractor nor any Person on their behalf shall in any manner discriminate against or intimidate any employee involved in the manufacture of supplies, the performance of work or any other activity required under this Agreement on account of gender, race, creed, or color.

(c) The Lessee and all Contractors shall establish and maintain a written sexual harassment policy and shall inform their employees of the policy. The policy must contain a notice that sexual harassment will not be tolerated and employees who practice it will be disciplined.

(d) The Lessee shall not discriminate by reason of gender, race, creed, or color against any Contractor or supplier who is qualified to perform the work to which the contract relates.

(e) The Lessee shall include the provisions of this Section 11.3 in every subcontract so that such provisions will be binding upon each Contractor.

(f) In the event that any Lessee Default results from a violation of the terms and conditions of this Section 11.3, the Authority may cancel or terminate this Agreement in accordance with Section 16.1(b)(iii) (for the avoidance of doubt, subject to the cure periods set forth in Section 16.1(a)(i) and Section 16.1(b)(iii)). In addition, the Authority may proceed with debarment or suspension and may place the Lessee in any contractor responsibility file maintained by the Authority in accordance with the Authority's normal practice in matters of suspension and debarment.

Section 11.4 Non-Collusion and Acceptance. The Lessee attests, subject to the penalties for perjury, that no Representative of the Lessee, directly or indirectly, to the best of the Lessee's knowledge, entered into or offered to enter into any combination, conspiracy, collusion or agreement to receive or pay any sum of money or other consideration for the execution of this Agreement other than that which is expressly set forth in this Agreement.

Section 11.5 Local Goods and Services. As required by Article 10 of Act No. 14 of the Legislative Assembly of Puerto Rico, enacted on January 8, 2004, 3 P.R. Laws Ann. § 930 *et seq.*, the Lessee shall use, to the extent available and applicable to the services provided hereunder, and to the extent permitted by applicable Law, goods extracted, produced, assembled, packaged, bottled or distributed in the Commonwealth by businesses operating in the Commonwealth or distributed by agents established in the Commonwealth.

Section 11.6 Lessee Integrity.

(a) The Lessee shall maintain the highest standards of integrity in the performance of this Agreement and shall take no action in violation of Commonwealth or federal Laws, regulations, or other requirements that govern contracting with the Authority. The Lessee certifies that it does not represent particular interests in cases or matters that would imply a conflict of interest or public policy between the Authority and the interests it represents.

(b) The Lessee shall not disclose to others any confidential information gained by virtue of this Agreement in violation of the confidentiality agreement described in Section 2.5(g).

(c) The Lessee shall not, in connection with this Agreement or any other agreement with the Authority, directly, or indirectly, offer, confer or agree to confer any pecuniary benefit on anyone as consideration for the decision, opinion, recommendation, vote, other exercise of discretion or violation of a known legal duty by any officer or employee of the Authority.

(d) The Lessee shall not, in connection with this Agreement or any other agreement with the Authority, directly or indirectly, offer, give or agree or promise to give to anyone any gratuity for the benefit of or at the direction or request of any officer or employee of the Authority.

(e) The Lessee shall not accept or agree to accept from, or give or agree to give to, any Representative of the Authority, any gratuity from any person in connection with this Agreement that is intended by the provider thereof to be a material inducement to enter into this Agreement or any other agreement.

(f) The Lessee, upon being informed that any violation of the provisions of this Section 11.6 has occurred or may occur, shall immediately notify the Authority in writing.

(g) The Lessee, by execution of this Agreement and any request for compensation pursuant hereto, certifies and represents that it has not violated any of the provisions of this Section 11.6.

(h) The Lessee, upon the inquiry or request of the Comptroller of the Commonwealth or any of that official's agents or representatives, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Comptroller of the Commonwealth. Such information may include the Lessee's business or financial records, documents or files of any type or form that refers to or concerns this Agreement. Such information shall be retained by the Lessee for a period of five years unless otherwise provided by Law.

(i) In the event that any Lessee Default results from a violation of any of the provisions of this Section 11.6, the Authority may terminate this Agreement in accordance with Section 16.1(b)(iii) (for avoidance of doubt, subject to the cure periods set forth in Section 16.1(a)(i) and Section 16.1(b)(iii)) and any other agreement with the Lessee, and debar and suspend the Lessee from doing business with the Authority. These rights and remedies are cumulative, and the use or nonuse of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Authority may have under Law, statute, regulation, or otherwise.

(j) For purposes of this Section 11.6 only, the words "confidential information," "consent," "Lessee" and "gratuity" shall have the following definitions:

(i) "confidential information" means information that is not public knowledge, or available to the public on request, disclosure of which would give an unfair, unethical, or illegal advantage to another desiring to contract with the Authority;

(ii) "consent" means written permission signed by a duly authorized officer or employee of the Authority; provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal or contractual terms, the Authority shall be deemed to have consented by virtue of execution of this Agreement;

(iii) "Lessee" means the entity that has entered into this Agreement with the Authority; and

(iv) "gratuity" means any payment of more than nominal monetary value in the form of cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment or contracts of any kind.

Section 11.7 Commonwealth Tax Liabilities. The Lessee shall inform the Authority if, at any time during the Term, it becomes delinquent in the payment of Taxes imposed by any Governmental Authority of the Commonwealth (other than Commonwealth Tax liabilities for which the Lessee is not responsible under Section 3.11(b)).

Section 11.8 Contractor and Supplier Contracts. To the extent permitted by applicable law, the Lessee shall include the provisions of this Article 11 and Section 9.3 in every subcontract and supply contract so that they shall be binding on each Contractor.

Section 11.9 Practice of Engineering, Architecture and Other Professions in the Commonwealth. To the extent that performance of the LMM Airport Facility Operations involves performance of architectural, engineering, land surveying, and landscape architecture services governed by Act No. 173 of the Legislative Assembly of Puerto Rico, enacted on August 12, 1988, 20 P.R. Laws Ann. § 711 *et seq.*, as amended, then (a) the Lessee shall comply (and shall require its subcontractors or agents, if any, to comply) with such Act No. 173 and (b) the Lessee shall monitor compliance by its subcontractors and agents with such Act No. 173.

Section 11.10 Governmental Contractor Code of Ethics. Lessee shall comply with the requirements of the Code of Ethics.

Section 11.11 Certifications Required by Commonwealth Contractor Requirements. The Lessee has (i) certified that it has complied and is in compliance with the provisions of the Public-Private Partnerships Authority's Ethical Guidelines and (ii) delivered the Sworn Statement herewith.

Section 11.12 Duty to Inform of Criminal Investigations. The Lessee shall inform the Authority if, at any time during the Term, it becomes subject to investigation in connection with criminal charges related to acts of corruption, the public treasury, the public trust, a public function, or charges involving public funds or property.

Section 11.13 Disadvantaged Business Enterprise Program. To the extent the Lessee receives federal financial assistance from the DOT with respect to the LMM Airport

Facility pursuant to 49 U.S.C. § 47101 *et seq.*, the Lessee shall establish a Disadvantaged Business Enterprise ("DBE") program in accordance with regulations of the DOT, 49 C.F.R. Part 26.

(a) *General Requirements.* The Lessee shall provide for the participation of DBEs, as defined in 49 C.F.R. Part 26, in its LMM Airport Facility Operations. To this end, the Lessee shall establish a policy for the utilization of DBEs, goals for the annual utilization of DBEs, and a reporting procedure agreeable to the Lessee and the Authority.

(b) *Policy.* The following statement shall represent the Lessee's policy regarding a DBE program: The Lessee is committed to ensuring that DBEs, as defined in 49 C.F.R. Part 26, have an equal opportunity to receive and participate in DOT-assisted contracts.

(c) *Liaison.* To ensure compliance and the successful management of the Lessee's DBE program, the Lessee shall establish a DBE liaison for the LMM Airport Facility with the DOT.

Section 11.14 Airport Concession Disadvantaged Business Enterprise Program. To the extent the Lessee receives federal financial assistance from the DOT with respect to the LMM Airport Facility, the Lessee shall establish an Airport Concession Disadvantaged Business Enterprise ("ACDBE") program in accordance with regulations of the DOT, 49 C.F.R. Part 23. The Lessee shall provide for the participation of ACDBEs, as defined in 49 C.F.R. Part 23, with respect to all concession services provided at the LMM Airport Facility.

ARTICLE 12
INDEMNIFICATION

Section 12.1 Indemnification with Regard to Third Party Claims.

(a) *Indemnification by the Lessee.* To the fullest extent permitted by Law, the Lessee shall indemnify and hold harmless the Authority and each of its Representatives from and against any Losses actually suffered or incurred by the Authority or any such Representative as a result of any Third Party Claims arising from (i) any Assumed Liabilities or (ii) any tax or mortgage recording charge attributable to any Transfer of the Lessee Interest or any part thereof; *provided, however*, that such Third Party Claims are made in writing within a period of three years from the expiration of the Term or earlier termination of this Agreement or within such shorter period as may be prescribed by the applicable statute of limitations.

(b) *Indemnification by the Authority.* To the fullest extent permitted by Law, the Authority shall indemnify and hold harmless the Lessee and each of its Representatives from and against any Losses actually suffered or incurred by the Lessee or any such Representative as a result of any Third Party Claims arising from (i) any Excluded Liabilities or (ii) pre-existing environmental conditions on Additional Lands described in Section 5.4 to the extent that the Authority requires the acquisition of Additional Lands under Section 5.2; *provided, however*, that such Third Party Claims are made in writing within a period of three years following the expiration of the Term or earlier termination of this Agreement or within such shorter period as may be prescribed by the applicable statute of limitations.

(c) *Notice of Third Party Claim.* If an Indemnified Party receives notice of the commencement or assertion of any Third Party Claim, the Indemnified Party shall give the Indemnifier reasonably prompt notice thereof, but in any event no later than 30 days after receipt of such notice of such Third Party Claim. Such notice to the Indemnifier shall describe the Third Party Claim in reasonable detail (and include a copy of any complaint or related documents) and shall indicate, if reasonably practicable, the estimated amount of the Loss that has been or may be sustained by the Indemnified Party.

(d) *Defense of Third Party Claim.* The Indemnifier may participate in or assume the defense of any Third Party Claim by giving notice to that effect to the Indemnified Party not later than 30 days after receiving notice of that Third Party Claim (the "Notice Period"); *provided, however*, that the Indemnifier shall not be permitted to assume the defense of such Third Party Claim to the extent such assumption would adversely impact any defense asserted by the Indemnified Party. The Indemnifier's right to do so shall be subject to the rights of any insurer or other Party who has potential responsibility with respect of that Third Party Claim. The Indemnifier agrees to pay all of its own expenses of participating in or assuming each defense. The Indemnified Party shall cooperate in good faith in the defense of each Third Party Claim, even if the defense has been assumed by the Indemnifier and may participate in such defense assisted by counsel of its own choice at its own expense. If the Indemnified Party has not received notice within the Notice Period that the Indemnifier has elected to assume the defense of such Third Party Claim, the Indemnified Party may assume such defense, assisted by counsel of its own choosing and the Indemnifier shall be responsible for all reasonable costs and expenses paid or incurred in connection therewith and any Loss suffered or incurred by the Indemnified Party with respect to such Third Party Claim.

(e) *Assistance for Third Party Claims.* The Indemnifier and the Indemnified Party will use all Reasonable Efforts to make available to the Party which is undertaking and controlling the defense of any Third Party Claim (the "Defending Party") (i) those employees whose assistance, testimony and presence is necessary to assist the Defending Party in evaluating and in defending any Third Party Claim and (ii) to the extent permitted by Law, all documents, records and other materials in the possession of such Party reasonably required by the Defending Party for its use in defending any Third Party Claim, and shall otherwise cooperate with the Defending Party. The Indemnifier shall be responsible for all reasonable expenses associated with making such documents, records and materials available and for all expenses of any employees made available by the Indemnified Party to the Indemnifier hereunder, which expense shall not exceed the actual cost to the Indemnified Party associated with such employees.

(f) *Settlement of Third Party Claims.* If an Indemnifier elects to assume the defense of any Third Party Claim in accordance with Section 12.1(d), the Indemnifier shall not be responsible for any legal expenses subsequently incurred by the Indemnified Party in connection with the defense of such Third Party Claim. However, if the Indemnifier fails to take reasonable steps necessary to defend diligently such Third Party Claim within 30 days after receiving notice from the Indemnified Party that the Indemnified Party believes on reasonable grounds that the Indemnifier has failed to take such steps, the Indemnified Party may, at its option, elect to assume the defense of and to compromise or settle the Third Party Claim assisted by counsel of its own choosing and the Indemnifier shall be responsible for all reasonable costs and expenses paid or incurred in connection therewith. The Indemnified Party shall not settle or

compromise any Third Party Claim without obtaining the prior written consent of the Indemnifier unless such settlement or compromise is made without any responsibility to, and does not require any action on the part of, the Indemnifier and does not in any way adversely affect the Indemnifier.

Section 12.2 Indemnification with Regard to Breaches of Covenants, Representations or Warranties.

(a) *Indemnification by the Lessee.* The Lessee shall indemnify and hold harmless the Authority and each of its Representatives from and against any Losses actually suffered or incurred by the Authority or any such Representative arising from (i) any failure by the Lessee, its Affiliates or their respective Representatives to comply with, observe or perform any of the covenants, obligations, agreements, terms or conditions in this Agreement or (ii) any breach by the Lessee of its representations or warranties set forth in Section 9.2; *provided, however*, that such representations and warranties continue to survive at such time as provided in Section 9.5(b) and a notice of a Claim shall have been given, in writing in accordance with Article 20, prior to the expiry of such survival period as provided in Section 9.5(b).

(b) *Indemnification by the Authority.*

(i) The Authority shall indemnify and hold harmless the Lessee and each of its Representatives from and against any Losses actually suffered or incurred by the Lessee or any such Representative arising from (A) any failure by the Authority or its Representatives to comply with, observe or perform any of the covenants, obligations, agreements, terms or conditions in this Agreement or (B) any breach by the Authority of its representations or warranties set forth in Article 9; *provided, however*, that such representations and warranties continue to survive at such time as provided in Section 9.5(a) and a notice of a Claim shall have been given, in writing in accordance with Article 20, prior to the expiry of such survival period as provided in Section 9.5(a).

(ii) No Claim may be made by the Lessee or the Lessee's Representatives against the Authority under Section 12.2(b)(i) for the breach of any representation or warranty made or given by the Authority in Article 9 unless (A) the Loss suffered or incurred by the Lessee or its Representatives in connection with such breach is in excess of $250,000 and (B) the aggregate of all Losses suffered or incurred by the Lessee or its Representatives exceeds $5,000,000, in which event the amount of all such Losses in excess of such amount may be recovered by the Lessee or its Representatives; *provided, however*, that the maximum aggregate liability of the Authority to the Lessee or its Representatives in respect of such Losses in connection with breaches of the Authority's representations and warranties in Article 9 shall not exceed 30% of the Leasehold Fee; and *provided* further that this Section 12.2(b)(ii) shall not apply to Claims for a breach of representation or warranties in Sections 9.1(a), (b), (c), (d), (e), (f), (g) or (n) or to claims for fraud, intentional misrepresentation or intentional breach of the representations or warranties in Article 9.

(iii) In addition to any other right of the Lessee contemplated in this Section 12.2(b) and elsewhere in this Agreement, and without prejudice to (or diminishment of) any of the Lessee's other rights and entitlements under this Agreement, the Authority shall

indemnify and hold harmless the Lessee and each of its Representatives from and against any Losses actually suffered or incurred by the Lessee or any such Representative arising from any of the litigation, administrative proceedings, disputes, matters or other processes related to or contemplated by clause 4 of Schedule 4 hereto. It is agreed and understood by the Parties that the Authority's indemnity obligations pursuant to this Section 12.2(b)(iii) shall not be subject to any of the monetary thresholds or maximum limitations set forth in Section 12.2(b)(ii) above.

Section 12.3 Losses Net of Insurance; Reductions and Subrogation.

(a) For purposes of this Article 12, the amount of any Losses for which indemnification is provided hereunder shall be reduced by any amounts actually recovered by the Indemnified Party under insurance policies with respect to such Losses, it being understood that the obligations of the Indemnifier hereunder shall not be so reduced to the extent that any such recovery results in an increase in the Indemnified Party's insurance premiums, or results in any other additional cost or expense to any such Indemnified Party.

(b) If the amount of any Loss incurred by an Indemnified Party at any time subsequent to the making of a payment required under this Article 12 on account of such Losses (an "Indemnity Payment") is reduced by any subsequent recovery, settlement or otherwise under or pursuant to any insurance coverage, or pursuant to any claim, recovery, settlement or payment by or against any other Person, the amount of such reduction (less any costs, expenses (including Taxes) or premiums incurred or increased in connection therewith), together with interest thereon from the date of such recovery, settlement or reduction at the Bank Rate, shall promptly be repaid by the Indemnified Party to the Indemnifier.

(c) Upon making a full Indemnity Payment, the Indemnifier shall, to the extent of such Indemnity Payment, be subrogated to all rights of the Indemnified Party against any third party in respect of the Loss to which the Indemnity Payment relates. Until the Indemnified Party recovers full payment of its Loss, any and all claims of the Indemnifier against any such third party on account of such Indemnity Payment shall be postponed and subordinated in right of payment to the Indemnified Party's rights against such third party.

Section 12.4 Payment and Interest. All amounts to be paid by an Indemnifier hereunder shall bear interest at a rate per annum equal to the Bank Rate, calculated annually and payable monthly, both before and after judgment, from the date that the Indemnified Party disbursed funds, suffered damages or losses or incurred a loss or expense in respect of a Loss for which the Indemnifier is responsible to make payment pursuant to this Article 12, to the date of payment by the Indemnifier to the Indemnified Party.

Section 12.5 Offset Rights; Limitations on Certain Damages.

(a) Any other provision herein notwithstanding, each Party's obligations under this Agreement are subject to, and each Party shall have the benefit of, all defenses, counterclaims, rights of offset or recoupment or other claims and rights, including the right to deduct payments due to the other Party hereunder (collectively, "Offsets") which such Party may have at any time against such other Party (or any of their respective successors and assigns) or any transferee or assignee of any such other Party's rights hereunder (to the extent permitted

hereunder) as against such Party or any part thereof or interest therein, whether the claim or right of such Party relied upon for such purpose is matured or unmatured, contingent or otherwise, and no transfer or assignment of this Agreement or any other obligation of such other Party, or of any rights in respect thereof, pursuant to any plan of reorganization or liquidation or otherwise shall affect or impair the availability to each Party of the Offsets; *provided* that in no event shall any Party's right to Offsets permit such Party to exercise such right in a manner that would reduce the LMM Airport Facility Leasehold Value to an amount that is less than the Leasehold Mortgage Debt.

(b) In no event shall any Party be responsible to the other Party under this Agreement for consequential, indirect, exemplary or punitive damages (except for claims by the Authority against the Lessee for fraud or for intentional misrepresentation or intentional breach), nor shall a Party be obligated to indemnify any other Party or any other Person with respect to any Losses or damages caused by the fraud of such other Party or Person. The Parties agree that (i) payment for lost revenues generated at the LMM Airport Facility as part of Leasehold Compensation or the LMM Airport Facility Leasehold Value shall not constitute consequential, indirect, exemplary or punitive damages under the Act or otherwise and (ii) payments made by a Party to any third party shall always constitute indemnifiable losses hereunder notwithstanding whether such amounts represent consequential, indirect, exemplary or punitive damages for such third party.

(c) Except (i) in the event of a termination of this Agreement pursuant to Section 2.4(d), Section 14.2 or Section 16.2, (ii) in cases involving fraud or intentional misrepresentation subject to all of the terms and conditions hereof or (iii) with respect to any Compensation Event, the provisions of this Article 12 shall constitute the sole and exclusive right and remedy available to any Party hereto for any Third Party Claim or for any actual or threatened breach of any representation, warranty, covenant or agreement contained herein.

Section 12.6 Survival. This Article 12 shall remain in full force and effect in accordance with its terms and shall not be terminated by any breach (fundamental, negligent or otherwise) by any Party of its representations, warranties or covenants hereunder or by any termination or rescission of this Agreement by any Party.

Section 12.7 Agency for Representatives. Each of the Authority and the Lessee agrees that it accepts each indemnity under the terms of this Agreement in favor of any of its Representatives, as applicable, as agent and trustee of such Representative, as applicable, and agrees that each of the Authority and the Lessee may enforce any such indemnity in favor of its Representatives, as applicable, on behalf of such Representative.

ARTICLE 13
INSURANCE

Section 13.1 Insurance Coverage Required. The Lessee shall provide and maintain at the Lessee's own expense, or cause to be maintained, during the Term and during any time period following expiration during which the Lessee is required to return and perform any additional work, the insurance coverages and requirements specified below, insuring the LMM Airport Facility and all LMM Airport Facility Operations (the "Required Coverages").

(a) *Employment Practices Liability.* The Lessee shall maintain employment practices liability in a limit of not less than $5,000,000 per occurrence. Any retroactive date on the policy shall be on or before the Effective Date. Policies written on a claims-made basis shall remain in force for at least three years beyond the date this Agreement terminates, through extended coverage, purchase of a tail or otherwise.

(b) *Workers Compensation Insurance.* The Lessee shall maintain the required workers compensation insurance with the Corporación del Fondo del Seguro del Estado.

(c) *Commercial General Liability (Primary and Excess).* The Lessee shall provide commercial general liability insurance or equivalent with limits of not less than $200,000,000 per occurrence and $400,000,000 aggregate for bodily injury (including death) and property damage liability. Coverage shall include the following: all premises and operations, products liability, host liquor liability, completed operations, explosion, collapse, underground, separation of insureds, defense, independent contractors, terrorism war liability, excess auto liability, hanger keepers liability, contingent control tower liability, baggage liability, cargo liability, non-owned aircraft liability, mobile equipment, contractual liability, personal injury and advertising injury with limits of not less that $1,000,000 per occurrence and aggregate, incidental medical malpractice with limits of not less that $1,000,000 per occurrence and aggregate and excess employers liability with limits of not less than $1,000,000 per occurrence and aggregate. The Authority is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly under or in connection with this Agreement.

(d) *Automobile Liability (Primary and Excess).* The Lessee shall provide or cause to be provided automobile liability insurance with limits of not less than $1,000,000 per occurrence and $5,000,000 aggregate for bodily injury and property damage for any owned, non-owned or hired autos/motor vehicles. The Authority is to be named as an additional insured on a primary, non-contributory basis.

(e) *Builder's Risk.* When the Lessee undertakes any construction, maintenance or repairs to the LMM Airport Facility, including improvements and betterments pursuant to this Agreement, the Lessee shall provide or cause to be provided, all risk builder's risk insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the LMM Airport Facility. Customary sublimits and aggregated sublimits for perils including flood and earthquake are permitted in amounts consistent with market practice at Comparable Public Airports. Coverage shall include the following: right to partial occupancy, boiler and machinery, earth movement, flood, water (including overflow), leakage, sewer backup, utility services, debris removal, testing, mechanical-electrical breakdown, resulting damage arising out of faulty or defective workmanship or material, business income (where an exposure exists and where the Authority has an insurable interest in such exposure), valuable papers and other consequential loss, when applicable. The Authority is to be named as an additional insured and, subject to the claims of any Leasehold Mortgagee, as a loss payee with respect to the property proceeds.

(f) *Professional Liability.* When any architects, engineers, project managers, construction managers or other professional consultants perform work in connection with this Agreement, professional liability insurance covering acts, errors or omissions shall be

maintained with limits of not less than $5,000,000 per occurrence and $5,000,000 aggregate; *provided, however*, that design and construction architects and engineers performing work with respect to any construction project undertaken by the Lessee pursuant to this Agreement must maintain limits of not less than the completion cost of the construction project undertaken. When policies are renewed or replaced, the policy retroactive date shall coincide with, or precede, start of work in connection with this Agreement. A claims-made policy that is not renewed or replaced shall have an extended reporting period of two years.

(g) *Property.* The Lessee shall obtain all risk property insurance coverage cost on a full replacement basis (no margin clause is to be included), covering all loss, damage or destruction to the LMM Airport Facility, including improvements and betterments. Occurrence limit of liability endorsement or equivalent, if included on property policy, must be amended to delete any limitation to stated property values. Coverage may not be limited to the statement of values provided to the insurance company. Coverage shall include the following: (i) such risks as may now or in the future be included under an all risk policy form of real property insurance (subject to standard policy terms, conditions and exclusions) as may now or in the future be prescribed by the Commonwealth as of the effective date of the policy under which such insurance is provided and (ii) fire, smoke, windstorm, cyclone, tornado, hail, explosion, riot, civil commotion, equipment breakdown, flood, earth movement, collapse, water including overflow, leakage, sewer backup or seepage, utility interruption, debris removal, business ordinance or law for increased cost of construction, extra expense, boiler and machinery, valuable papers ingress and egress, civil and military authority and, if available, terrorism. Customary sublimits and aggregated sublimits for perils including flood and earthquake are permitted in amounts consistent with market practice at Comparable Public Airports. Coverage shall also include blanket business income coverage. In addition, the Lessee shall, during the Term, procure at its own expense comprehensive fire, theft and property damage all risk insurance for, and keep insured to the extent of the full replacement value thereof (if replaceable; otherwise, the value thereof), all personal property of the Authority in the care, custody and control of the Lessee, including materials, fixtures/contents, equipment, tools, supplies and art work. The Lessee shall be responsible for all loss or damage to personal property (including materials, fixtures/contents, equipment, tools, supplies and art work) of the Lessee unless caused by the Authority or its Representatives. The Authority is to be named as an additional insured on all property insurance policies. Subject to the claims of any Leasehold Mortgagee, the Authority and the Depositary are to be named as loss payees. The Lessee shall be responsible for any loss or damage to Authority property at full replacement cost.

(h) *Pollution Legal Liability.* Pollution legal liability insurance shall be provided covering third-party bodily injury, property damage and other losses caused by pollution occurrences during the Term with limits of not less than $5,000,000 per occurrence and $25,000,000 aggregate. Coverage shall include environmental cleanup, remediation, transportation and disposal. When policies are renewed or replaced, the policy retroactive date shall, if practicable, coincide with or precede, start of work in connection with this Agreement. A claims-made policy which is not renewed or replaced shall have an extended reporting period of two years. The Authority is to be named as an additional insured.

(i) *Business Interruption Insurance.* The Lessee shall obtain business insurance against interruption or loss of projected Revenues for at least six months from the

occurrence of the risk, resulting from physical damage to the Airport; *provided*, that the limits of such coverage may be based on a maximum foreseeable loss analysis, subject to the Authority's approval of such maximum foreseeable loss analysis by an independent third party that is reasonably acceptable to the Authority, with such approval of the Authority not to be unreasonably withheld; and *provided further*, that the Authority and each Dependent Business shall be named as additional insureds thereunder.

(j) *Owners' Contractors Protective Liability Insurance.* The Lessee shall obtain owners' contractors protective liability insurance or equivalent coverage with a limit of not less than $2,000,000 per occurrence. Such insurance shall include coverage against any negligent acts or omissions of independent contractors or subcontractors of the Concessionaire, whether resulting in bodily injury or injury to property of third parties.

(k) *Boiler & Machinery Insurance.* The Lessee shall maintain comprehensive boiler and machinery coverage or equipment breakdown coverage for completed structures housing pressure vessels, machinery, equipment and electrical systems with a total replacement value of $25,000 or more. Such insurance shall (i) include a limit at least equal to the total replacement cost of the equipment, plus 10%; (ii) include business interruption insurance in an amount reasonably acceptable to the Authority; (iii) include the Authority as an insured and (iv) include law and ordinance coverage.

(l) *Fiduciary Liability.* The Concessionaire shall maintain fiduciary liability in a limit of not less than $3,000,000 per occurrence. Any retroactive date on the policy shall be on or before the Effective Date. Policies written on a claims-made basis shall remain in force for at least three years beyond the date this Agreement terminates, through extended coverage, purchase of a tail or otherwise.

Section 13.2 Additional Requirements.

(a) *Evidence of Insurance.* The Lessee shall deliver or cause to be delivered to the Authority original certificates of insurance on the Authority's insurance certificate form or equivalent evidencing the Required Coverages on or before the Closing Date, and shall provide or cause to be provided, renewal certificates of insurance, or such similar evidence, if such coverages have an expiration or renewal date occurring during the Term. The receipt of any certificate does not constitute agreement by the Authority that the insurance requirements in this Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all requirements of this Agreement. The failure of the Authority to obtain certificates or other insurance evidence from the Lessee shall not be deemed to be a waiver by the Authority. Non-conforming insurance shall not relieve the Lessee of the obligation to provide insurance as specified herein. Except as otherwise expressly set forth herein, each Required Coverage may be reviewed by the Authority for compliance with the terms of this Agreement. Each Required Coverage shall be signed by the insurer responsible for the risks insured against or by the insurer's authorized representative. All Required Coverages shall be placed with insurers that, at a minimum, have a rating of A(VII) or better by A.M. Best Company or an equivalent rating by another Rating Agency (unless the Authority consents to waive this requirement, which consent shall be subject to Section 13.2(o)).

(b) *Notice of Cancellation, Material Change or Violation.* All Required Coverages shall provide for 30 days' (or in the case of cancellation for non-payment of premiums, 10 days') prior notice to be given to the Authority by the insurer in the event coverage is substantially changed, canceled or non-renewed. The Authority shall be permitted (but not obligated) to pay any delinquent premiums before the cancellation date specified by the insurer in any notice of cancellation for non-payment of premium in order to maintain such coverage in full force and effect and the Lessee shall reimburse the Authority for any delinquent premiums paid by the Authority on demand without any days of grace and without prejudice to any other rights and remedies of the Authority hereunder. The Lessee shall not cancel, terminate, materially change to the detriment of the Authority or replace any Required Coverage.

(c) *Deductibles.* All Required Coverages may contain deductibles or self-insured retentions not to exceed amounts consistent with market practice at Comparable Public Airports. Any and all deductibles or self-insured retentions on Required Coverages shall be borne by the Lessee or its Contractors.

(d) *Inflation Adjustment.* The amounts of coverage required by Section 13.1 shall be Adjusted for Inflation each succeeding fifth anniversary of the Closing Date.

(e) *Waiver of Subrogation by Insurers.* Each of the Required Coverages shall include a waiver by the insurer of its rights of subrogation against the Authority, its employees, elected officials, agents or representatives.

(f) *Authority's Right to Insure.* If the Lessee fails to obtain and maintain or cause to be obtained and maintained the insurance required by this Article 13, the Authority shall have the right (without any obligation to do so), upon two Business Days' notice to the Lessee in a non-emergency situation or forthwith in an emergency situation and without assuming any obligation in connection therewith, to effect such insurance and all costs and expenses of the Authority in connection therewith shall be payable by the Lessee to the Authority on demand without any days of grace and without prejudice to any other rights and remedies of the Authority hereunder. Such insurance taken out by the Authority shall not relieve the Lessee of its obligations to insure hereunder and the Authority shall not be liable for any loss or damage suffered by the Lessee in connection therewith.

(g) *No Limitation as to Lessee Liabilities.* The Lessee expressly understands and agrees that any coverages and limits furnished by the Lessee shall in no way limit the Lessee's liabilities and responsibilities specified within this Agreement or by Law.

(h) *No Contribution by Authority.* The Lessee expressly understands and agrees that any insurance or self-insurance programs maintained by the Authority shall not contribute with insurance provided by the Lessee under this Agreement.

(i) *Insurance Not Limited by Indemnification.* The required insurance shall not be limited by any limitations expressed in the indemnification language herein or any limitation placed on the indemnity therein given as a matter of Law.

(j) *Insurance Requirements of Contractors and Subtenants.* The Lessee shall require in each contract with any Contractor or subtenant (where such Contractor or subtenant is

not covered by the Required Coverages) that such Contractor or subtenant obtain coverages reasonably comparable to the Required Coverages that are reasonably appropriate in their limits and other terms and conditions to the nature of the contract with the Contractor or subtenant. Such coverages shall insure the interests of the Authority, its employees, elected officials, agents and representatives, the Lessee and any other Contractors or subtenants in respect of the applicable work being performed and shall be subject to the same (or comparable) coverage and administrative requirements as are imposed on the Lessee pursuant to this Agreement. When requested to do so by the Authority, the Lessee shall provide or cause to be provided to the Authority certificates of insurance with respect to such insurance coverages or such other evidence of insurance, reasonably acceptable in form and content to the Authority. The provisions of this Section 13.2(j) shall not apply to any Airline that is a party to the Use Agreement (or any subsequent use agreement with respect to the LMM Airport Facility), the obligations of which to obtain and maintain insurance shall be governed solely by the Use Agreement, or such subsequent amendment, modification or replacement thereof.

(k) *Joint Venture and Limited Liability Company Policies.* If the Lessee or any Contractor required to obtain an insurance policy hereunder is a joint venture or limited liability company, all insurance policies required to be obtained by the Lessee or such Contractor shall specifically name the joint venture or limited liability company as a named insured.

(l) *Other Insurance Obtained by Lessee.* If the Lessee or its Contractors or subtenants desire coverages in addition to the Required Coverages, the Lessee and each Contractor or subtenant shall be responsible for the acquisition and cost of such additional coverages. If the Lessee or its Contractors or subtenants obtain any property, liability or other insurance coverages in addition to the Required Coverages ("Additional Coverages"), then the Lessee or its Contractors shall (i) notify the Authority as to such Additional Coverages, (ii) provide the Authority with any documentation relating to the Additional Coverages, including certificates of insurance, that the Authority reasonably requests and (iii) at the Authority's election, cause the Authority elected or appointed officials, agents and representatives to be named as additional insureds under such Additional Coverages.

(m) *Cooperation.* The Authority and the Lessee shall do all acts, matters and things as may be reasonably necessary or required to expedite the adjustment of any loss or damage covered by insurance hereunder so as to expedite the release and dedication of proceeds of such insurance in the manner and for the purposes herein contemplated.

(n) *Authority's Right to Modify.* The Authority shall have the right to modify, delete, alter or change insurance coverage requirements set forth in Section 13.1 and this Section 13.2 to reflect known material changes in insurance coverages for Comparable Public Airports or known material changes in insurance exposures associated with the LMM Airport Facility and the Lessee shall promptly comply therewith and shall not have any obligation to procure or maintain at its cost any additional insurance unless an independent insurance consultant shall have delivered to the Lessee its opinion to the effect that the additional coverages are required pursuant to the above-stated criteria and such additional coverages are commercially available at reasonable rates.

(o) *Commercial Availability.* Notwithstanding anything to the contrary herein, if any insurance (including the limits or deductibles thereof) required to be maintained under this Agreement shall not be available at commercially reasonable rates, the Lessee shall have the right to request that the Authority consent to waive such requirement. Any such waiver shall be effective only so long as such insurance shall not be available at commercially reasonable rates; *provided* that during the period of such waiver, the Lessee maintains the maximum amount of such insurance otherwise available at commercially reasonable rates. The Authority shall reasonably consider a request by the Lessee for a waiver under this Section 13.2(o) if the request is supported by a determination by an internationally recognized independent insurance consultant (i) that such insurance is not available at commercially reasonable rates and (ii) of the amount of such insurance which is available at commercially reasonable rates. The Authority shall consult with the Signatory Airlines prior to granting any such waiver.

Section 13.3 Damage and Destruction.

(a) *Obligations of Lessee.* If all or any part of the LMM Airport Facility shall be destroyed or damaged during the Term in whole or in part by fire or other casualty of any kind or nature (including any casualty for which insurance was not obtained or obtainable), ordinary or extraordinary, foreseen or unforeseen, the Lessee shall: (i) give the Authority notice thereof promptly after the Lessee receives actual notice of such casualty; (ii) at its sole cost and expense, whether or not insurance proceeds, if any, shall be equal to the estimated cost of repairs, alterations, restorations, replacement and rebuilding (the "Casualty Cost"), proceed diligently to Restore the same and (iii) deposit all insurance proceeds received by the Lessee in connection with any Restoration with a Depositary; *provided, however,* that if at any time the Casualty Cost exceeds the net insurance proceeds deposited with the Depository or reasonably anticipated to be actually deposited with the Depositary, then the Lessee shall also deposit with the Depository such cash as is sufficient to cover the difference between the Casualty Cost and the net insurance proceeds (such net insurance proceeds and such additional cash, together with any interest earned thereon, the "Restoration Funds"); *provided further* that the procedures of this clause (iii) of this Section 13.3(a) shall only apply to casualty events in which the cost of Restoration exceeds $5,000,000, as Adjusted for Inflation.

(b) *Rights of Authority.* If (i) the Lessee shall fail or neglect to commence the diligent Restoration of the LMM Airport Facility or the portion thereof so damaged or destroyed, (ii) having so commenced such Restoration, the Lessee shall fail to diligently complete the same in accordance with the terms of this Agreement or (iii) prior to the completion of any such Restoration by the Lessee, this Agreement shall expire or be terminated in accordance with the terms of this Agreement, the Authority may, but shall not be required to, complete such Restoration at the Lessee's expense and shall be entitled to be paid out of the Restoration Funds for the relevant Restoration costs incurred by the Authority. In any case where this Agreement shall expire or be terminated prior to the completion of the Restoration, the Lessee shall (A) account to the Authority for all amounts spent in connection with any Restoration which was undertaken, (B) immediately pay over or cause the Depositary to pay over to the Authority the remainder, if any, of the Restoration Funds received by the Lessee prior to such termination or cancellation and (C) pay over or cause the Depositary to pay over to the Authority, within 30 days after receipt thereof, any Restoration Funds received by the Lessee or the Depositary

subsequent to such termination or cancellation. The Lessee's obligations under this Section 13.3(b) shall survive the expiration or termination of this Agreement. To the extent the Authority is a loss payee with respect to any such insurance proceeds or otherwise receives insurance proceeds with respect to the destroyed or damaged portions of the LMM Airport Facility, the Authority shall deposit (or cause to be deposited) all such insurance proceeds with the Depositary for application pursuant to this Agreement.

(c) *Payment of Restoration Funds to Lessee.* Subject to the satisfaction by the Lessee of all of the terms and conditions of this Section 13.3 and the requirements of the Leasehold Mortgagee, the Depositary shall pay to the Lessee from time to time any Restoration Funds, but not more than the amount actually collected by the Depositary upon the loss, together with any interest earned thereon, after reimbursing itself therefrom, as well as the Authority, to the extent, if any, of the reasonable expenses paid or incurred by the Depositary and the Authority in the collection of such monies, to be utilized by the Lessee solely for the Restoration, such payments to be made as follows:

(i) prior to commencing any Restoration, the Lessee shall furnish to the Authority for its Approval the estimated cost, estimated schedule and detailed plan for the completion of the Restoration, each prepared by an architect or engineer;

(ii) the Restoration Funds shall be paid to the Lessee in installments as the Restoration progresses, subject to Section 13.3(c)(iii), based upon requisitions to be submitted by the Lessee to the Depositary and the Authority in compliance with Section 13.3(d), showing the cost of labor and materials purchased for incorporation in the Restoration, or incorporated therein since the previous requisition, and due and payable or paid by the Lessee; *provided, however*, that if any lien, other than any Permitted Lessee Encumbrance, is filed against the LMM Airport Facility or any part thereof in connection with the Restoration, the Lessee shall not be entitled to receive any further installment until such lien is satisfied or discharged (by bonding or otherwise); *provided further* that notwithstanding the foregoing, but subject to the provisions of Section 13.3(c)(iii), the existence of any such lien shall not preclude the Lessee from receiving any installment of Restoration Funds so long as such lien will be discharged with funds from such installment and at the time the Lessee receives such installment the Lessee delivers to the Authority and the Depositary a release of such lien executed by the lienor and in recordable form;

(iii) the amount of each installment to be paid to the Lessee shall be the aggregate amount of Casualty Costs theretofor incurred by the Lessee minus the aggregate amount of Restoration Funds theretofor paid to the Lessee in connection therewith, less 10% of such amount as a retainage (which 10% retainage shall be released to the Lessee upon completion of the Restoration work), except that such retainage shall not include any amounts for architects' or engineers' fees or permitting or other governmental fees in connection with the Restoration or with respect to each Contractor upon the final completion of each such Contractor's respective work, *provided* that the unapplied portion of the funds held by the Depositary is sufficient to complete the Restoration; *provided, however*, that all disbursements to the Lessee shall be made based upon an architect's or engineer's certificate for payment in accordance with industry standards, and disbursements may be made for advance deposits for material and Contractors to the extent that such disbursements are customary in the industry and

provided that the unapplied portion of the funds held by the Depositary is sufficient to complete the Restoration; and

(iv) except as provided in Section 13.3(b), upon completion of and payment for the Restoration by the Lessee, subject to the rights of any Leasehold Mortgagee, the Depositary shall pay the balance of the Restoration Funds, if any, to the Lessee; *provided, however*, that if the insurance proceeds are insufficient to pay for the Restoration (or if there shall be no insurance proceeds), the Lessee shall nevertheless be required to make the Restoration and provide the deficiency in funds necessary to complete the Restoration as provided in Section 13.3(a)(iii).

(d) *Conditions of Payment.* The following shall be conditions precedent to each payment made to the Lessee as provided in Section 13.3(c):

(i) the Lessee shall have furnished the Authority with estimates of costs and schedule and a detailed plan for the completion of the Restoration, as provided for in Section 13.3(c)(i);

(ii) at the time of making such payment, no Lessee Default exists;

(iii) the Restoration shall be carried out under the supervision of the relevant architect or engineer (which has been Approved by the Authority), and there shall be submitted to the Depositary and the Authority the certificate of such architect or engineer stating that (A) the materials and other items which are the subject of the requisition have been delivered to the LMM Airport Facility (except with respect to requisitions for advance deposits permitted under Section 13.3(c)(iii)), free and clear of all Encumbrances, other than Permitted Lessee Encumbrances, and no unsatisfied or unbonded mechanic's or other liens have been claimed, except for any mechanic's lien for claims that will be discharged, by bonding or otherwise, with funds to be received pursuant to such requisition (*provided* that a release of such lien is delivered to the Depositary in accordance with Section 13.3(c)(ii)), (B) the sum then requested to be withdrawn either has been paid by the Lessee or is due and payable to Contractors, engineers, architects or other Persons (whose names and addresses shall be stated), who have rendered or furnished services or materials for the work and giving a brief description of such services and materials and the principal subdivisions or categories thereof and the several amounts so paid or due to each of such Persons in respect thereof, and stating in reasonable detail the progress of the work up to the date of such certificate, (C) no part of such expenditures has been made the basis, in any previous requisition (whether paid or pending), for the withdrawal of Restoration Funds or has been made out of the Restoration Funds received by the Lessee, (D) the sum then requested does not exceed the value of the services and materials described in the certificate, (E) the work relating to such requisition has been performed in accordance with this Agreement, (F) the balance of the Restoration Funds held by the Depositary or available from other sources will be sufficient upon completion of the Restoration to pay for the same in full, and stating in reasonable detail an estimate of the cost of such completion and (G) in the case of the final payment to the Lessee, the Restoration has been completed in accordance with this Agreement.

(e) *Payment and Performance Bonds.* If the Lessee obtains payment or performance bonds related to a Restoration (which the Lessee may or may not obtain in its

discretion), the Lessee shall name the Authority and the Lessee and the Leasehold Mortgagee, as their interests may appear, as additional obligees, and shall deliver copies of any such bonds to the Authority promptly upon obtaining them.

(f) *Benefit of Authority.* The requirements of this Section 13.3 are for the benefit only of the Authority, and no Contractor or other Person shall have or acquire any claim against the Authority as a result of any failure of the Authority actually to undertake or complete any Restoration as provided in this Section 13.3 or to obtain the evidence, certifications and other documentation provided for herein.

(g) *Investment of Restoration Funds.* Restoration Funds deposited with a Depositary shall be invested and reinvested in Eligible Investments at the direction of the Lessee, and all interest earned on such investments shall be added to the Restoration Funds.

(h) *Rights of Leasehold Mortgagee.* The provisions of Section 13.3 are subject to the rights of any Leasehold Mortgagee under the documents relating to any Leasehold Mortgage Debt. The Authority acknowledges and agrees that any Restoration Funds prior to the applicable to a Restoration or not applied to a Restoration as provided in this Section 13.3 shall be subject to the lien or liens of any Leasehold Mortgage and the rights and requirements of the Leasehold Mortgagee.

ARTICLE 14
ADVERSE ACTIONS

Section 14.1 Adverse Action.

(a) An "Adverse Action" shall occur if the Authority or any other Governmental Authority established under the Laws of the Commonwealth takes action or actions at any time during the Term (including enacting any Law) and the effect of such action or actions, individually or in the aggregate, is reasonably expected (i) to be principally borne by the Lessee or private operators of Comparable Public Airports or Contratantes and (ii) to have a material adverse effect on the fair market value of the Lessee Interest, except where (A) such action is in response to any act or omission on the part of the Lessee that (1) is illegal (before taking into account the applicable government action) or (2) constitutes nonperformance by the Lessee or (B) such action is otherwise permitted under this Agreement; *provided, however*, that none of the following shall be an Adverse Action: (x) the exercise of law enforcement, subpoena or investigatory powers of the Authority or any Governmental Authority as permitted under this Agreement or applicable Law; (y) the imposition of a Tax or an increase in Taxes of general application, including parking Taxes of general application imposed on users or operators of parking facilities or Contratantes or (z) the development, redevelopment, construction, maintenance, modification or change in the operation of any existing mode of transportation that results in the reduction of any revenues generated at the LMM Airport Facility or in the number of users using the LMM Airport Facility.

(b) If an Adverse Action occurs, the Lessee shall have the right to receive Leasehold Compensation from the Authority with respect thereto (such Leasehold Compensation, the "AA-Compensation"); *provided, however*, that if the Adverse Action

constitutes an expropriation, sequestration or requisition of all or a material part of the LMM Airport Facility, the LMM Airport Facility Assets, the Use Agreement, and the Lessee Interest (or any of them) or materially impedes, substantially frustrates or renders impossible the Lessee's ability to perform its obligations hereunder continuously for 90 days, then the Lessee shall have the right either (i) to be paid the AA-Compensation with respect thereto or (ii) to terminate this Agreement and be paid by the Authority any AA-Termination Damages, in each case by giving notice in the manner described in Section 14.1(c).

(c) Within 90 days following the date on which the Lessee first became aware of the Adverse Action, the Lessee shall give notice (the "AA-Preliminary Notice") to the Authority stating that an Adverse Action has occurred. Within 180 days following the date of delivery of the AA-Preliminary Notice, the Lessee shall give the Authority another notice (the "AA-Notice") setting forth (i) details of such Adverse Action, (ii) details of the material adverse effect of such Adverse Action on the fair market value of the Lessee Interest, (iii) a statement as to which right referred to in Section 14.1(b) the Lessee elects to exercise, and (iv) if the Lessee elects to exercise the right to Leasehold Compensation under Section 14.1(b), the amount claimed as AA-Compensation and details of the calculation thereof. The Authority shall, after receipt of the AA-Notice, be entitled by notice to require the Lessee to provide such further supporting particulars as the Authority may reasonably consider necessary. If the Authority or the GDB, as the case may be, wishes to dispute the occurrence of an Adverse Action or the amount of AA-Compensation, if any, claimed in the AA-Notice, it shall give notice of dispute (the "AA-Dispute Notice") to the Lessee within 30 days following the date of receipt by it of the AA-Notice stating in reasonable detail the grounds for such dispute. If neither the AA-Notice nor the AA-Dispute Notice has been withdrawn within 30 days following the date of receipt of the AA-Dispute Notice by the Lessee, the matter shall be submitted to the dispute resolution procedure in Article 19.

(d) If the Lessee has elected to exercise its right to AA-Compensation, the Authority shall pay the amount of Leasehold Compensation claimed by the Lessee within 60 days following the date of receipt of the AA-Notice, or if a AA-Dispute Notice has been given, then not later than 60 days following the date of determination of the AA-Compensation (together with interest at the rate set forth in Section 20.9 from the date of receipt of the AA-Dispute Notice to the date on which payment is made); *provided that* the Authority shall provide the AA-Compensation in accordance with Section 15.1(b) as if the related AA-Notice were a CE-Notice; and *provided further* that, subject to the right of the Lessee to receive interest at the rate set forth in Section 20.9 on the payment owed by the Authority from the date of receipt of the AA-Dispute Notice to the date on which payment is made, the Authority may defer any such payment for an additional 120 days if the Authority determines, in its discretion, that such additional period is necessary in order to obtain financing or otherwise to obtain the necessary funds to make such a payment.

Section 14.2 Termination.

(a) If the Lessee has the right to terminate this Agreement in connection with an Adverse Action pursuant to Section 14.1, and the Lessee has exercised such right, this Agreement, subject to Section 14.3, shall terminate 120 days following the date of receipt of the AA-Notice by the Authority, and on the Reversion Date the Authority shall pay an amount

(which amount shall be paid from general Authority funds and not from LMM Airport Facility revenues) equal to the aggregate, without duplication, of (i) the LMM Airport Facility Leasehold Value as of the date of termination (which shall be determined as if no Adverse Action has occurred), plus (ii) the reasonable out-of-pocket and documented costs and expenses incurred by the Lessee as a direct result of such termination, plus (iii) the Leasehold Compensation calculated for the period between the date of the Adverse Action and the Reversion Date, less (iv) any insurance or condemnation proceeds payable to the Lessee (or that should have been payable to the Lessee but for (x) the insurer's inability to pay, (y) the breach by the Lessee of an obligation to take out or maintain insurance under this Agreement or (z) the invalidity or breach of any insurance policy caused by the Lessee under which such policy proceeds would have been paid) with respect to all or any portion of the LMM Airport Facility as a result of the occurrence of such Adverse Action (collectively, the "AA-Termination Damages") to the Lessee on the Reversion Date or, if the AA-Termination Damages are determined on a date subsequent to the Reversion Date, then not later than 60 days following the date of determination of the AA-Termination Damages (together with interest at the rate set forth in Section 20.9 from the Reversion Date to the date on which payment is made); *provided* that, subject to the right of the Lessee to receive interest at the rate set forth in Section 20.9 on the payment owed by the Authority from the Reversion Date to the date on which payment is made, the Authority may defer any such payment for an additional 120 days if the Authority reasonably determines that such additional period is necessary to obtain financing or required approvals to make such a payment; *provided, however*, that any amounts received by the Lessee or any Leasehold Mortgagee from any insurance policies payable as a result of damage or destruction to the LMM Airport Facility that has not been remedied prior to the Reversion Date, shall, to the extent not used to remedy such effects, be deducted from the amount payable by the Authority to the Lessee so long as the Authority has not received any such amounts pursuant to Article 13.

(b) Any dispute arising out of the determination of the AA-Termination Damages shall be submitted to the dispute resolution procedure in Article 19.

(c) No AA-Notice given by the Lessee to the Authority in which the Lessee states that it elects to exercise its right of termination of this Agreement shall be valid for any purpose unless, if any Leasehold Mortgage Debt remains outstanding and if and to the extent required by the terms of any Leasehold Mortgage, the Lessee has first obtained and delivered to the Authority the written consent of the Leasehold Mortgagee to such AA-Notice.

(d) Payment of the entire sum of AA-Termination Damages or the AA-Compensation, as the case may be, by the Authority to the Lessee, shall constitute full and final satisfaction of all amounts that may be claimed by the Lessee for and with respect to the occurrence of the Adverse Action and, upon such payment, the Authority shall be released and forever discharged by the Lessee from any and all liability with respect to such Adverse Action.

Section 14.3 Right of Authority to Remedy an Adverse Action. If the Authority wishes to remedy the occurrence of an Adverse Action, the Authority shall give notice thereof to the Lessee within 30 days following the date of receipt of the AA-Notice. If the Authority gives such notice, it must remedy the Adverse Action within 180 days following the date of receipt of the AA-Notice or, if a AA-Dispute Notice has been given, within 180 days following the final award pursuant to Article 19 to the effect that an Adverse Action occurred or, in either case,

within such longer period as may be agreed to by the Lessee. If the Authority remedies the occurrence of an Adverse Action within the applicable period of time, the right of the Lessee shall be limited to a claim for AA-Compensation with respect to such Adverse Action.

ARTICLE 15
LEASEHOLD COMPENSATION; DELAY EVENTS

Section 15.1 Payment of Leasehold Compensation.

(a) *Notice.* Except as otherwise provided herein, if a Compensation Event occurs, the Lessee shall give notice (the "CE-Preliminary Notice") to the Authority within 90 days following the date on which the Lessee first became aware of the Compensation Event stating that a Compensation Event has occurred. Within 30 days following the date of delivery of the CE-Preliminary Notice, the Lessee shall give the Authority another notice (the "CE-Notice") setting forth (i) details of the Compensation Event, including a specific explanation of the reasons that the event constitutes a Compensation Event under the terms of this Agreement and (ii) the amount claimed as Leasehold Compensation and details of the calculation thereof. If the Authority or the GDB, as the case may be, wishes to dispute the occurrence of a Compensation Event or the amount of the Leasehold Compensation claimed in the CE-Notice, it shall give notice of dispute (the "CE-Dispute Notice") to the Lessee within 60 days following the date of receipt by it of the CE-Notice stating the grounds for such dispute. If neither the CE-Notice nor the CE-Dispute Notice has been withdrawn within 30 days following the date of receipt of the CE-Dispute Notice by the Lessee, the matter shall be submitted to the dispute resolution procedure in Article 19.

(b) *Payment.* Within 60 days following the date of receipt of a CE-Notice, or if a CE-Dispute Notice has been given as provided in Section 15.1(a) and not withdrawn (and the CE-Notice is not otherwise withdrawn by the Lessee), then not later than 60 days following the date of determination of the related Leasehold Compensation (the later of such dates being referred to herein as a "Compensation Date"), the Authority (except to the extent the Authority elects to provide the related Leasehold Compensation in accordance with Section 15.1(c)), shall pay the related Leasehold Compensation in cash, which Leasehold Compensation shall be then due and payable to the Lessee (except as otherwise provided in Section 15.1(e) and together with interest at the rate set forth in Section 20.9 from the date of receipt of the CE-Dispute Notice to the date on which payment is made); *provided* that, subject to the right of the Lessee to receive interest at the rate set forth in Section 20.9 on the Leasehold Compensation owed by the Authority from the date of receipt of the CE-Dispute Notice to the date on which payment is made, the Authority may defer the provision of any such Leasehold Compensation for an additional 120 days if the Authority reasonably determines that such additional period is necessary to obtain financing or required approvals to provide such Leasehold Compensation to the Lessee. Notwithstanding the foregoing and except as provided in Section 15.1(e), in the event of a dispute regarding the amount of Leasehold Compensation, the Authority shall pay to the Lessee any undisputed portion of such Leasehold Compensation and any portion of such Leasehold Compensation that is subsequently agreed between the Parties, in each case not later than 60 days following the date that the Parties have agreed to such portion (together with interest at the rate set forth in Section 20.9 from the date of receipt of the CE-Dispute Notice to the date on which payment is made) (even if a dispute regarding a portion of the amount claimed

by the Lessee is still pending); *provided* that the Authority shall have the right to defer providing such Leasehold Compensation for an additional 120 days under the terms set forth in the preceding sentence.

(c) *Term Option.*

(i) Notwithstanding anything to the contrary in this Agreement, and to the extent such Leasehold Compensation is not payable as part of Termination Damages and is not otherwise paid pursuant to Section 15.1(b), the Authority may elect (subject to Section 15.1(c)(ii) and (iii) and to the extent permitted by applicable Law) to provide any Leasehold Compensation due to the Lessee hereunder by extending the Term for a period of time that would be sufficient to restore the Lessee to the same economic position in which it would have been had such Compensation Event not occurred (subject to the prior receipt of any approval or Authorization necessary to extend the Term under the Act and otherwise in compliance with applicable Law). The Authority shall make such election by notice delivered to the Lessee not later than the related Compensation Date, which notice shall specify the amount of Leasehold Compensation to be provided pursuant to this Section 15.1(c).

(ii) Notwithstanding Section 15.1(c)(i), the Authority may not provide Lessee Compensation pursuant to Section 15.1(c)(i) in an amount that (A) cumulatively with all other amounts of Leasehold Compensation previously provided pursuant to Section 15.1(c)(i) would exceed $25,000,000 during the Term, (B) cumulatively with all other amounts of Leasehold Compensation previously provided pursuant to Section 15.1(c)(i) would exceed $10,000,000 prior to the fifth anniversary of the Closing or (C) in any year after the fifth anniversary of the Closing, cumulatively with all other amounts of Leasehold Compensation previously provided in such year pursuant to Section 15.1(c)(i) would exceed $1,000,000 in such year; *provided* that each of the foregoing dollar amounts shall be Adjusted for Inflation on each anniversary of the Closing during the Term; *provided further* that this Section 15.1(c)(ii) and its limitations do not apply to Leasehold Compensation due pursuant to a Delay Event Remedy.

(iii) Notwithstanding Section 15.1(c)(i), the Authority may not provide Leasehold Compensation pursuant to Section 15.1(c)(i) in respect of the Compensation Events contemplated by Section 2.5(i)(iii)(B) or Section 5.2(a).

(d) *Calculation.* Leasehold Compensation shall be sufficient to compensate the Lessee for (i) all documented Losses (including increased operating, financing and capital and maintenance costs, but excluding any costs and expenses that the Lessee would otherwise expend or incur in order to comply with this Agreement or in the ordinary course of the performance of the LMM Airport Facility Operations or the carrying on of business in the ordinary course) that are reasonably attributable to such Compensation Event and (ii) any documented Losses of the Lessee's present and future revenues generated at the LMM Airport Facility that are reasonably attributable to such Compensation Event, after taking into account any insurance proceeds payable to the Lessee (or that should have been payable but for (A) the insurer's inability to pay, (B) the breach of an obligation by the Lessee to take out or maintain insurance under this Agreement or (C) the invalidity or breach of any insurance policy caused by the Lessee under which policy such proceeds would have been paid) in connection with the Compensation Event, if applicable; *provided, however*, that unless otherwise specified in this

Agreement, notice of any claim for Leasehold Compensation shall be made in writing to the Authority within 120 days of the date that the Lessee first became aware of such Compensation Event. If the Lessee is required to expend its own funds (whether from operating cash flows or the proceeds of any debt or equity financing or otherwise) with respect to any Compensation Event prior to receipt or financing of the corresponding Leasehold Compensation or if the payment of Leasehold Compensation is deferred under Section 15.1(b), then the determination of Leasehold Compensation shall, in addition to the components described above, include such additional amounts as may be necessary to permit the Lessee to earn an after-Tax rate of return thereon at the then-applicable market-based rate of return to be agreed by the Lessee and the Authority.

(e) *Future Losses.* Any Leasehold Compensation payable pursuant to Section 15.1(b) with respect to Losses or lost revenues generated at the LMM Airport Facility or documented Losses (including increased operation, financing and capital and maintenance costs) that will not occur until the future shall be due solely when such losses would otherwise become due or are actually incurred or suffered or promptly thereafter. If the Authority elects, notwithstanding the foregoing, to pay Leasehold Compensation with respect to Losses or lost revenues generated at the LMM Airport Facility that will occur in the future as a lump sum payment, the amount of such lump sum payment shall be based on a determination of the net present value of the impact of such Compensation Event over the remainder of the Term utilizing a discount factor that is reasonably determined by the Lessee (subject to the confirmation as to its reasonableness by the Authority).

(f) *Minimum Claim.* Notwithstanding the foregoing provisions of this Section 15.1, the Lessee may not make a claim for Leasehold Compensation unless the amount of such claim exceeds $25,000.

Section 15.2 Delay Events.

(a) *Notice.* If a Party is affected by a Delay Event, it shall give notice as soon as practicable and in no event later than 10 Business Days following the date on which it first obtains knowledge of such Delay Event to the other Party (*provided* that in the case of the same Delay Event being a continuing cause of delay, only one notice shall be necessary), which notice shall include (i) a statement of which Delay Event the claim is based upon, (ii) details of the circumstances from which the delay arises and (iii) an estimate of the delay in the performance of obligations under this Agreement attributable to such Delay Event and information in support thereof, if known at that time. The Party receiving notice of a Delay Event shall, after receipt of such notice, be entitled by notice to require the Party affected by the Delay Event to provide such further supporting information or details as the Party receiving notice of the Delay Event may reasonably consider necessary. The Party affected by the Delay Event shall notify the other Party as soon as practicable and in no event later than 10 Business Days following the date on which the Party affected by the Delay Event first became aware that a Delay Event has ceased.

(b) *Excused.* Subject to the Party affected by the Delay Event giving the notice required in Section 15.2(a), a Delay Event shall excuse the Party affected by the Delay Event from whatever performance is prevented by the Delay Event referred to in such notice for such appropriate number of days as the Authority and the Lessee jointly determine, each acting

reasonably. If the Authority and the Lessee cannot agree upon the period of delay, then either Party shall be entitled to refer the matter to the dispute resolution procedure in Article 19. This Section 15.2(b) shall neither (i) excuse the Lessee from the performance and observance under this Agreement of any obligations and covenants not affected by the Delay Event nor (ii) prevent any of the Authority or its Representatives (or their respective designee) from exercising its rights under Section 3.7. Notwithstanding the occurrence of a Delay Event, the Party affected by the Delay Event shall continue its performance and observance under this Agreement of all of its obligations and covenants to the extent that it is reasonably able to do so and shall use its Reasonable Efforts to minimize the effect and duration of the Delay Event. Except as contemplated in the definition of Delay Event, nothing herein shall permit or excuse noncompliance with a change to applicable Laws.

(c) *Compensation.* If a Delay Event occurs that has the effect of causing physical damage or destruction to the LMM Airport Facility that results in the LMM Airport Facility being substantially unavailable for Airport Purposes or suspending airport fee collection at the LMM Airport Facility and such effect continues for a period in excess of 120 consecutive days and has a material adverse effect on the fair market value of the Lessee Interest, and insurance proceeds payable (or that should have been payable but for the breach of an obligation to take out and maintain such insurance policy by the Lessee) or condemnation or other similar proceeds are insufficient to restore the Lessee to the same economic position as it would have been in the absence of such event, then the Delay Event shall be a Compensation Event for which the Lessee (without in any way limiting its obligations pursuant to Section 13.3) shall be entitled to Leasehold Compensation (a "Delay Event Remedy").

(d) *Delay Event Notice.* If the Lessee elects to exercise the right to the Delay Event Remedy, the Lessee shall give notice ("Delay Event Notice") to the Authority within 30 days following the date on which the Lessee first became aware of its right to the Delay Event Remedy setting forth (i) the details of the Delay Event and its effect on either causing physical damage or destruction to the LMM Airport Facility that results in the LMM Airport Facility being substantially unavailable for Airport Purposes or suspending airport fee collection at the LMM Airport Facility and (ii) the amount claimed as compensation to restore the Lessee to the same economic position in which it would have been had such Delay Event not occurred (including the details of the calculation thereof). The Authority shall, after receipt of the Delay Event Notice, be entitled by notice to require the Lessee to provide such further supporting information as the Authority may reasonably consider necessary. If the Authority wishes to dispute the occurrence of a Delay Event or the Delay Event Remedy claimed in the Delay Event Notice, the Authority shall give notice of dispute (the "Delay Event Dispute Notice") to the Lessee within 30 days following the date of receipt of the Delay Event Notice stating the grounds for such dispute, and if neither the Delay Event Notice nor the Delay Event Dispute Notice has been withdrawn within 30 days following the date of receipt of the Delay Event Dispute Notice by the Lessee, the matter shall be submitted to the dispute resolution procedure in Article 19.

ARTICLE 16
DEFAULTS; LETTERS OF CREDIT

Section 16.1 Default by the Lessee.

(a) *Events of Default.* The occurrence of any one or more of the following events during the Term shall constitute a "Lessee Default" under this Agreement:

(i) other than as described in Section 16.1(a)(ii), (iii), (iv) or (v), if the Lessee fails to comply with, perform or observe (A) any material obligation, covenant, agreement, term or condition in this Agreement (including, for the avoidance of doubt, the Operating Standards (with the exception of any requirement pursuant to the Operating Standards to undertake a capital improvement that is not otherwise required by Law and is not approved by the Airlines pursuant to Section 6.3 of the Use Agreement (or the equivalent provision in any successor use agreement))) or (B) the requirements or directives of a final award in a matter submitted to dispute resolution in accordance with Article 19, and such failure continues unremedied for a period of 90 days following notice thereof (giving particulars of the failure in reasonable detail) from the Authority to the Lessee; *provided, however,* that such failure shall not constitute a Lessee Default if the Lessee (x) within 90 days following such initial notice, has demonstrated to the satisfaction of the Authority, acting reasonably, that (1) the Lessee is proceeding, and will proceed, with all due diligence to cure or cause to be cured such failure and (2) the Lessee's actions can be reasonably expected to cure or cause to be cured such failure within a reasonable period of time acceptable to the Authority, acting reasonably, and (y) such failure is in fact cured within such period of time;

(ii) if the Lessee fails to comply with, perform or observe any material obligation, covenant, agreement, term or condition in this Agreement (including, for the avoidance of doubt, the Operating Standards (with the exception of any requirement pursuant to the Operating Standards to undertake a capital improvement that is not otherwise required by Law and is not approved by the Airlines pursuant to Section 6.3 of the Use Agreement (or the equivalent provision in any successor use agreement))) or the requirements or directives of a final award in a matter submitted to dispute resolution in accordance with Article 19, which failure creates a material danger to the safety of LMM Airport Facility Operations or a material impairment to the LMM Airport Facility or to the continuing use of the LMM Airport Facility for Airport Purposes, or fails to pay amounts owed to the Authority when due (including the Annual Authority Payment or the Annual Authority Revenue Share) and, in either case, such failure remains unremedied for a period of 10 Business Days following initial notice thereof (giving particulars of the failure in reasonable detail) from the Authority to the Lessee;

(iii) if the Lessee fails to comply in any material respect with a work plan approved by the Authority in accordance with Section 16.1(b)(iii);

(iv) if (A) the Lessee fails to comply with any specified performance requirements set forth in the Operating Standards (with the exception of any requirement pursuant to the Operating Standards to undertake a capital improvement that is not otherwise required by Law and is not approved by the Airlines pursuant to Section 6.3 of the Use Agreement (or the equivalent provision in any successor use agreement)) three or more times

within any calendar month, (B) notwithstanding the cure periods provided in Section 16.1(a)(i), any three such failures continue unremedied for a period of 30 days (or such longer period as may be reasonably necessary to cure such failure to the extent that the Lessee is diligently pursuing such cure) following notice thereof (giving particulars of the failure in reasonable detail) from the Authority to the Lessee and the Lessee has not provided to the Authority a remediation plan therefor reasonably acceptable to the Authority (each calendar month during which such three failures shall have continued unremedied or unaddressed by a remediation plan, as aforesaid, a "Persistent Breach Month"), and (C) 12 Persistent Breach Months shall have occurred during any period of 24 calendar months; *provided* that no Persistent Breach Month shall result from the failure by the Lessee to comply with such specified performance requirements if such failure occurs prior to the first anniversary of the Closing and *provided further* that, for the avoidance of doubt, any cure of any Lessee Default under this Section 16.1(a)(iv) shall require the cure of each failure that has occurred during any Persistent Breach Month;

(v) if this Agreement or all or any portion of the Lessee Interest is Transferred in contravention of Article 17;

(vi) if the Lessee (A) admits, in writing, that it is unable to pay its debts as such become due, (B) makes an assignment for the benefit of creditors, (C) files a voluntary petition under Title 11 of the United States Code, or if the Lessee files any petition or answer seeking, consenting to or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future United States bankruptcy code or any other present or future applicable Law, or shall seek or consent to or acquiesce in or suffer the appointment of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of the Lessee, or of all or any substantial part of its properties or of the LMM Airport Facility or any material interest therein, or (D) takes any corporate action in furtherance of any action described in this Section 16.1(a)(v);

(vii) if within 90 days after the commencement of any proceeding against the Lessee seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future United States bankruptcy code or any other present or future applicable Law, such proceeding has not been dismissed, or if, within 90 days after the appointment, without the consent or acquiescence of the Lessee, of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of the Lessee or of all or any substantial part of its properties or of the LMM Airport Facility or any material interest therein, such appointment has not been vacated or stayed on appeal or otherwise, or if, within 90 days after the expiration of any such stay, such appointment has not been vacated; or

(viii) if a levy under execution or attachment has been made against all or any material portion of the LMM Airport Facility or any material interest therein as a result of any Encumbrance (other than a Permitted Lessee Encumbrance) created, incurred, assumed or suffered to exist by the Lessee or any Person claiming through it, and such execution or attachment has not been vacated, removed or stayed by court order, bonding or otherwise within 60 days after the Lessee becomes aware of such levy or attachment, unless such levy or

attachment resulted from actions or omissions of the Authority, its Representatives or any Governmental Authority established under the Laws of the Commonwealth.

(b) *Remedies of the Authority Upon Lessee Default.* Upon the occurrence of and during the continuance of a Lessee Default, the Authority may, by notice to the Lessee with a copy to the Signatory Airlines, the FAA Associate Administrator of Airports, the TSA Federal Security Director for the LMM Airport Facility and the Leasehold Mortgagee in accordance with the terms hereof, declare the Lessee to be in default and may, subject to the rights of the Leasehold Mortgagee pursuant to Sections 18.3, 18.4 and 18.5 and the provisions set forth in Articles 18, 19 and 20, do any or all of the following as the Authority, in its discretion, shall determine:

(i) upon the occurrence of a Lessee Default described in Section 16.1(a)(ii), the Authority is entitled to terminate this Agreement (without the need for any other action on behalf of the Authority) upon notice to the Lessee, which may be given immediately upon the expiration of the 10-Business-Day period described in Section 16.1(a)(ii) (for the avoidance of doubt, the entitlement of the Lessee to cure such Lessee Default by the delivery of an approved work plan, as described in Section 16.1(b)(iii), shall not apply thereto);

(ii) upon the occurrence of a Lessee Default described in Section 16.1(a)(iii), the Authority is entitled to terminate this Agreement (without the need for any other action on behalf of the Authority) by giving 90 days' prior notice to the Lessee (for the avoidance of doubt, the entitlement of the Lessee to cure such Lessee Default by the delivery of an approved work plan, as described in Section 16.1(b)(iii), shall not apply thereto);

(iii) upon the occurrence of a Lessee Default other than one described in Section 16.1(a)(ii) or 16.1(a)(iii), the Authority is entitled to terminate this Agreement (without the need for any other action on behalf of the Authority) by giving 90 days' prior notice to the Lessee; *provided, however*, that the Lessee shall be entitled to cure such a curable Lessee Default by providing the Authority with a written work plan within such 90-day period, which work plan shall be Approved by the Authority, outlining the actions by which the Lessee will ensure future compliance with either the obligation, covenant, agreement, term or condition in this Agreement or the requirements or directives of the issued final award in accordance with Article 19 that the Lessee failed to perform or observe; *provided further* that the Authority shall not exercise the remedy provided in this Section 16.1(b)(iii) if the Lessee Default consists solely of a violation of any of the provisions of Article 11 unless such violation is systematic or persistent or the exercise of such remedy is required by Law (but any violation of such Article 11 shall nonetheless subject the Lessee to such fines or penalties otherwise applicable to such violation as they be imposed by the appropriate Governmental Authority or to the imposition of a requirement on the Lessee to demonstrate to the Authority that the Lessee has or will implement all actions considered necessary by the Authority (which may include a remedial plan) to ensure that such violations do not become systematic or persistent); *provided further* that the remedies for rescission or termination of this Agreement required by Act No. 458 of the Legislative Assembly of Puerto Rico enacted on December 29, 2000, as amended, Act No. 237 of the Legislative Assembly of Puerto Rico enacted on August 31, 2004, as amended, and Act No. 84 of the Legislative Assembly of Puerto Rico enacted on June 18, 2002, as amended, shall be exclusively as provided in Section 16.6.

(iv) if the Lessee Default is by reason of the failure to pay any monies, the Authority is entitled to (without obligation to do so) make payment on behalf of the Lessee of such monies, and any amount so paid by the Authority shall be payable by the Lessee to the Authority within three Business Days after written demand therefor;

(v) subject to the cure rights of the Leasehold Mortgagee set forth in Section 18.3, the Authority is entitled to cure the Lessee Default (but this shall not obligate the Authority to cure or attempt to cure a Lessee Default or, after having commenced to cure or attempted to cure a Lessee Default, to continue to do so), and all costs and expenses reasonably incurred by the Authority in curing or attempting to cure the Lessee Default, together with an administrative fee equal to 15% of such costs and expenses, shall be payable by the Lessee to the Authority within three Business Days following written demand therefor; *provided, however*, that (A) the Authority shall not incur any liability to the Lessee for any act or omission of the Authority or any other Person in the course of remedying or attempting to remedy any Lessee Default (other than as a result of gross negligence or willful misconduct) and (B) the Authority's cure of any Lessee Default shall not affect the Authority's rights against the Lessee by reason of the Lessee Default;

(vi) the Authority is entitled to seek specific performance, injunction or other equitable remedies, it being acknowledged that damages are an inadequate remedy for a Lessee Default;

(vii) the Authority is entitled to seek to recover its Losses arising from such Lessee Default and any amounts due and payable under this Agreement and, in connection therewith, exercise any recourse available to any Person who is owed damages or a debt under applicable Law;

(viii) the Authority is entitled to, subject to applicable Law, distrain against any of the Lessee's goods situated at the LMM Airport Facility and the Lessee waives any statutory protections and exemptions in connection therewith;

(ix) the Lessee may be debarred or suspended for 10 years in accordance with Section 10(a)(xv)(C) of the Act; and

(x) the Authority is entitled to exercise any of its other rights and remedies provided for hereunder or at law or in equity.

Section 16.2 Defaults by the Authority.

(a) *Events of Default.* The occurrence of any one or more of the following events during the Term shall constitute a "Authority Default" under this Agreement:

(i) other than as described in Section 16.2(a)(ii) or (v), if the Authority fails to comply with, perform or observe any material obligation, covenant, agreement, term or condition in this Agreement (other than an Adverse Action) or the requirements or directives of a final award in a matter submitted to dispute resolution in accordance with Article 19, and such failure or breach continues unremedied for a period of 90 days following notice thereof (giving particulars of the failure in reasonable detail) from the Lessee to the Authority;

provided, however, that such failure shall not constitute an Authority Default if the Authority (A) within 90 days following such initial notice, has demonstrated to the satisfaction of the Lessee, acting reasonably, that (1) the Authority is proceeding, and will proceed, with all due diligence to cure or cause to be cured such failure and (2) the Authority's actions can be reasonably expected to cure or cause to be cured such failure within a reasonable period of time acceptable to the Lessee, acting reasonably, and (B) such failure is in fact cured within such period of time;

(ii) if the Authority fails to comply in any material respect with a work plan approved by the Lessee in accordance with Section 16.2(b)(iii);

(iii) if a levy under execution or attachment has been made against all or any material portion of the LMM Airport Facility or the Lessee Interest as a result of any Encumbrance (other than a Permitted Authority Encumbrance) created, incurred, assumed or suffered to exist by the Authority or any Person claiming through it, and such execution or attachment has not been vacated, removed or stayed by court order, bonding or otherwise within 60 days after the Authority becomes aware of such levy or attachment, unless such levy or attachment resulted from actions or omissions of the Lessee or its Representatives or if all or any material portion of the LMM Airport Facility shall be subject to a condemnation or similar taking by the Authority or any Governmental Authority; or

(iv) the Authority Transfers any or all of its interest in the LMM Airport Facility or this Agreement other than in compliance with Section 17.4.

(b) *Remedies of Lessee Upon Authority Default.* Upon the occurrence and during the continuance of an Authority Default, the Lessee may by notice to the Authority with a copy to the Signatory Airlines, the FAA Associate Administrator of Airports and the TSA Federal Security Director for the LMM Airport Facility in accordance with the terms hereof, declare the Authority to be in default and may, subject to the provisions of Article 19, do any or all of the following as the Lessee, in its discretion, shall determine:

(i) the Lessee is entitled to be paid by the Authority the Leasehold Compensation with respect thereto;

(ii) upon the occurrence of an Authority Default described in Section 16.2(a)(ii), the Lessee is entitled to terminate this Agreement (without the need for any other action on behalf of the Lessee) by giving 90 days' prior notice to the Authority (the "Initial Termination Notice") (for the avoidance of doubt, the entitlement of the Authority to cure such Authority Default by the delivery of an approved work plan, as described in Section 16.2(b)(iii), shall not apply thereto); and upon such termination the Authority shall be obligated to pay to the Lessee an amount (which amount shall be paid from general Authority funds and not from LMM Airport Facility revenues) calculated in accordance with Section 16.2(c);

(iii) upon the occurrence of an Authority Default other than one described in Section 16.2(a)(ii), the Lessee is entitled to terminate this Agreement (without the need for any other action on behalf of the Lessee) by giving 90 days' prior notice to the Authority (like the notice described in Section 16.2(b)(ii), also the "Initial Termination Notice"); *provided, however*, that the Authority shall be entitled to cure an Authority Default pursuant to

Section 16.2(a)(i) by providing the Lessee with a written work plan within such 90-day period, which work plan shall be approved by the Lessee (which approval shall not be unreasonably withheld, delayed or conditioned), outlining the actions by which the Authority will ensure future compliance with either the obligation, covenant, agreement, term or condition in this Agreement or the requirement or directive of the final award in accordance with Article 19 that the Authority failed to perform or observe; and upon such termination the Authority shall be obligated to pay to the Lessee an amount (which amount shall be paid from general Authority funds and not from LMM Airport Facility revenues) calculated in accordance with Section 16.2(c);

(iv) the Lessee is entitled to seek to recover its Losses arising from such Authority Default and any amounts due and payable under this Agreement and, in connection therewith, exercise any recourse available to any Person who is owed damages or a debt under applicable Law; and

(v) the Lessee is entitled to exercise any of its other rights and remedies provided for hereunder or at law or in equity.

(c) *Calculation of Termination Damages.* Upon termination in accordance with Section 16.2(b)(ii) or Section 16.2(b)(iii), the Authority shall be obligated to pay on the Reversion Date to the Lessee an amount (which amount shall be paid from general Authority funds and not from LMM Airport Facility revenues) equal to the aggregate, without duplication, of (i) the LMM Airport Facility Leasehold Value as of the date of termination, plus (ii) the reasonable out-of-pocket and documented costs and expenses incurred by the Lessee as a direct result of such termination, plus (iii) the Leasehold Compensation calculated for the period between the date of the Authority Default and the date of termination, less (iv) any insurance or condemnation proceeds payable to the Lessee (or that should have been payable to the Lessee but for (x) the insurer's inability to pay, (y) the breach by the Lessee of an obligation to take out or maintain insurance under this Agreement or (z) the invalidity or breach of any insurance policy caused by the Lessee under which such policy proceeds would have been paid) with respect to all or any portion of the LMM Airport Facility as a result of the occurrence of such Authority Default (collectively, the "AD-Termination Damages") to the Lessee or, if the AD-Termination Damages are determined on a date subsequent to the Reversion Date, then not later than 60 days following the date of determination (which determination shall not be unreasonably delayed) of the AD-Termination Damages (together with interest at the rate set forth in Section 20.9 from the Reversion Date to the date on which payment is made); *provided* that, subject to the right of the Lessee to receive interest at the rate set forth in Section 20.9 on the payment owed by the Authority from the Reversion Date to the date on which payment is made, the Authority may defer any such payment for an additional 120 days if the Authority reasonably determines that such additional period is necessary to obtain financing to make such a payment; *provided further* that, subject to (A) the right of the Lessee to receive interest at the rate set forth in Section 20.9 on the payment owed by the Authority from the Reversion Date (or, if earlier, the 60th day after the giving of the Initial Termination Notice) to the date on which payment is made and (B) the Authority providing written notice of such deferral (a "Deferral Notice") to the Lessee no later than 30 days after the date on which the Lessee gives the Initial Termination Notice, the Authority may defer any such payment for an additional 120 days if the Authority reasonably determines (which determination shall be certified to in the Deferral Notice) that such

additional period is necessary to obtain financing to make such a payment (it being agreed by the Authority and the Lessee that if the Authority gives a Deferral Notice, then the Lessee shall have the option (by giving written notice thereof to the Authority) to postpone the termination of this Agreement from the date of termination set forth in the Initial Termination Notice to any date that is on or prior to the expiration of such additional 120-day period and such postponement shall not further defer the date on which any such payment is required to be made by the Authority); *provided, however*, that any amounts received by the Lessee or any Leasehold Mortgagee from any insurance policies payable as a result of damage or destruction to the LMM Airport Facility that has not been remedied prior to the Reversion Date, shall, to the extent not used to remedy such effects, be deducted from the amount payable by the Authority to the Lessee so long as the Authority has not received any such amounts pursuant to Article 13.

(d) Any dispute arising out of the determination of the AD-Termination Damages shall be submitted to the dispute resolution procedure in Article 19.

(e) No notice given by the Lessee to the Authority in which the Lessee states that it elects to exercise its right of termination of this Agreement shall be valid for any purpose unless, if any Leasehold Mortgage Debt remains outstanding and if and to the extent required by the terms of any Leasehold Mortgage, the Lessee has first obtained and delivered to the Authority the written consent of the Leasehold Mortgagee to such notice.

Section 16.3 Letters of Credit; Capital Costs Reserve.

(a) The Lessee shall deliver no later than the first day of the Term Year that is five years prior to the final Term Year of the Term, a Letter of Credit in the amount that the Independent Engineer reasonably determines is appropriate to cover all costs of capital improvements for the remainder of the Term as set forth in the capital improvement requirements included in the Operating Standards.

(b) Subject to Section 16.3(c), such Letter of Credit shall be replaced on every anniversary of such Term Year until the date that is three years after the later of (i) the expiration of the Term and (ii) such time as there is no unresolved dispute with respect to the Lessee's compliance with or performance or observation of any obligation, covenant, agreement, term or condition in this Agreement with a Replacement Letter of Credit in the amount of the undrawn balance of such Letter of Credit plus the amount of interest that would have been earned on such balance if invested for the next 12-month period at the Bank Rate. The required amount of any Letter of Credit may be adjusted from time to time (at intervals that may be shorter than one Term Year) by the amount that the Independent Engineer reasonably determines is appropriate (taking into account progress by the Lessee made toward the completion of capital improvements and changes in costs of remaining capital improvements) such that the amount of the Letter of Credit after such adjustment remains sufficient to cover all costs of capital improvements for the remainder of the Term as required by the Operating Standards. Upon the occurrence and continuance of a Lessee Default (or if there is a dispute as to the occurrence of a Lessee Default, upon a final decision pursuant to Article 19 that a Lessee Default has occurred), the Authority shall have the right (in addition to all other rights and remedies provided in this Agreement, but with the understanding that any other monetary damages that the Authority may recover will be reduced by the amount so drawn, and without the Authority's exercise of such right being

deemed a waiver or a cure of the Lessee's failure to perform and whether or not this Agreement is thereby terminated), with three Business Days' prior notice to the Lessee, to draw against such Letter of Credit or any replacement thereof, upon presentation of a sight draft and a certificate confirming that the Authority has the right to draw under such Letter of Credit in the amount of such sight draft, up to the amount due to the Authority with respect to such Lessee Default.

(c) The Lessee shall replace each Letter of Credit with a replacement Letter of Credit (the "Replacement Letter of Credit") at least 60 days prior to the expiry date of a Letter of Credit which is expiring. If the Lessee does not deliver to the Authority a Replacement Letter of Credit within such time period, the Authority shall have the right (in addition to all other rights and remedies provided in this Agreement and without the Authority's exercise of such right being deemed a waiver or a cure of the Lessee's failure to perform and whether or not this Agreement is thereby terminated) to draw immediately the full amount of the Letter of Credit upon presentation of a sight draft and a certificate confirming that the Authority has the right to draw under such Letter of Credit in the amount of such sight draft; *provided* that any drawings under such Letter of Credit must be used by the Authority solely for the purposes of covering the cost of capital improvements for the remainder of the Term as required by the Operating Standards. After the Lessee delivers to the Authority a Replacement Letter of Credit complying with the provisions of this Agreement, the Authority shall deliver in accordance with the Lessee's reasonable instructions the Letter of Credit being replaced (*provided* that at such time no sight draft under such Letter of Credit is outstanding and unpaid) and, if applicable, shall return to the Lessee any proceeds of any drawings under such Letter of Credit pursuant to the preceding sentence. Any Replacement Letter of Credit shall be upon the same terms and conditions as the Letter of Credit replaced and satisfy the requirements for a Letter of Credit, but in any event (i) the amount of each Replacement Letter of Credit, except as provided in Section 16.3(b), shall equal or exceed the amount of the Letter of Credit being replaced at the time of replacement and (ii) the date of the Replacement Letter of Credit shall be its date of issuance. The expiry date of the Replacement Letter of Credit, as referred to in the opening paragraph of such Replacement Letter of Credit, shall be not earlier than one year later than the expiry date of the Letter of Credit being replaced or such other shorter period acceptable to the Authority as required hereunder.

(d) If this Agreement is terminated by the Authority prior to the expiration of the Term as a result of a Lessee Default in accordance with the terms hereof, the Authority shall have the right, but without duplication to Section 16.3(b) (in addition to all other rights and remedies provided in this Agreement, but with the understanding that any other monetary damages recoverable by the Authority may be reduced by the amount so drawn, and without the Authority's exercise of such right being deemed a waiver or a cure of the Lessee's failure to perform), with three Business Days' prior notice to the Lessee, to draw against any Letter of Credit, upon presentation of a sight draft and a certificate confirming that the Authority has the right to draw under such Letter of Credit in the amount of such sight draft, up to the amount due to the Authority pursuant to the terms of this Agreement with respect to such Lessee Default.

(e) The Authority will accept the Letters of Credit to be delivered pursuant to this Section 16.3 (and pursuant to Section 2.3) as security for the Lessee's obligations under this Agreement, in place of a cash deposit in the same amount. The Lessee's sole remedy in connection with the improper presentment or payment of sight drafts drawn under the Letter of

Credit shall be the right to obtain from the Authority a refund of the amount of any sight draft the proceeds of which were drawn inappropriately or misapplied and the reasonable costs incurred by the Lessee as a result of such draw or misapplication (including, for the avoidance of doubt, interest thereupon); *provided, however*, that at the time of such refund, the Lessee increases the amount of the Letter of Credit to the amount (if any) then required under the applicable provisions of this Agreement. The Lessee acknowledges that the presentment of sight drafts drawn under the Letter of Credit could not under any circumstances cause the Lessee injury that could not be remedied by an award of money damages, and that the recovery of money damages would be an adequate remedy therefor. The Lessee shall not request or instruct the issuer of the Letter of Credit to refrain from paying any sight draft drawn under a Letter of Credit.

(f) If the Authority desires to assign its rights and obligations in accordance with Section 17.4 of this Agreement, the Lessee shall cooperate so that concurrently with the effectiveness of such assignment, either Replacement Letters of Credit as described in Section 16.3(c) for, or appropriate amendments to, the Letters of Credit then held by the Authority, in either case identifying as beneficiary the appropriate party after the assignment becomes effective, shall be delivered to the Authority, at no cost to the Lessee.

(g) The Lessee shall obtain and furnish all Letters of Credit and Replacement Letters of Credit at its sole cost and expense (except as noted above) and shall pay all charges imposed in connection with the Authority's presentation of appropriate sight drafts and drawing against the Letters of Credit or Replacement Letters of Credit.

(h) In lieu of any Letter of Credit to be provided by the Lessee pursuant to the terms of this Section 16.3, whether in whole or in part, the Lessee shall, at the Lessee's discretion, have the option:

(i) to provide a surety bond or other similar form of security (in each case, consistent (including as to form and credit quality of issuer) with the requirements set forth herein for Letters of Credit) or to deposit with a Depositary for the benefit of the Authority, as collateral security, cash or Eligible Investments in an amount equal to the amount of such Letter of Credit, or relevant part thereof, at the time of such deposit, or

(ii) to create and maintain a reserve account (the "Capital Costs Reserve") in such amount as may be required by, and under the control of, the Leasehold Mortgagee for the purpose of providing for the payment, whether in whole or in part, of the costs of capital improvements required by the Operating Standards for the remainder of the Term; *provided* that the terms under which such Capital Costs Reserve is established and maintained under the applicable financing agreements will ensure its availability to the Authority in the case of a Lessee Default, subject only to the rights of the Leasehold Mortgagee. In the event the Lessee opts to establish a deposit pursuant to Section 16.3(h)(i), the Depositary shall invest and reinvest such amounts in Eligible Investments at the direction of the Lessee and any earnings thereon shall be paid to the Lessee. If, at any time during the Term, the Authority would have the right to draw any amount on a Letter of Credit for which the Lessee has substituted cash or Eligible Investments or the Capital Costs Reserve pursuant to this Section 16.3(h), the Lessee shall cause the Depositary to pay such amount to the Authority from such cash deposit or Eligible Investments or the Lessee shall cause the Leasehold Mortgagee to pay such amount to

the Authority from the Capital Costs Reserve, as the case may be, in accordance with the terms of this Section 16.3, and all rights and remedies of the Authority and the Lessee with respect to such cash deposits or, Eligible Investments, if any, and Capital Costs Reserve (subject to the rights of the Leasehold Mortgagee in the Capital Costs Reserve) shall be the same as those provided in this Section 16.3 with respect to any Letter of Credit; *provided, however*, that the certification that would have been provided by the Authority with the sight draft had cash or Eligible Investments not been so substituted shall be made to the Depositary and delivered to the Depositary together with the Authority's written demand for payment.

(i) If Letters of Credit shall not in the future be available at commercially reasonable terms and rates or shall not be a commercially reasonable form of security in similar transactions, the Lessee shall furnish the Authority with comparable security instruments or Eligible Investments that then are commonly used in similar transactions and which are Approved by the Authority; and if no such security instruments shall be available, the Lessee shall deposit with the Authority cash as security.

(j) In the event that the issuer of a Letter of Credit, a Replacement Letter of Credit, a surety bond or any other form of security delivered pursuant to Section 16.3(h) no longer meets the credit rating requirements for such issuer set forth in this Agreement, then the Lessee shall have the obligation to replace such Letter of Credit, Replacement Letter of Credit, surety bond or other security with an instrument that meets the requirements set forth in this Agreement. If the Lessee shall not have replaced such Letter of Credit, Replacement Letter of Credit, surety bond or other security with an instrument that meets the requirements set forth in this Agreement within 30 days, the Authority shall have the right (in addition to all other rights and remedies provided for in this Agreement, without the Authority's exercise of such right to be deemed a waiver or cure of the Lessee's failure to perform and whether or not this Agreement is thereby terminated), with two Business Days' prior notice to the Lessee, to draw against such Letter of Credit, Replacement Letter of Credit, surety bond or other security in accordance with its terms in the full amount available thereunder, but with the understanding that any other monetary damages that the Authority may recover will be reduced by the amount so drawn.

(k) Any Letter of Credit, Replacement Letter of Credit, surety bond or other form of security delivered pursuant to Section 16.3(h) shall provide that the Authority may draw on such Letter of Credit, Replacement Letter of Credit, surety bond or other security in accordance with its terms in the circumstances set forth in Section 16.4(j).

Section 16.4 Consequences of Termination or Reversion.

(a) Upon the termination of this Agreement and, in the event of termination pursuant to Section 14.1, Section 16.2(b)(ii), Section 16.2(b)(iii), Section 16.5 or Section 16.6, concurrently with the payment to the Lessee of all Termination Damages due as a result of such termination (notwithstanding any claims the Parties may have against each other and subject to Section 16.2(b)(iv) and Article 18), the following provisions shall apply: the Lessee shall, without any action whatsoever being necessary on the part of the Authority, well and truly surrender and deliver to the Authority the LMM Airport Facility (including all improvements to the LMM Airport Facility), the LMM Airport Facility Assets and all tangible and intangible personal property (including inventories) located at the LMM Airport Facility or used in

connection with the LMM Airport Facility Operations (except in the case of a termination in the circumstances contemplated by Section 13.3(b)) in good order, condition and repair (reasonable wear and tear excepted), determined reasonably in accordance with the then applicable Operating Standards, free and clear of all Encumbrances created, incurred, assumed or suffered to exist by the Lessee or any Person claiming through it other than (i) Permitted Lessee Encumbrances set forth in clause (v), clause (viii) and clause (ix) as it pertains to clauses (v), (viii) and clause (ix) of the definition of that term, (ii) Permitted Authority Encumbrances, (iii) those created by or suffered to exist or consented to by the Authority or any Person claiming through it and (iv) with respect to any property added to the LMM Airport Facility after the Time of Closing, title defects affecting such property in existence on the date such property is added to the LMM Airport Facility;

(b) the Lessee hereby waives any notice now or hereafter required by Law with respect to vacating the LMM Airport Facility on the Reversion Date;

(c) the Authority shall, as of the Reversion Date, assume full responsibility for the LMM Airport Facility Operations (including with respect to all of the Lessee's obligations under the Use Agreement; *provided* that the Authority shall not be obligated to assume all or any portion of an amended or new use agreement that is entered into after the Closing Date unless the Authority has consented to such amended or new use agreement (which consent the Authority will not unreasonably withhold, delay or condition), in which case the terms and conditions of the Use Agreement shall govern), and as of the Reversion Date, the Lessee shall have no liability or responsibility for LMM Airport Facility Operations occurring after such date and the Authority shall be responsible for satisfying all applicable FAA, TSA and other Governmental Authority requirements (including maintaining compliance with 14 C.F.R. Part 139 and obtaining TSA approval under 49 C.F.R. Part 1542 of an Airport Security Program);

(d) the Lessee shall be liable for all costs, expenses and other amounts for which it is expressly liable or responsible hereunder incurred up to but not including the Reversion Date, and the Authority shall be liable for all costs, expenses and amounts incurred in connection with the LMM Airport Facility Operations on and after the Reversion Date;

(e) the Authority shall have the option by providing notice to the Lessee of requiring that the Lessee assign (to the extent assignable), without warranty or recourse to the Lessee, all of its right, title and interest in, to and under all or any of the Operating Agreements then in effect and all Authorizations to the Authority or its nominee for the remainder of their respective terms (and the Lessee during the Term shall require and ensure that all Operating Agreements contain appropriate assignment provisions that will allow the Lessee and the other party thereto to effectuate the foregoing); *provided, however*, that if the Authority exercises such option, the right, title and interest of the Lessee in, to and under such Operating Agreements and Authorizations shall be assigned to the Authority or its designee as of the Reversion Date and the Lessee shall surrender the LMM Airport Facility to the Authority and shall cause all Persons claiming under or through the Lessee to do likewise, and the Authority shall assume in writing, pursuant to an assumption agreement reasonably satisfactory to the Lessee, the Lessee's obligations under the Operating Agreements that arise in respect of, or relate to, any period of time falling on and after the Reversion Date; *provided further* that if the Authority does not

exercise such option, the Lessee shall, unless the Authority has granted to a Leasehold Mortgagee or its nominee, a new lease agreement containing the same provisions as are contained in this Agreement, take such steps as are necessary to terminate the Operating Agreements;

(f) all plans, drawings, specifications and models prepared in connection with construction at the LMM Airport Facility and in the Lessee's possession and all "as-built" drawings shall become the sole and absolute property of the Authority, and the Lessee shall promptly deliver to the Authority all such plans, drawings, specifications and models and all such as-built drawings (but may keep copies of those plans, drawings, specifications and models that were developed by the Lessee or its Representatives);

(g) the Lessee, at its sole cost and expense, shall promptly deliver to the Authority copies of all records and other documents relating to the revenues generated at the LMM Airport Facility that are in the possession of the Lessee or its Representatives and all other then existing records and information relating to the LMM Airport Facility as the Authority, acting reasonably, may request;

(h) the Lessee shall execute and deliver to the Authority a release or other instrument reasonably required by the Authority to evidence such expiration or termination;

(i) the Lessee shall assist the Authority in such manner as the Authority may reasonably require to ensure the orderly transition of control, operation, management, improvement, enhancements, development, maintenance and rehabilitation of the LMM Airport Facility, and shall, if appropriate and if requested by the Authority, take all steps as may be necessary to enforce the provisions of the Operating Agreements pertaining to the surrender of the LMM Airport Facility;

(j) the Authority and the Lessee shall make appropriate adjustments, including adjustments relating to any Operating Agreements assigned to the Authority, fees and other similar charges collected on and after the Reversion Date that are incurred prior to the Reversion Date, and utilities, and any adjustments and payment therefor shall be made by the appropriate Party on the Reversion Date, but shall be subject to readjustment if necessary because of error in matters such as information, calculation, payments and omissions that are identified within the period of 180 days following the Reversion Date; *provided, however*, that the Authority and the Lessee acknowledge that certain adjustments or readjustments may have to be made when a third-party provides to the Authority or the Lessee a final adjustment amount in respect of a matter, and for such matters the adjustment and readjustment date shall each be correspondingly extended;

(k) in the event that, at the time of expiration of the Term (but not the earlier termination in accordance with the terms of this Agreement), the Lessee had constructed, or commenced construction on, any capital improvement projects required to be completed in accordance with the terms of this Agreement or the Use Agreement (including in respect of the Operating Standards), other than the General Accelerated Upgrades, for which reimbursement (in the form of PFCs, Government Grants-In-Aid, increased Airline charges to the extent permitted by the Use Agreement, or otherwise) was anticipated by the Lessee, but for which the

Lessee had not received, as of the date of such expiration of the Term, such anticipated reimbursement for the amounts incurred by the Lessee on such capital improvement projects, the Authority shall provide reimbursement to the Lessee on the Reversion Date in an amount equal to the amount of the anticipated reimbursements not yet received by the Lessee as of the Reversion Date; *provided* that, with respect to any project that is commenced after the last day of the Term Year that is ten years prior to the final Term Year of the Term, this provision shall be applicable only to the extent that (i) such project is a Government-Mandated Capital Project (as such term is defined in the Use Agreement), (ii) such project has been approved by the Airlines pursuant to Section 6.3 of the Use Agreement (or the equivalent provision in any successor use agreement) or (iii) the Authority has granted prior Approval for such project; and *provided further* that, subject to the right of the Lessee to receive interest at the rate set forth in Section 20.9 on the payment owed by the Authority from the Reversion Date to the date on which payment is made, the Authority may defer any such payment for an additional 120 days if the Authority reasonably determines that such additional period is necessary to obtain financing to make such a payment; and *provided further, however*, that, the Lessee shall use its Reasonable Efforts to cooperate with the Authority with respect to transferring (to the extent practicable) any Lessee financing in respect of such capital improvement projects secured by or payable from such PFC, Government Grants-In-Aid, increased Airline charges or other revenues or otherwise effectuating substitute financing for such Lessee financing secured by or payable from such PFC, increased Airline charges or other revenues;

(l) if this Agreement is terminated as a result of an Adverse Action, the payment by the Authority to the Lessee of the amounts required under Article 14 or Article 19 shall constitute full and final settlement of any and all Claims the Lessee may have against the Authority for and in respect of the termination of this Agreement and upon such payment, the Lessee shall execute and deliver all such releases and discharges as the Authority may reasonably require to give effect to the foregoing;

(m) the Authority hereby covenants and agrees that in the event of any termination of this Agreement and reversion of the LMM Airport Facility to the Authority, or in the event the Lessee should abandon and cease to perform its obligations at any time prior to such termination, the Authority will take all reasonable actions, subject to all necessary approvals by the FAA and the TSA, to assume responsibility for the management of the LMM Airport Facility in order to permit its continued operation without interruption in accordance with the Operating Standards and all applicable Law; and

(n) the Lessee shall make any final payment of the Annual Authority Payment or Annual Authority Revenue Share required in accordance with Section 2.1.

This Section 16.4 shall survive the expiration or any earlier termination of this Agreement.

Section 16.5 Termination Other Than Pursuant to Agreement. If this Agreement is terminated by the Authority other than pursuant to Article 16 or is canceled, rescinded or voided by the Authority during the Term for any reason over the objection and without action by the Lessee, any Leasehold Mortgagee or their respective Affiliates (other than by reason of the application of Section 16.6), the Authority shall pay to the Lessee the AD-Termination Damages

as of the date of termination in accordance with Section 16.2. The Authority hereby acknowledges and agrees that it may only terminate this Agreement in accordance with the express terms hereof and shall not, in any event, have the right to terminate this Agreement for convenience.

Section 16.6 Termination Required by Act No. 458 and Public Integrity Crimes.

(a) This Agreement shall automatically be rescinded by operation of Act No. 458 of the Legislative Assembly of Puerto Rico, enacted on December 29, 2000, 3 P.R. Laws Ann. § 928 *et seq.*, as amended, if the Lessee or any subsidiary or alter ego thereof is convicted or enters a plea of guilty in respect of any Act No. 458 Crime, or if any other Covered Party, while in the employ of the Lessee, is convicted or enters a plea of guilty in respect of any Act No. 458 Crime.

(b) This Agreement shall terminate as required by Act No. 237 of the Legislative Assembly of Puerto Rico, enacted on August 31, 2004, as amended, or the Code of Ethics, if the Lessee is convicted of a Public Integrity Crime that is not an Act No. 458 Crime.

(c) If this Agreement is rescinded or terminated during the Term pursuant to Section 16.6(a) or (b) and, in the case of a rescission caused by the conviction or the entering of a plea of guilty for an Act No. 458 Crime, such crime was not committed in connection with the procurement of this Agreement, then the Authority shall be obligated to pay to the Lessee an amount equal to the lesser of (i) the LMM Airport Facility Leasehold Value and (ii) the Unamortized Leasehold Fee, in each case calculated as of the End Date (the "PIC-Termination Damages"); *provided* that, (x) subject to the right of the Lessee to receive interest at the rate set forth in Section 20.9 on the payment owed by the Authority from the End Date to the date on which payment is made, the Authority may defer any such payment for an additional 120 days if the Authority reasonably determines that such additional period is necessary to obtain financing or required approvals to make such payment and (y) if the amount of the PIC-Termination Damages is less than or equal to the sum of the Leasehold Mortgage Debt and any related Breakage Costs as of the End Date, then the Authority shall enter into a New Agreement with the Leasehold Mortgagee, or its designee or nominee, subject to and in accordance with Section 18.5 (and subject to clause (e) of this Section 16.6), and the Authority shall be released from any obligation to pay PIC-Termination Damages or any other compensation to the Lessee in connection with such rescission or termination.

(d) If this Agreement is rescinded during the Term pursuant to Section 16.6(a) as a result of an Act No. 458 Crime committed in connection with the procurement of this Agreement, then the Authority shall enter into a New Agreement with the Leasehold Mortgagee, or its designee or nominee, subject to and in accordance with Section 18.5 (and subject to Section 16.6(e)), and the Lessee shall not be entitled to receive any PIC-Termination Damages or other compensation of any form or amount from the Authority in connection with such rescission.

(e) Notwithstanding anything to the contrary herein, in the event the Authority is required to enter into any New Agreement pursuant to Section 16.6(c) or (d), the Authority may elect, in its sole option by notice to the Lessee at any time prior to the execution

and delivery of such New Agreement, to pay to the Lessee a sum equal to the Leasehold Mortgage Debt and any related Breakage Costs, and upon such notice the Authority shall be (i) released from the obligation to enter into such New Agreement and (ii) obligated to pay such sum to the Lessee in cash; *provided* that, subject to the right of the Lessee to receive interest at the rate set forth in Section 20.9 on the payment owed by the Authority from the End Date to the date on which payment is made, the Authority may defer any such payment for an additional 120 days if the Authority reasonably determines that such additional period is necessary to obtain financing or required approvals to make such payment.

(f) If this Agreement is rescinded or terminated during the Term pursuant to this Section 16.6, then the Authority shall recover from the Lessee all of the Authority's reasonable out-of-pocket expenses and Financing Costs, if any, arising in connection with such rescission or termination, together with any reasonable Re-Tender Costs relating to any Re-Tender of the LMM Airport Facility following such rescission or termination.

(g) Without limiting the obligation of the Lessee to make any payment in accordance with Section 16.6(f) or any other payment then expressly due under any other provision of this Agreement, the Authority and the Lessee acknowledge and agree that if this Agreement is rescinded or terminated pursuant to this Section 16.6, the Lessee shall not be liable as a result of such rescission or termination to return any revenues generated at the LMM Airport Facility or other amounts received by it in accordance with this Agreement during the Term. The provisions of this Section 16.6 shall survive the termination of this Agreement and shall continue in full force and effect thereafter to the same extent as if this Section 16.6 were a separate and independent contract made by the Authority with each of the Leasehold Mortgagee and the Lessee.

ARTICLE 17
RESTRICTIONS ON TRANSFERS

Section 17.1 Transfers by the Lessee.

(a) The Lessee shall not Transfer, or otherwise permit the Transfer of, any or all of the Lessee Interest to or in favor of any Person (a "Transferee"), unless (i) the FAA and TSA have approved such proposed Transfer and Transferee, (ii) such proposed Transferee obtains all necessary approvals and exemptions from the FAA as required pursuant to 49 U.S.C. § 47134 (including an FAA exemption to earn compensation from the LMM Airport Facility Operations), (iii) the Authority has Approved (based upon a determination in accordance with Section 17.1(b) and in compliance with Section 8.2 of the Use Agreement (or any comparable provision of a successor use agreement)) such proposed Transferee (unless it is the Leasehold Mortgagee or its designee or nominee permitted under Article 18) and (iv) the proposed Transferee (unless it is the Leasehold Mortgagee or its designee or nominee permitted under Article 18) enters into an agreement with the Authority in form and substance reasonably satisfactory to the Authority wherein the Transferee acquires the rights and assumes the obligations of the Lessee and agrees to perform and observe all of the obligations and covenants of the Lessee under this Agreement and the Use Agreement, including the obligations to (y) comply in all material respects with all applicable Laws with respect to the LMM Airport Facility and (z) maintain in full force and effect all qualifications necessary to carry on its

business pertaining to the LMM Airport Facility (including the Part 139 Airport Operating Certificate and a TSA-approved Airport Security Program). Any Transfer made in violation of the foregoing provision shall be null and void *ab initio* and of no force and effect; *provided* that, while any Leasehold Mortgage is outstanding, the Authority shall not agree to any Transfer of any or all of the Lessee Interest to or in favor of any Person without the previous written confirmation from the Leasehold Mortgagee that such Transfer is permitted under all outstanding Leasehold Mortgages.

(b) The Approval of the Authority of a proposed Transferee may be withheld only if the Authority reasonably determines that (i) the proposed Transfer is prohibited by or would result in a violation of applicable Law or (ii) such proposed Transferee is not capable of performing the obligations and covenants of the Lessee under this Agreement, which determination shall be based upon and take into account one or more of the following factors: (A) the financial strength and integrity of the proposed Transferee, its direct or indirect beneficial owners, any proposed managers or operating partners and each of their respective Affiliates; (B) the experience of the proposed Transferee or any proposed managers or operating partners to be engaged by the proposed Transferee in operating airports and performing other relevant projects; and (C) the background and reputation of the proposed Transferee, its direct or indirect beneficial owners, any proposed managers or operating partners, each of their respective officers, directors and employees and each of their respective Affiliates (including the absence of criminal, civil or regulatory claims or actions against any such Person and the quality of any such Person's past or present performance on other projects).

(c) No Transfer of all or any of the Lessee Interest (except a Transfer to a Leasehold Mortgagee or its nominee upon the Leasehold Mortgagee's exercise of remedies under its Leasehold Mortgage provided in Article 18 and any subsequent Transfer to the Transferee of the Leasehold Mortgagee or its nominee that has been Approved under Section 17.1(b)) shall be made or have any force or effect if, at the time of such Transfer there has occurred and is continuing a Lessee Default that has not been remedied or an event that with the lapse of time, the giving of notice or otherwise would constitute a Lessee Default.

Section 17.2 Transfers of Equity Holder Interests or Other Change in Control Transactions. Nothing contained in the foregoing shall be deemed to prohibit or limit, whether accomplished through a single transaction or a series of related or unrelated transactions and whether accomplished directly or indirectly, Transfers of direct or indirect ownership interests in the Lessee by any Equity Participant or its beneficial owner(s) to any Person; *provided* that if any such Transfer results in a Change in Control of the Lessee (other than a Change in Control occasioned by the exercise by any Leasehold Mortgagee of its remedies under any pledge of shares, limited liability company interests or partnership interests), the Approval of the Authority shall be required for any such Transfer in accordance with Section 17.1, including that the Transfer would not violate any applicable FAA, TSA or other Governmental Authority requirement. Any other transaction that results in a Change in Control of the Lessee (other than a Change in Control occasioned by the exercise by any Leasehold Mortgagee of its remedies under any pledge of shares, limited liability company interests or partnership interests) shall also require the Approval of the Authority. The Approval of the Authority under this Section 17.2 shall be in compliance with Section 8.2 of the Use Agreement (or any comparable provision of a successor use agreement) and otherwise may be withheld only if the Authority reasonably

determines or is informed in writing by the FAA, TSA or other Governmental Authority that the proposed transaction (i) is prohibited by or would result in a violation of applicable Law (such as 14 C.F.R. Part 139 or 1542) or (ii) is likely to result in a material adverse change in the LMM Airport Facility Operations.

Section 17.3 Other Corporate Actions.

(a) Nothing contained in the foregoing shall be deemed to prohibit or limit the Lessee from changing its organizational form or status (including a change from a limited liability company to a corporation or limited partnership); *provided* that such change in organizational form or status does not result in a Change in Control of the Lessee.

(b) Neither (i) a change of ownership that is attributable to a lease, sublease, concession, management agreement, operating agreement or other similar arrangement that is subject and subordinate in all respects to the rights of the Authority under this Agreement, nor (ii) the creation of a trust or any other transaction or arrangement that is solely a transfer of all or part of the Lessee's economic interest under this Agreement to another entity shall be deemed to be a Transfer of the Lessee Interest for purposes of Section 17.1(a).

Section 17.4 Assignment by the Authority. During the Term, the Authority shall have the right to Transfer any or all of the Authority's interest in the LMM Airport Facility and this Agreement; *provided* that (a) it shall be jointly and severally obligated with the Transferee (unless the Transferee is the Authority's successor) for the performance and observance of the obligations and covenants of the Authority under this Agreement and any agreement entered into by the Authority under this Agreement (including agreeing directly with any Leasehold Mortgagee to be bound by the agreement entered into in accordance with Section 18.5), (b) any such Transfer by the Authority shall not materially limit or reduce any of the Lessee's other rights, benefits, remedies or privileges under this Agreement or negatively affect the fair market value of the Lessee Interest, (c) any such Transfer is in compliance with applicable Law, and the Authority has obtained all necessary consents, including from the FAA, the TSA and any other Governmental Authorities and (d) the GDB Payment Guaranty remains in full force and effect after giving effect to such Transfer. Without limiting the generality of the foregoing, the Lessee acknowledges and agrees that any action that may be taken under this Agreement by the Authority may be taken by the Authority or any other department, instrumentality or agency of the Commonwealth and that any action taken by the Authority or any other department, instrumentality or agency of the Commonwealth shall be deemed to have been taken by the Authority for purposes of this Agreement; *provided* that the Authority or any such other department, instrumentality or agency shall comply with the obligations of the Authority as set forth in this Agreement and under applicable Law.

ARTICLE 18
LENDER'S RIGHTS AND REMEDIES

Section 18.1 Leasehold Mortgages. The Lessee shall have the right, at its sole cost and expense, to grant one or more (subject to Section 18.7) Leasehold Mortgages, if at the time any such Leasehold Mortgage is executed and delivered to the Leasehold Mortgagee, no Lessee Default exists unless any such Lessee Default will be cured pursuant to Section 18.3 in

connection with entering into such Leasehold Mortgage, and upon and subject to the following terms and conditions:

(a) the Lessee shall have provided the form of the Leasehold Mortgage to the Authority and the Authority shall have, after delivery of the form of Leasehold Mortgage to, and consultation with, the Signatory Airlines, determined that each such Leasehold Mortgage is in compliance with this Section 18.1 and the Use Agreement;

(b) a Leasehold Mortgage may not cover any property of, or secure any debt issued or guaranteed by, any Person other than the Lessee (or a financial institution providing a financial guaranty or similar credit enhancement in respect of any debt of the Lessee); *provided* that it may cover shares or equity interests in the capital of the Lessee and any cash reserves or deposits held in the name of the Lessee;

(c) no Person other than an Institutional Lender shall be entitled to the benefits and protections accorded to a Leasehold Mortgagee in this Agreement; *provided, however*, that lessors and lenders to the Lessee, including any financial insurers, shall be entitled to the benefits and protections accorded to a Leasehold Mortgagee in this Agreement so long as any Leasehold Mortgage securing the relevant debt or financial insurance provided by such Persons is held by an Institutional Lender acting as collateral agent or trustee with the customary powers given collateral agents or trustees in similar commercial financing transactions;

(d) no Leasehold Mortgage or other instrument purporting to mortgage, pledge, encumber or create a lien, charge or security interest on or against any or all of the Lessee Interest shall extend to or affect the fee simple interest in the LMM Airport Facility, the Authority's interest hereunder or its reversionary interest and estate in and to the LMM Airport Facility or any part thereof (other than a Permitted Lessee Encumbrance);

(e) the Authority shall have no liability whatsoever for payment of the principal sum secured by any Leasehold Mortgage, or any interest accrued thereon or any other sum secured thereby or accruing thereunder, and, except for violation by the Authority of the express obligations to the Leasehold Mortgagee set forth in this Article 18 and for any remedies of the Leasehold Mortgagee provided by Law, the Leasehold Mortgagee shall not be entitled to seek any damages or other amounts against the Authority for any or all of the same;

(f) the Authority shall have no obligation to any Leasehold Mortgagee in the enforcement of the Authority's rights and remedies herein and by Law provided, except as expressly set forth in this Agreement and unless such Leasehold Mortgagee has provided the Authority with notice of its Leasehold Mortgage in accordance with the Leasehold Mortgagee Notice Requirements;

(g) each Leasehold Mortgage shall provide that if an event of default under the Leasehold Mortgage has occurred and is continuing and the Leasehold Mortgagee gives notice of such event of default to the Lessee, then the Leasehold Mortgagee shall give notice of such default to the Authority (and the Authority shall be obligated to provide a copy of such notice to the Signatory Airlines);

(h) subject to the terms of this Agreement and except as specified herein, all rights acquired by a Leasehold Mortgagee under any Leasehold Mortgage shall be subject and subordinate to all of the provisions of this Agreement and to all of the rights of the Authority hereunder and to all of the rights of the Signatory Airlines under this Article 18 and under the Use Agreement;

(i) while any Leasehold Mortgage is outstanding, the Authority shall not agree to any amendment to or modification of this Agreement that could reasonably be expected to have a material adverse effect on the rights or interests of the Leasehold Mortgagee or agree to a voluntary surrender or termination of this Agreement by the Lessee without the consent of the Leasehold Mortgagee, which consent shall not be unreasonably withheld, delayed or conditioned;

(j) notwithstanding any enforcement of the security of any Leasehold Mortgage, the Lessee shall remain liable to the Authority for the payment of all sums owing to the Authority under this Agreement and the performance and observance of all of the Lessee's covenants and obligations under this Agreement, unless otherwise satisfied;

(k) a Leasehold Mortgagee shall not, by virtue of its Leasehold Mortgage, acquire any greater rights or interest in the LMM Airport Facility than the Lessee has at any applicable time under this Agreement, other than such rights or interest as may be granted or acquired in accordance with Sections 18.2, 18.3, 18.4 or 18.5; and

(l) each Leasehold Mortgagee, the Authority, the Lessee and the GDB shall enter into a consent agreement in a form acceptable to all parties whereby all parties consent to the assignment of this Agreement to an agent in connection with the financing of the Leasehold Mortgage; *provided* that such consent agreement shall be in a customary form and shall include only the rights and protections provided to the Leasehold Mortgagee in this Agreement (including those provided in Section 16.6 and this Article 18). Nothing herein shall obligate the Authority to consent to service of process, become subject to any legal process in any jurisdiction other than in the Commonwealth, or enter into any agreement not governed by the Laws of the Commonwealth.

Section 18.2 Notices and Payments to Leasehold Mortgagees. Whenever a Leasehold Mortgage exists as to which the Authority and the Signatory Airlines have been provided notice by the holder thereof in accordance with the Leasehold Mortgagee Notice Requirements, the Authority and the Signatory Airlines shall, simultaneously with providing the Lessee any required notice under this Agreement, provide a copy of such notice to such Leasehold Mortgagee, and no such notice to the Lessee shall be effective against the Leasehold Mortgagee until a copy thereof is duly provided to such Leasehold Mortgagee at its address specified in its notice given to the Authority and the Signatory Airlines in accordance with the Leasehold Mortgagee Notice Requirements (or any subsequent change of address notice given to the Authority and the Signatory Airlines pursuant to the requirements of Section 20.1). With respect to a Leasehold Mortgage regarding which the Authority and the Signatory Airlines have been provided notice in accordance with the Leasehold Mortgagee Notice Requirements, unless the Leasehold Mortgagee recognized by the Authority pursuant to Section 18.7 has otherwise advised the Authority in writing, and solely to the extent so required pursuant to the terms of the

financing secured by such Leasehold Mortgage, all payments to the Lessee to be made by the Authority under this Agreement shall be made to the Leasehold Mortgagee or to the institution acting as the collateral agent or depository under the financing provided by such Leasehold Mortgagee.

Section 18.3 Leasehold Mortgagee's Right to Cure. The Leasehold Mortgagee shall have a period of 180 days with respect to any Lessee Default beyond any cure period expressly provided to the Lessee herein, in which to cure or cause to be cured any such Lessee Default; *provided, however*, that such 180-day period shall be extended if the Lessee Default is nonmonetary, is not a Lessee Default described in Section 16.1(a)(v) or Section 16.1(a)(vi) and may be cured but cannot reasonably be cured within such period of 180 days, and the Leasehold Mortgagee begins to cure such default within such 180-day period (or if possession is necessary in order to effect such cure, the Leasehold Mortgagee, within such 180-day period, files the appropriate legal action to commence foreclosure on the liens of the Leasehold Mortgage) and thereafter proceeds with all due diligence to cure such Lessee Default (including by proceeding with all due diligence to effect such foreclosure and during such foreclosure action (to the extent practicable) and thereafter to effect such a cure) within a reasonable period of time acceptable to the Authority, acting reasonably; *provided, further*, that if any Leasehold Mortgagee is prohibited from curing any Lessee Default by any process, stay or injunction issued by any Governmental Authority or pursuant to any bankruptcy or insolvency proceeding involving the Lessee, then the time periods specified in this Section 18.3 for curing such Lessee Default shall be extended for the period of such prohibition. If a Leasehold Mortgagee is acting to cure a Lessee Default in accordance with this Section 18.3 then the Authority shall not exercise its right to terminate this Agreement by reason of such Lessee Default; *provided, however*, that the Authority may exercise any of its other rights and remedies provided for hereunder at law or in equity so long as the exercise of such rights does not interfere with the Leasehold Mortgagee's rights hereunder. In furtherance of the foregoing, the Authority shall permit the Leasehold Mortgagee and its Representatives the same access to the LMM Airport Facility as is permitted to the Lessee hereunder and permit the Leasehold Mortgagee or its representatives to take all actions and exercise all rights of the Lessee under this Agreement (all at the Lessee's sole cost and expense); *provided* that any actions taken by a Leasehold Mortgagee or its Representatives pursuant to this Section 18.3 shall be undertaken in accordance with the provisions of this Agreement that would be applicable to the Lessee were it taking such actions. The Authority shall accept any such performance by a Leasehold Mortgagee or its nominee as though the same had been done or performed by the Lessee. Any payment to be made or action to be taken by a Leasehold Mortgagee hereunder as a prerequisite to keeping this Agreement in effect shall be deemed properly to have been made or taken by the Leasehold Mortgagee if such payment is made or action is taken by a nominee, agent or assignee of the rights of such Leasehold Mortgagee. Any exercise of the Leasehold Mortgagee's rights to cure hereunder shall not result in the assumption by such Leasehold Mortgagee of the Lessee's obligations hereunder.

Section 18.4 Rights of the Leasehold Mortgagee.

(a) Subject to the provisions of this Agreement (including all necessary approvals and exemptions in accordance with Section 17.1(a)(i) and (ii)), a Leasehold Mortgagee may (i) enforce any Leasehold Mortgage in any lawful way, (ii) acquire the Lessee Interest in any lawful way or (iii) take possession of in any lawful way and manage the LMM Airport

Facility. Upon foreclosure of the Leasehold Mortgage (or without foreclosure upon exercise of any contractual or statutory power of sale under such Leasehold Mortgage or an assignment in lieu) and subject to the provisions of Article 17 (applied to the Leasehold Mortgagee as if it were the Lessee), a Leasehold Mortgagee may Transfer the Lessee Interest; *provided, however*, that no Transfer by a Leasehold Mortgagee shall be effective unless the Transfer is made in accordance with Article 17. Any Person to whom the Leasehold Mortgagee Transfers the Lessee Interest (including such Leasehold Mortgagee) shall take the Lessee Interest subject to any of the Lessee's obligations under this Agreement (including the obligations to (y) comply in all material respects with all applicable Laws with respect to the LMM Airport Facility and/or (z) maintain in full force and effect all qualifications necessary to carry on its business pertaining to the LMM Airport Facility (including the Part 139 Airport Operating Certificate and the TSA-approved Airport Security Program)). The Leasehold Mortgagee is not permitted in connection with its enforcement of its lien to do anything that would materially and adversely affect the LMM Airport Facility, the LMM Airport Facility Operations or the rights of the Signatory Airlines under the Use Agreement, in each case that is inconsistent or otherwise not permitted by this Agreement. Moreover, in the event that the Leasehold Mortgagee forecloses on the Leasehold Mortgage or otherwise exercises any rights in connection with any lien encumbering the LMM Airport Facility, the LMM Airport Facility Operations or the rights of the Signatory Airlines under the Use Agreement, the Leasehold Mortgagee acknowledges and agrees that the Use Agreement with respect to each Signatory Airline will remain in full force and effect and will be fully enforceable against the Leasehold Mortgagee in accordance with its respective terms. The Authority agrees that if requested by a Leasehold Mortgagee that is exercising its rights under this Section 18.4, the Authority will, subject to the receipt of any necessary approvals by the FAA and TSA, assume the obligation to manage and operate the LMM Airport Facility by agreement with such Leasehold Mortgagee or with any Person to whom such Leasehold Mortgage may Transfer the Lessee Interest hereunder; *provided* that such agreement provides for the payment to the Authority of its reasonable costs of performing such obligation, including a reasonable administrative charge and *provided further* that, except with the consent of the Authority, the Leasehold Mortgagee shall use its best efforts to retain a qualified third-party to assume such obligation, and obtain any necessary approvals by the FAA and TSA for such assumption, as soon as reasonably practicable.

(b) Except as provided in Section 18.3, unless and until a Leasehold Mortgagee (i) forecloses or has otherwise taken ownership of the Lessee Interest or (ii) has taken possession or control of the Lessee Interest, whether directly or by an agent as a mortgagee in possession or a receiver or receiver and manager has taken possession or control of the Lessee Interest by reference to the Leasehold Mortgage, the Leasehold Mortgagee shall not be liable for any of the Lessee's obligations under this Agreement or be entitled to any of the Lessee's rights and benefits contained in this Agreement, except by way of security. During any period in which the Leasehold Mortgagee itself or by an agent or a receiver or a receiver and manager is the owner, or is in control or possession, of the Lessee Interest, it shall be bound by all liabilities and obligations of the Lessee accruing under this Agreement during such period (including the obligations set forth in Section 3.3). Once the Leasehold Mortgagee goes out of possession or control of the Lessee Interest or Transfers the Lessee Interest to another Person in accordance with the provisions of this Agreement, the Leasehold Mortgagee shall cease to be liable for any of the Lessee's obligations under this Agreement accruing thereafter, and to the extent assumed by any Transferee or any other Person acceptable to the Authority in accordance with this

Agreement and the Use Agreement, for any of the Lessee's obligations under this Agreement accrued during the period in which the Leasehold Mortgagee itself or by an agent or a receiver and manager was the owner, or was in control or possession, of the Lessee Interest, and shall cease to be entitled to any of the Lessee's rights and benefits contained in this Agreement, except, if the Leasehold Mortgage remains outstanding, by way of security.

Section 18.5 Authority's Termination of this Agreement; New Agreement.

(a) Without prejudice to the rights of a Leasehold Mortgagee under Section 18.3 or the Signatory Airlines under the Use Agreement, if this Agreement is (i) terminated prior to the expiration of the Term due to a Lessee Default (in which case the Authority shall notify the Leasehold Mortgagee of such termination and deliver to the Leasehold Mortgagee, together with such notice, a Statement of Estimated Liabilities), (ii) rejected or disaffirmed pursuant to any bankruptcy Law or proceeding or other similar Law or proceedings affecting creditors' rights generally with respect to a bankruptcy proceeding relating to the Lessee or otherwise or (iii) is rescinded or terminated pursuant to Section 16.6 as a result of a Public Integrity Crime or an Act No. 458 Crime in circumstances where the provisions of Section 16.6(c) or Section 16.6(d) are applicable, then the Authority agrees, if there are outstanding obligations to a Leasehold Mortgagee (subject to the receipt of all necessary approvals and exemptions in accordance with Section 17.1(a)(i) and (ii) and, in the case of circumstances described in Section 18.5(a)(iii), subject to Section 16.6(e)), upon the written request of the Leasehold Mortgagee, to enter into a new lease agreement of the LMM Airport Facility (the "New Agreement") with the Leasehold Mortgagee (or its designee or nominee) and any ancillary documents or agreements as may be necessary or desirable to give full effect to the New Agreement; *provided* that such designee or nominee either is controlled by the Leasehold Mortgagee or is Approved by the Authority as Transferee under Section 17.1) for the remainder of the Term upon all of the covenants, agreements, terms, provisions and limitations of this Agreement, including Section 3.3, effective as of the date of such termination.

(b) The Authority's obligation to enter into a New Agreement pursuant to Section 18.5(a) is subject to the satisfaction of all of the following requirements and conditions: (i) such Leasehold Mortgagee commits in writing to the Authority, in a notice delivered to the Authority, within 60 days after the Authority delivers the termination notice and Statement of Estimated Liabilities to the Leasehold Mortgagee (or, if later, upon the termination of any cure period granted to the Leasehold Mortgagee pursuant to Section 18.3) or within 10 Business Days after the effective date of such rejection or disaffirmance (referred to in Section 18.5(a)(ii)) or such rescission or termination (referred to in Section 18.5(a)(iii)), as the case may be, that the Leasehold Mortgagee (or its designee or nominee) will enter into the New Agreement, which notice is accompanied by a copy of such New Agreement, duly executed and acknowledged by the Leasehold Mortgagee (or its designee or nominee); (ii) reasonably in advance of the execution of any New Agreement pursuant to Section 18.5(a)(i), the Leasehold Mortgagee (or its designee or nominee) pays or causes to be paid to the Authority, at the time of the execution and delivery of such New Agreement, (A) all amounts set forth in the Statement of Estimated Liabilities which, at the time of the execution and delivery thereof, would have been past-due or due and payable in accordance with the provisions of this Agreement but for such termination and (B) all reasonable costs and expenses (including legal fees), Taxes, fees, charges and disbursements set forth in the Statement of Estimated Liabilities paid or incurred by the

Authority in connection with such defaults and termination, the recovery of possession from the Lessee, and the preparation, execution and delivery of the New Agreement and related agreements; and (iii) in the case of any New Agreement pursuant to Section 18.5(a)(i), such Leasehold Mortgagee (or its designee or nominee), at the time of such written request, cures all Lessee Defaults under this Agreement (curable by the payment of money) of which the Leasehold Mortgagee has been notified by the Authority in writing that are existing immediately prior to the termination of this Agreement set forth in the Statement of Estimated Liabilities, or, if such defaults cannot be cured by the payment of money, such Leasehold Mortgagee (or its designee or nominee) commits to the Authority in the New Agreement to proceed both promptly and diligently, upon the execution of the New Agreement, to cure all such other Lessee Defaults (to the extent curable) set forth in the Statement of Estimated Liabilities and, if possession is necessary in order to cure such other Lessee Defaults, to proceed both promptly and diligently to obtain the possession required to cure any such other defaults to the extent curable (and such cure shall be a covenant of the Leasehold Mortgagee in the New Agreement). The omission from a Statement of Estimated Liabilities of (x) any amounts payable to the Authority under the Agreement, (y) any unperformed obligations of the Lessee hereunder or (z) any other costs of the Authority shall not excuse the payment of such amounts or costs or the performance of such unperformed obligations.

(c) Nothing contained in this Section 18.5 shall be deemed to limit or affect the Authority's interest in and to such LMM Airport Facility upon the expiration of the Term of the New Agreement. The provisions of this Section 18.5 shall survive the termination of this Agreement and shall continue in full force and effect thereafter to the same extent as if this Section 18.5 were a separate and independent contract made by the Authority, the Lessee and the Leasehold Mortgagee and, if the Leasehold Mortgagee satisfies the conditions to a New Agreement from the effective date of such termination of this Agreement to the date of execution and delivery of the New Agreement, the Leasehold Mortgagee may use and enjoy the leasehold created by this Agreement (and all other rights and benefits provided to the Lessee hereunder) without hindrance by the Authority, but only on and subject to the terms and provisions of this Agreement.

Section 18.6 Right to Dispute Resolution. In each case specified in this Agreement in which resort to dispute resolution is authorized, the Leasehold Mortgagee shall have the right and privilege if an event of default under the Leasehold Mortgage then exists and notice has been given to the Authority as contemplated by Section 18.1(f), in the Lessee's name, place and stead, to obtain and participate in such dispute resolution upon notice to the Authority in accordance with Article 19; *provided* that the Leasehold Mortgagee agrees to be bound by the outcome of the dispute resolution process.

Section 18.7 Recognition by the Authority of Leasehold Mortgagee. Notwithstanding anything in this Agreement to the contrary, if there is more than one Leasehold Mortgagee, only that Leasehold Mortgagee, to the exclusion of all other Leasehold Mortgagees, whose notice was earliest received by the Authority pursuant to the Leasehold Mortgagee Notice Requirements, shall have the rights as a Leasehold Mortgagee under this Article 18, or otherwise under this Agreement, unless such Leasehold Mortgagee has designated in writing another Leasehold Mortgagee to exercise such rights; *provided, however*, that such notice may name more than one Leasehold Mortgagee and the rights referred to in this Section 18.7 may extend

to all Leasehold Mortgagees named therein if such notice is submitted by a representative of all such Leasehold Mortgagees (which representative may itself be a Leasehold Mortgagee). Any references in this Agreement to the "Leasehold Mortgagee" shall be references to the Leasehold Mortgagee or representative of more than one Leasehold Mortgagee, acting on behalf of such Leasehold Mortgagees, whose notice was earliest received by the Authority pursuant to the Leasehold Mortgagee Notice Requirements unless the context otherwise requires.

Section 18.8 Authority's Right to Purchase Leasehold Mortgage.

(a) If (i) any event of default by the Lessee has occurred under a Leasehold Mortgage and is continuing and (ii) the Leasehold Mortgagee recognized by the Authority pursuant to Section 18.7 is entitled, pursuant to the intercreditor arrangements then in force and effect, to declare all or part of the indebtedness secured by a Leasehold Mortgage to be immediately due and payable (or, in the case of a Leasehold Mortgage that is a lease, to terminate the lease), then, for 30 days commencing on the date that is 10 days after the date on which such Leasehold Mortgagee shall serve notice upon the Authority with a copy to all other Leasehold Mortgagees (the "Leasehold Mortgagee's Notice") that such Leasehold Mortgagee intends and is entitled to, pursuant to the intercreditor arrangements then in force and effect, to commence proceedings to foreclose the Leasehold Mortgage (stating the calculation of the purchase price pursuant to Section 18.8(c)) during such 30-day period, the Authority shall have the right and option (the "Authority's Option") to purchase from all Leasehold Mortgagees their Leasehold Mortgages, upon the terms and subject to the conditions contained in this Section 18.8.

(b) The Authority's Option shall be exercised by written notice served upon the Lessee and all Leasehold Mortgagees within such 30-day period. Time shall be of the essence as to the exercise of the Authority's Option. If the Authority's Option is duly and timely exercised, the Authority shall purchase all Leasehold Mortgages and all Leasehold Mortgagees shall assign their Leasehold Mortgages to the Authority (or its designee) on the date which is 60 days after the date on which a Leasehold Mortgagee's Notice is served upon the Authority. The closing shall take place at a mutually convenient time and place.

(c) The purchase price payable by the Authority shall be 100% of the aggregate amounts secured by or due under such Leasehold Mortgages (including principal, interest, fees, premiums, Breakage Costs, termination value and other costs and expenses (including attorneys' fees) and any other amounts secured thereby or due thereunder) as of the closing date of the purchase. The purchase price shall be paid in full in cash at closing by wire transfer or other immediately available funds. The purchase price shall be paid by the Authority to each respective Leasehold Mortgagee, to be applied by the Leasehold Mortgagee to the amounts secured by the Leasehold Mortgage owed to such Leasehold Mortgagee, subject to the priorities of lien of such Leasehold Mortgages.

(d) At the closing and upon payment in full of the purchase price each Leasehold Mortgagee shall assign its Leasehold Mortgage to the Authority, together with any security interest held by it in the Lessee's leasehold interest in the LMM Airport Facility, without recourse, representations, covenants or warranties of any kind, provided that such Leasehold Mortgages and security interests shall be deemed modified to secure the amount of the aggregate

purchase price paid by the Authority to all Leasehold Mortgagees (rather than the indebtedness theretofore secured thereby) payable on demand, with interest and upon the other items referred to in this Section 18.8(d). Each such assignment shall be in form for recordation or filing, as the case may be. The Authority shall be responsible for paying any Taxes payable to any Governmental Authority upon such assignment.

(e) Any Leasehold Mortgage shall contain an agreement of the Leasehold Mortgagee to be bound by the provisions of this Section 18.8.

(f) The Authority shall have the right to receive (and each Leasehold Mortgage shall contain an agreement of the Leasehold Mortgagee to deliver) all notices of default under any Leasehold Mortgage contemporaneously with the delivery of such notices to the Lessee (with a copy of such notice to be delivered to the GDB), but the Authority shall not have the right to cure any default under any Leasehold Mortgage, except to the extent provided in this Section 18.8.

Section 18.9 Application of PFCs to Leasehold Mortgage Debt. In the event this Agreement is terminated prior to the expiration of the Term due to a Lessee Default, the Authority agrees that in the event PFCs were being collected by the Lessee prior to such termination that were authorized by the FAA to be used for the payment of any Leasehold Mortgage Debt outstanding at the time of such termination, the Authority will, subject to the receipt of all necessary authorizations from the FAA, use its Reasonable Efforts to continue to collect such PFCs and apply them to the payment of such Leasehold Mortgage Debt to the same extent as they would have been applied by the Lessee in the absence of such termination.

ARTICLE 19
DISPUTE RESOLUTION

Section 19.1 Scope. Any dispute arising out of, relating to or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be resolved as set forth in this Article 19. The arbitral panel provided for in Section 19.4 shall have the power to rule upon any challenge to its jurisdiction. The Lessee acknowledges and agrees that the GDB (or any Designated Person appointed by it) shall be authorized to participate in or act for and on behalf of the Authority in any dispute resolution proceeding contemplated by this Article 19 from and after the Lessee's receipt of notice from the Authority and the GDB confirming such participation or authority.

Section 19.2 Informal Dispute Resolution Procedures. The Parties agree that, at all times, they will attempt in good faith to resolve all disputes that may arise under this Agreement. The Parties further agree that, upon receipt of written notice of a dispute from a Party, the Parties will refer the dispute to the Designated Person of each Party. The Designated Persons shall negotiate in good faith to resolve the dispute, conferring as often as they deem reasonably necessary, and shall gather and in good faith furnish to each other the information pertinent to the dispute. All communications between the Parties during the dispute resolution procedures set forth in this Section 19.2 are confidential and shall be treated as compromise and settlement negotiations and shall not be admissible in evidence by any proceeding without the mutual consent of the Parties.

Section 19.3 Mediation.

(a) Each Party to this Agreement agrees that it may not initiate a civil action as provided in Section 19.5 and Section 19.6 (other than provisional remedies sought on an expedited basis) unless (i) the matter in question has been submitted to mediation in accordance with the provisions of Section 19.3(b) or (ii) such Party would be barred from asserting its claim in a civil action if it were required to submit to mediation pursuant to Section 19.3(b).

(b) Mediation of a dispute under this Agreement may not be commenced until the earlier of: (i) such time as both of the Designated Persons, after following the procedures set forth in Section 19.2, conclude in good faith that amicable resolution through continued negotiation of the matter does not appear likely; or (ii) 30 days after the notice referring the dispute to the Designated Persons, pursuant to Article 19 (the "Negotiation Period"). If, after such time period, the dispute remains unresolved, either Party shall refer the dispute to a mediator, who shall be an attorney in good standing with the Puerto Rico Supreme Court or, if the matter in dispute is an engineering or technical dispute, the Parties shall refer the dispute to the Independent Engineer, subject to the rights of the Parties pursuant to Section 19.4. With respect to the selection of a mediator, the Parties, through their respective Designated Persons, shall attempt in good faith to agree on a mediator. If the Parties cannot so agree within 30 days after it is determined that the Designated Persons cannot resolve the dispute or after the end of the Negotiation Period, the Parties shall promptly apply to the American Arbitration Association ("AAA") for appointment of a single mediator in accordance with the Commercial Mediation Procedures of the AAA without there being a requirement of previously filing a request for mediation thereunder. The mediator selected by the AAA shall be an attorney authorized to practice law in the United States or the Commonwealth. The mediator or the Independent Engineer, as the case may be, shall be paid for the mediation services, and shall be reimbursed for all reasonable out-of-pocket costs incurred in carrying out the mediation duties hereunder, including the costs of consultants. All fees and costs of the mediation (including payment for the services of the mediator or the Independent Engineer and reimbursement of all reasonable out-of-pockets costs (including the costs of consultants) of the mediator or the Independent Engineer) shall be shared equally by the Parties. The Parties shall request that the mediator schedule the mediation within 30 days of the mediator's appointment (or in the case of the Independent Engineer, within 30 days after the Parties refer the dispute to the Independent Engineer), and shall comply with all procedures the mediator or the Independent Engineer establishes for the conduct of the mediation.

Section 19.4 Arbitration.

(a) *Arbitration of Required Modifications.* If the procedures described in Sections 19.2 and 19.3 do not result in resolution of a dispute arising under Section 5.2 within 30 Business Days from a reference to mediation, the dispute shall be exclusively and finally settled by arbitration in accordance with the Commercial Arbitration Rules for the AAA then in effect (the "AAA Commercial Rules"). Either Party may initiate the arbitration, as provided in the AAA Commercial Rules. The place of arbitration shall be San Juan, Puerto Rico, unless the Parties otherwise agree. Pursuant to Section 20.6, the arbitral panel shall determine the rights and obligations of the Parties in accordance with the substantive laws of the Commonwealth and without regard to the conflict of laws principles thereof. Except as agreed by the Parties, the

arbitral panel shall have no power to alter or modify any terms or provisions of this Agreement or to render any award that, by its terms or effects, would alter or modify any term or provision of this Agreement. The arbitral panel shall be composed of three arbitrators, one to be selected by the Authority, one to be selected by the Lessee and the third to be selected by the two previously-selected arbitrators. If the two previously-selected arbitrators cannot agree on the selection of the third arbitrator, the third arbitrator shall be selected in accordance with the AAA Commercial Rules. Once the arbitral panel has been composed, the arbitrators shall act as neutrals and not as party arbitrators, and no Party shall engage in any ex parte communication with any member of the arbitral panel. Each Party shall bear equally the costs of the arbitral panel and attorneys' fees as determined by the arbitral panel. The award shall include interest pursuant to Section 20.9 from the date of any breach or violation of this Agreement or the incurring of any obligation as determined in the arbitral award until paid in full. The award shall be in writing and state the reasons upon which it is based. The award shall be final and binding on the Parties. Judgment on the award may be entered by any court of competent jurisdiction.

(b) *Technical Arbitration.* Any engineering or technical dispute arising under or related to this Agreement shall be exclusively and finally settled in accordance with the Construction Industry Arbitration Rules for the AAA then in effect (the "AAA Technical Arbitration Rules") without submitting such dispute to mediation by the Independent Engineer pursuant to Section 19.3 and without submitting the dispute to arbitration pursuant to Section 19.4(a). Either Party may initiate the arbitration as provided in the AAA Technical Arbitration Rules. Such engineering arbitration shall be conducted by an Independent Engineering Arbitrator that is acceptable to the Authority and the Lessee. If the Parties fail to agree upon the Independent Engineering Arbitrator within five Business Days after the Parties agree to submit the dispute to engineering arbitration, then the Authority and the Lessee shall each appoint an Independent Engineering Arbitrator and both such arbitrators shall be instructed to select a third Independent Engineering Arbitrator to conduct the engineering arbitration (unless the Parties agree in writing for the dispute to be heard by one Independent Engineering Arbitrator, who will then be selected by the AAA). If the two previously selected Independent Engineering Arbitrators cannot agree on the selection of the third Independent Engineering Arbitrator, the third Independent Engineering Arbitrator shall be selected by the AAA. The Parties shall each bear their own costs with respect to the arbitration of any such engineering dispute and shall bear equally the cost of retaining such Independent Engineering Arbitrator(s). The award of the Independent Engineering Arbitrator(s) shall be in writing and state the reasons upon which it is based. The award of the Independent Engineering Arbitrator(s) shall be final and binding on the Parties.

(c) *Disputes Regarding Arbitrability.* Any dispute between the Parties as to whether a dispute shall be submitted to arbitration under Sections 19.4(a) or (b) shall be resolved by initiation of an action in the Commonwealth Court of First Instance, San Juan Part (the "Commonwealth Court") pursuant to Section 19.5.

Section 19.5 Court Action. In the event that the Parties fail to resolve the dispute within 90 days after the date the mediator is selected pursuant to the procedures set forth in Section 19.3 (or such longer period as the Parties may mutually agree), either Party may initiate a civil action in Commonwealth Court and in accordance with all applicable rules of civil procedure; provided that any engineering or technical dispute or claim regarding any Required

Modification that is not resolved by mediation pursuant to Section 19.3 within the time period described in this Section 19.5 shall be submitted to arbitration pursuant to Section 19.4. The Parties acknowledge and understand that, to resolve any and all claims arising out of this Agreement (other than any engineering or technical claim or claim regarding any Required Modification), they may file a civil action, including actions in equity, in Commonwealth Court.

Section 19.6 Provisional Remedies. No Party shall be precluded from initiating a proceeding in Commonwealth Court for the purpose of obtaining any emergency or provisional remedy to protect its rights that may be necessary and that is not otherwise available under this Agreement, including temporary and preliminary injunctive relief, restraining orders, and the appointment of a receiver or manager in connection with the collection and retention of revenues generated at the LMM Airport Facility.

Section 19.7 Tolling. If a Party receiving a notice of default under this Agreement contests, disputes or challenges the propriety of such notice by making application to the dispute resolution procedure in this Article 19, any cure period that applies to such default shall be tolled for the time period between such application and the issuance of a final decision.

Section 19.8 Submission to Jurisdiction. Subject to Section 19.3 and Section 19.4, any judicial action or proceeding against the Lessee or the Authority relating in any way to this Agreement shall be brought and enforced in Commonwealth Court, and each of the Lessee and the Authority hereby irrevocably submits to the jurisdiction of such courts with regard to any such action or proceeding, and irrevocably waives, to the fullest extent permitted by applicable Law, any objection it may have now or hereafter have to the jurisdiction and venue of any such action or proceeding therein and any claim that any such action or proceeding brought therein has been brought in an inconvenient forum. Service of process on the Authority shall be made in accordance with the Laws of the Commonwealth on the Secretary of the Authority at the address specified in Article 20 and the Attorney General of the Commonwealth. The foregoing shall not constitute the consent by the Authority to receive service of process for actions or proceedings brought and enforced in any court other than the Commonwealth Court. Service of process on the Lessee may be made either by registered or certified mail addressed as provided for in Article 20 or by delivery to the Lessee's registered agent for service of process in the Commonwealth.

Section 19.9 Request for Documents; Subpoena *Duces Tecum*. If the Lessee is presented with a request for documents by any administrative agency or with a subpoena *duces tecum* regarding any documents that may be in its possession by reason of this Agreement, the Lessee shall, to the extent permitted by Law, give prompt notice to the Authority at the addresses specified for the Authority in Article 20. The Authority may contest such process by any means available to it before such records or documents are submitted to a court or other third party; provided, however, that the Lessee shall not be obligated to withhold such delivery beyond that time as may be ordered by the court or administrative agency or required by Law, unless the subpoena or request is quashed or the time to produce is otherwise extended.

ARTICLE 20
MISCELLANEOUS

Section 20.1 Notice. All notices, requests for approvals, approvals and other communications and approvals required or permitted by this Agreement shall be in English and in writing and shall be delivered, sent by certified or registered mail (return receipt requested and postage prepaid), addressed as follows:

(a) in the case of the Authority:

Puerto Rico Ports Authority
P.O. Box 362829
San Juan, Puerto Rico 00936-2829
Attention: Executive Director
Telephone: (787) 729-8715 ext. 2281
Facsimile: (787) 722-7867

with copies to:

Puerto Rico Ports Authority
P.O. Box 362829
San Juan, Puerto Rico 00936-2829
Attention: General Counsel
Telephone: (787) 729-8552
Facsimile: (787) 729-8835

and:

Public-Private Partnerships Authority
c/o Government Development Bank
Roberto Sánchez Vilella Government Center
De Diego Avenue, Stop 22
Santurce, Puerto Rico 00940
Attention: Executive Director
Telephone: (787) 722-2525
Telecopy: (787) 728-0963

(b) in the case of the Lessee:

Aerostar Airport Holdings, LLC
P.O. Box 363507
San Juan, Puerto Rico, 00936-3507
Attention: President

with copies to:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
Attention: Richard S. Lincer, Esq.
Telecopy: (212) 225-3999

and:

Aeropuerto de Cancún, S.A. de C.V.
Road Cancun – Chetumal, km. 22
Municipality of Benito Juarez
Cancun, Quintana Roo 77500
MEXICO
Attention: General Counsel
Telecopy: (55) 52 84 04 54

with copies to:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
Attention: Jorge Juantorena, Esq.
Telecopy: (212) 225-3999

and:

Highstar Capital IV, L.P.
Highstar Capital IV I-A, L.P
Highstar Capital IV Prism, L.P.
277 Park Avenue, 45th Floor
New York, NY 10172
Attention: General Counsel
Telecopy: (646) 857-8848

with copies to:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
Attention: Richard S. Lincer, Esq.
Telecopy: (212) 225-3999

or such other persons or addresses as either Party may from time to time designate by notice to the other. A notice, other communication or approval shall be deemed to have been sent and received (i) on the day it is delivered, or if such day is not a Business Day or if the notice is received after ordinary office hours, the notice, other communication or approval shall be

deemed to have been sent and received on the next Business Day, or (ii) on the fourth Business Day after mailing if sent by United States registered or certified mail.

Section 20.2 Entire Agreement. This Agreement, including all schedules and other documents executed herewith, constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, negotiations, discussions and understandings, written or oral, between the Parties. There are no representations, warranties, conditions or other agreements, whether direct or collateral, or express or implied, that form part of or affect this Agreement, or that induced any Party to enter into this Agreement or on which reliance is placed by any Party, except as specifically set forth in this Agreement. The Parties acknowledge and agree that (i) each has substantial business experience and is fully acquainted with the provisions of this Agreement, (ii) the provisions and language of this Agreement have been fully negotiated and (iii) no provision of this Agreement shall be construed in favor of any Party or against any Party by reason of such provision of this Agreement having been drafted on behalf of one Party rather than the other.

Section 20.3 Amendment. This Agreement may be amended, changed or supplemented only by a written agreement signed by the Lessee and the Authority; *provided* that any amendment or modification to this Agreement shall comply with all applicable FAA and TSA requirements.

Section 20.4 Waiver of Rights. Any waiver of, or consent to depart from, the requirements of any provision of this Agreement shall be effective only if it is in writing and signed by the Party giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right. No single or partial exercise of any such right shall preclude any other or further exercise of such right or the exercise of any other right.

Section 20.5 Severability. Each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by applicable Law. The invalidity of any one or more phrases, sentences, clauses or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part thereof. If any provision of this Agreement or the application thereof to any Person or circumstances is held or deemed to be or determined to be invalid, inoperative or unenforceable in any particular case in any particular jurisdiction or jurisdictions because it conflicts with any other provision or provisions hereof or of any applicable Law, or public policy, or for any other reason, (i) such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever, and (ii) the Parties shall negotiate in good faith to amend this Agreement to implement the provisions set forth herein. If the Parties cannot agree on an appropriate amendment, either Party may refer the matter for determination pursuant to the dispute resolution procedure in Article 19. If, by means of the dispute resolution procedure, the Parties are unable, as a result of applicable Law, to resolve the matter in a manner that effectively entitles the Authority to have the same rights after the aforesaid determination of invalidity or unenforceability as before, the Authority shall have the right to enact, and cause to come into force, any Law to provide for the same or substantially the same rights as were

determined to be invalid or unenforceable; *provided* that the rights of the Lessee or any Leasehold Mortgagee shall in no event be diminished by any such Law.

Section 20.6 Governing Law. This Agreement shall be governed by, and interpreted and enforced in accordance with, the laws in force in the Commonwealth (excluding any conflict of laws rule or principle which might refer such interpretation to the laws of another jurisdiction), except where the Federal Supremacy Clause requires otherwise.

Section 20.7 Further Acts. The Parties shall do or cause to be done all such further acts and things as may be reasonably necessary or desirable to give full effect to this Agreement, including submission of this Agreement for filing with the Office of the Comptroller of the Commonwealth, pursuant to the provisions of Act. No. 18 of the Legislative Assembly of Puerto Rico, approved October 30, 1975, as amended. The obligations pursuant to this Agreement shall not be enforceable until it shall have been submitted for filing with the Office of the Comptroller of the Commonwealth as provided by such Act No. 18. Without limiting the foregoing, each Party will, at any time and from time to time, execute and deliver or cause to be executed and delivered such further instruments and take such further actions as may be reasonably requested by the other Party in order to cure any defect in the execution or delivery of this Agreement.

Section 20.8 Costs. Except as otherwise provided in this Agreement, each Party shall be responsible for its own costs and expenses incurred in connection with performing and observing its obligations and covenants under this Agreement.

Section 20.9 Interest. Any amount payable under this Agreement and not paid when due under this Agreement shall bear interest before and after judgment at the legal rate of interest provided for under Regulation No. 78-1 (Puerto Rico Regulation No. 3702 of October 25, 1988) of the Office of the Commissioner of Financial Institutions of the Commonwealth, from the date such payment is due until payment.

Section 20.10 Inurement and Binding Effect. This Agreement shall inure to the benefit of the Parties and their respective permitted successors and assigns and be binding upon the Parti*es and t*heir respective successors and assigns.

Section 20.11 No Partnership or Third-Party Beneficiaries. Nothing contained in this Agreement shall constitute or be deemed to create a partnership, joint venture or principal and agent relationship between the Authority and the Lessee. Except as expressly provided herein to the contrary (including with respect to such rights as are expressly granted to (a) the Secretary and the FAA and the Secretary of Homeland Security and TSA under Section 3.4(b), and (b) each Leasehold Mortgagee or any Indemnified Party pursuant to this Agreement), no term or provision hereof shall be construed in any way to grant, convey or create any rights or interests to or in any Person not a Party to this Agreement.

Section 20.12 Cumulative Remedies. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by Law.

Section 20.13 Counterparts; Facsimile Execution. This Agreement may be executed in any number of counterparts which, taken together, shall constitute one and the same

agreement. This Agreement shall be effective when it has been executed by each Party and delivered to all Parties. To evidence the fact that it has executed this Agreement, a Party may send a copy of its executed counterpart to the other Party by facsimile transmission. Such Party shall be deemed to have executed and delivered this Agreement on the date it sent such facsimile transmission. In such event, such Party shall forthwith deliver to the other Party an original counterpart of this Agreement executed by such Party.

Section 20.14 Waiver of Sovereign Immunity. The Authority acknowledges that under its enabling act, it is not entitled to raise the defense of sovereign immunity with respect to claims arising out of this Agreement. Under its enabling act, the Authority does not have sovereign immunity (and any defense based thereon) as to it and its property in respect of the enforcement and execution of any award or other relief (pecuniary or otherwise) rendered against it in accordance with the provisions of this Agreement.

Section 20.15 Commonwealth Obligations. THE OBLIGATIONS OF THE AUTHORITY UNDER THIS AGREEMENT SHALL NOT BE DEEMED OBLIGATIONS OF THE COMMONWEALTH OR ANY INSTRUMENTALITY OF THE COMMONWEALTH OTHER THAN THE AUTHORITY.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Authority and the Lessee each has caused this Agreement to be duly executed as of the day and year first above written.

PUERTO RICO PORTS AUTHORITY

By: _____

Name: Bernardo Vázquez Santos

Title: Executive Director

AEROSTAR AIRPORT HOLDINGS, LLC

By: _____

Name: ADOLFO CASTRO RIVAS

Title: AUTHORIZED SIGNATORY

By: _____

Name: ERNEST MCCARTY

Title: AUTHORIZED SIGNATORY

EXECUTION COPY

SCHEDULES

LUIS MUÑOZ MARÍN INTERNATIONAL AIRPORT

LEASE AGREEMENT

dated as of

July 24, 2012

by and between

THE PUERTO RICO PORTS AUTHORITY

and

AEROSTAR AIRPORT HOLDINGS, LLC

SCHEDULE 1

LEGAL DESCRIPTION OF LMM AIRPORT FACILITY

PROPERTY NO.: 16374

PROPERTY INFORMATION

Urban: Parcel of land located in the "Cangrejos Arriba" and "Hato de Cangrejos" Wards of the Municipality of Carolina, consisting of 1,122.474973 "cuerdas" more or less, adjacent by the North, with state road 457, Rafael J. Hernandez, Smallwood Brothers, Nemesio Lopez, Fernando Fernandez Gonzalez, Doctor Jose A Sein, Leonardo Viera, Alfonso y Manuel Valencia, Harry A Denton, Alberto Biascochea, the Atlantic Ocean and Gonzalo Aponte; by the South, with Maria Feliciano Rosado, State Road #57, Estate of Joseph W. Borda y Manuel González; by the East, with land of the Commonwealth of Puerto Rico, Torrecillos Lagoon and Maria Feliciano Rosado; by the West, the Bulerines road and the Municipality of San Juan. The following buildings are located on this parcel: Edification 15th Inscription in favor of Caribbean Airport facilities: "Airport Facilities": on the premises leased from the Puerto Rico Ports Authority, as per deed of Lease number two (2) of Lease, of February ten (10) nineteen hundred eighty nine (1989) before notary public Luis A. Archilla Diaz, and located at the Luis Muñoz Marín International Airport, as specifically described in said deed. Caribbean Airport Facilities Inc., has constructed a Hangar Office and Warehouse building with parking area and service ramp. The two entrances from the Airport Service Road connect to the parking area which bound the building along the North side and partly on the East and West sides. The ramp bounds the building on the South side and partly on the East and West sides. The parking area consist of an asphaltic concrete paved area of two hundred ten thousand nine hundred eighty square feet (210,980 sq. ft.) with capacity for 309 standard parking spaces, 13 parking spaces for handicapped and 126 parking spaces for trailers.
The service ramp consists of a 1ortland cement concrete paved area of three hundred forty nine thousand six hundred twenty five square feet (349,625 sq. ft.). Between the parking area and service ramp are two unpaved areas of three thousand one hundred twenty five square feet (3,125 sq. ft.) on the West side and five thousand square feet (5,000 sq. ft.) on the East side. The Hangar Office and Warehouse buildings consists (sic.) of a three level steel structure. The first floor contains to the South a hangar of thirty six thousand square feet, (36,000 sq. ft.) and Warehouse facilities of one hundred twenty two thousand three hundred square feet (122,300 sq. ft.). The second floor contains Office Space of seventy thousand nine hundred and ninety square feet (70,990 sq. ft.) and catering services spaces of thirty nine thousand two hundred square feet (39,200 sq. ft.). The Third floor contains Office Space of two thousand four hundred square feet (2,400 sq. ft.). The total area of the lot plus entrance no. 1 and no. 2 is seven hundred forty four thousand twenty one and seven thousand nine hundred forty three ten thousand square feet (744,021,7943 sq. ft.) equivalent to sixty nine thousand one hundred twenty one and eight thousand eight hundred sixty five ten thousand square meters (69,121.8865 sq. mts.) In turn equivalent to seventeen and five thousand eighth hundred sixty four "cuerdas" (17.5864 cdas). Lease 17th Inscription in favor of the Puerto Rico Highway and Transportation Authority. Rural: Parcel A: Parcel of land located in the "Cangrejo Arriba" Ward, Municipality of Carolina y with a surface area of four point cero two (4.02) "cuerdas" adjacent by the North, with the main parcel

of the Luis Muñoz Marín Airport (property no. 16374); by the South and East, with a parcel property of the Commonwealth of Puerto Rico (Property no. 2350) and by the West, with road PR-26. Lease and Edification 18th Inscription in favor of Aeroparque Corporation for recreational facilities and parking space and the right to operate a fast foods cafeteria and bar, on a parcel of land with the following description: lot for commercial use only ("Exclusive Premises") with an area of twelve thousand two hundred thirty three point fifty (12,233.50) square feet, which is incorporated and made a part of a certain area assigned to Aeroparque Corporation by the Puerto Rico Ports Authority according to the Assignment Contract Number AP eighty-nine ninety four zero seventy-seven (AP89-90-(4)-077). Adjacent by the North, [with a parcel dedicated to] public use assigned to the Aeroparque Corporation by the Puerto Rico Ports Authority, [with a distance of] seventy two point zero three nine (72.0390) feet, by the South, with an area of public use assigned to Aeroparque Corporation by the Puerto Rico Ports Authority, [with a distance of] of seventy two point thirty twenty four (72.3024) feet, by the East, with an area of public use assigned to Aeroparque Corporation to the Puerto Rico Ports Authority, with a distance of one hundred sixty nine point thirty eight twelve (169.3812) feet, by the West, with an area of public use assigned to Aeroparque Corporation by the Puerto Rico Ports Authority, with a distance of one hundred sixty nine point sixty four thirty feet (169.6430). Lease 21st Inscription in favor of Caribbean Airport Facilities, Inc: Rural: Parcel of land located in the "Cangrejo Arriba" Ward of the Municipality of Carolina, Puerto Rico, consisting of two hundred eighty five thousand eight hundred ninety two point forty five square meters (285,892.45 m/c) equivalent to seventy two point seventy two eighty-eight (72.7388) "cuerdas", adjacent by the Norte, with the Ports Authority; by the South, with the Baldorioty de Castro Avenue y and the Federal Aviation Administration; by the Este, with the access road to the Muñiz Airbase and the Federal Aviation Administration; by the West, with the Ports Authority and the Federal Aviation Administration. Lease and Edification 23rd Inscription in favor of Caribbean Facilities Group II Limited Partnership, S.E., over the Lot with the following description: Urban: the Puerto Rico Ports Authority gives and leases, the Lot with the following description: "Lot A: included in the survey drawing number KA-93-039, prepared by Kelly Alvarez Perez, located at "Cangrejo Arriba" Ward of the Municipality of Carolina, Puerto Rico, consisting of a total surface area of 222,205.6622 square feet equivalent to 20,642.9064 square meters; bounding by the North, in one alignment totaling 634.063 feet with land property of the Ports Authority; on the East, in three alignments totaling 471.756 feet with land property of the Ports Authority; on the South, in four alignments totaling 62423 feet with land property of the Ports Authority; on the West, in four alignments totaling 245.7211 feet with land property of the Ports Authority." The previously described parcel shall be used to build a warehouse and office space, airplane hangars, two access roads, parking spaces, sidewalks and a structure with 108,000 square feet. Lease 24th Inscription in favor of the Puerto Rico Highway and Transportation Authority, over the following parcel: Urban: Parcel of land located in Cangrejo Arriba Ward of the Municipality of Carolina, property of the Puerto Rico Ports Authority, with a surface area of one point eight thousand six hundred ninety eight "cuerdas" (1.8698) equivalent to seven thousand three hundred forty eight point nine thousand six hundred forty three (7,348.9643) square meters, also equivalent to one point eight hundred sixteen (1.816) acres with boundaries: by the North, with property number sixteen thousand, three hundred seventy four (16,374); by the South, with State Road number PR twenty six (PR-26); by the East, with the right of way of State Road number twenty six (PR-26); by the West, with the right of way of State Road number twenty six (PR-26). This parcel is needed for the construction of the **ACT** project, zero zero, two, six, five, zero

(002650) parcel number (008-01). Lease and Edification 25th Inscription in favor of the Puerto Rico Highway and Transportation Authority, over the following parcel: Parcel of land located in "Cangrejo Arriba" Ward of the Municipality of Carolina, property of the Puerto Rico Authority, with a surface area of five point two thousand one hundred fifty eight (5.2158) "cuerdas", equivalent to twenty thousand five hundred point two thousand two hundred thirty one (20,500.223) square meters, equivalent to five point zero sixty-six (5.066) acres and with boundaries: by the North, with main property; by the South, with State Road number twenty six (PR-26); by the East, with the main property; and by the West, in a point with the main property and with the right of way of State Road number twenty six (PR-26). The parcel named 008-02 for the construction of a temporary deviation in the project ACT-002650, Baldorioty de Castro Avenue, for a period of two years commencing on the date of the deed. Lease 26th Inscription. Parcel conserved for the preservation of natural resources – the Puerto Rico Ports Authority in agreement with the Corps of Engineers of the United States Department of Defense dedicated the following parcel to the preservation of natural resources (Conservation Easement Area) that is described in the following manner: Urban: Parcel of land located at the "Cangrejo Arriba" Ward of the Municipality of Carolina, Puerto Rico, property of the Puerto Rico Ports Authority, denominated as "Tract of Land, Plan and Details for Mangrove Mitigation of Survey Plan" prepared by surveyor Jose Santiago Diaz, with an area of one point five thousand four hundred and forty five ten thousandths of a "cuerda" (1,5445 cdas) equivalent to one point and a half of an acre (1.5 acres) bounded on the North, in five alignments of five hundred seventy nine feet and one hundred sixty one thousandths of another foot, (579.161 feet) with the land of the main property of the Puerto Rico Ports Authority; on the South, in five alignments of one hundred forty feet and ninety seven thousandths of another foot (140.097) feet with the land of the main property of the Puerto Rico Ports Authority; on the East, in five alignments of three hundred thirty seven feet and one one hundred eighteen thousandths of another foot (337.118 feet) with the Suarez Channel; and on the West, in six alignments of two hundred sixty six feet and nine hundred twenty six thousandths of another foot (266.926 feet) with access Road to the Muñiz Air Force Base. This parcel is for the construction of "Dual West Crossfield Taxiway Projects" and two (2) outlets for the roads 8 and 10, this parcel being contemplated in Survey Plan No. GG-20-A of the surveyor Jose T. Santiago Diaz, and shall be dedicated to a Wetland Recreation Area and establishes restrictive conditions that no buildings or structures shall be built on such area and the vegetation and the hydrology of the area shall not be altered in order to protect the vegetation and animals that inhabit the same. Sublease 27th Inscription in favor of Adele Catering Corporation, d/b/a Sky Caterers, parts of the 1st and 2nd floor of the Airport [and modifying the subleased area as follows:] the lease shall terminate on July 19, 2029 and shall be subordinated to the original lease; the rent shall be four hundred seventy five hundred eighty eight dollars and twenty three cents ($470,588.23) for a total aggregate amount of four million ($4,000,000.00) for the term of the contract and given that this is a "Net-Net Lease" the subleased parcels are described [as follows]: "Interior First Level": From the Northwest corner of the facility, due South two hundred eighty (280) feet to the Southwest corner of the facility, across due East one hundred forty (140) feet to the beginning of the hangar and the due North two hundred eighty (280) feet along the Western side of the hangar [to a point on] the North side of the building to the East of the elevator tower, and then due West one hundred forty (140) feet to the aforementioned Northwest corner of the facility. Additionally, two rooms which extend into the hangar area known as the laundry room and boiler room maintenance area are included in the ground floor premises. "Interior Second Level": From the Northwest corner of the second level

of the facility, two hundred eighty (280) feet due South to the Southwest corner of the facility, due East one hundred forty (140) feet to the beginning of the hangar and then due North to the North side of the hangar, and then along side the North side of the hangar, for a distance of eighty (80) feet, and then due North one hundred forty (140) feet to the North side of the facility. "A total interior space of one hundred four thousand (104,000) square feet", Exterior: From the point of beginning, point number one hundred one (101) located at the Northwest corner of the property, thence to point number one hundred twelve (112) runs Southwest eighty nine (89) degrees fifty seven (57) thirty five (35) seconds in a distance of eighty two point zero five (82.05) meters. Thence to point number one hundred thirteen (113) runs Southwest cero (0) degrees twenty eight (28) minutes, thirty four (34) seconds in a distance of forty six point seventy six (46.76) meters. Thence to point number one hundred fourteen (114) runs Southeast eighty nine (89) degrees, thirty one (31) minutes twenty six (26) seconds, in a distance of nine point forty (9.40) meters. Thence to point number one hundred fifteen (115) runs Southeast cero (0) degrees, cero (0) minutes, four (4) seconds, in a distance of seventy point eighty six (70.86) meters. Thence to point number one hundred sixteen (116) runs Southwest eighty nine (89) degrees, fifty nine (59) minutes, fifty six (56) seconds; in a distance of forty eight point twenty six (48.26) meters. Thence to point number one hundred seventeen (117) runs Southeast cero (0) degrees, cero (0) minutes, four (4) seconds, in a distance of ninety nine point twenty six (99.26) meters. Thence to point number one hundred eighteen (118) runs Northwest eighty nine (89) degrees, fourteen (14) minutes, thirty six (36) seconds, in a distance of forty two point zero three (42.03) meters. Thence to point number one hundred nineteen (119) runs Northeast cero (0) degrees, ten (10) minutes, cero (0) seconds, in a distance of seven point sixty five (7.65) meters. Thence to point number one hundred eleven (111) runs Northwest eighty nine (89) degrees, fifty (50) minutes, cero (0) seconds, in a distance of cero point seventy nine (0.79) meters. Thence to the point of beginning point number one hundred one (101) runs Northwest cero (0) degrees, cero (0) minutes, seven (7) seconds; in a distance of two hundred eight point eighty one (208.81) meters, enclosing an area of one hundred fifty six thousand two hundred eighty two point eighty one (156,282.81) square meters, equivalent to three point five thousand eight hundred seventy eight (3.5878 acres). The Lease includes a right of first refusal. Amendment to the Lease, Edification and Easement set in the 30th inscription. Amends the lease in the 14th inscription as follows: two parcels of the CAF II parcel with the following measurements are excluded: 1,257,158.2593 square feet equivalent to 28.8604 acres and 81,177.0833 square feet equivalent to 1.8636 acres. In order to replace Lot 1, Lot 2 is included in the CAF II parcel. After excluding the aforementioned parcels, the remnant of CAF II is the following: From the point of beginning, point number five hundred three (503) located at the Northwest corner of the property, thence to point number three thousand one hundred fifteen (3,115) runs Northeast eighty nine (89) degrees, fifty four (54) minutes, fifty nine (59) seconds, in a distance of one hundred seventy eight hundred twenty six (178,826) meters. Thence to point number three thousand five A (3105) A. runs Northeast eighty nine (89) degrees, eight (8) minutes, thirty two (32) seconds, in a distance of one hundred twelve point seven hundred eighty five (112,785) meters. Thence to point number three thousand seventy six A (3076 A) runs Northeast eighty nine (89) degrees, forty six (46) minutes, thirty five (35) seconds, in a distance of eight hundred sixty one point two hundred seventy six (861.276 meters). Thence to point number three thousand one hundred four A (3104 A) runs Southeast eighty three (83) degrees, fifty (50) minutes, thirty two (32) seconds, in a distance of one hundred thirty seven point six hundred thirty four (137.634) meters. Thence to point number three thousand one hundred forty two A (3142 A) runs Southeast sixty nine (69)

degrees, zero (0) minutes, two (2) seconds, in a distance of one hundred thirty one point seven hundred ninety three (131.793) meters. Thence to point number three thousand one hundred thirty eight A (3138 A) runs Southeast forty five (45) degrees, eight (8) minutes, twenty one (21) seconds, in a distance of two hundred five point nine hundred nine (205,909) meters. Thence to point number three thousand one hundred ten A (3110 A) runs Southeast fifty three (53) degrees, fifty eight (58) minutes, six (6) seconds, in a distance of ninety seven point three hundred forty three (97.343) meters. Thence to point number three thousand fourteen (3014) runs Southwest forty two (42) degrees, eight (8) minutes, forty six (46) seconds, in a distance of two hundred fifty seven point three hundred ninety one (257.391) meters. Thence to point number eight hundred thirty seven (837) runs Southwest forty eight (48) degrees, fourteen (14) minutes, twenty one (21) seconds; in a distance of two hundred ninety six point one hundred five (296.105) meters. Thence to point number eight hundred thirty four (834) runs Southwest forty two (42) degrees, thirty six (36) minutes, eleven (11) seconds, in a distance of one hundred thirty one point zero nineteen (131.019) meters. Thence to point number eight hundred thirty eight (838) runs Southwest forty seven (47) degrees, thirteen (13) minutes, eleven (11) seconds, in a distance of one hundred thirty four point zero, twenty seven (14.027) meters. Thence to point number eight hundred forty one (841) runs Southwest forty-three (43) degrees, forty-five (45) minutes, nine (9) seconds; in a distance of one hundred twenty nine point eight hundred sixty-three (129.863) meters. Thence to point number eight hundred forty two (842) runs Southwest thirty four (34) degrees; thirty one (31) minutes, forty one (41) seconds, in a distance of seventy two point six hundred sixty-four (72.664) meters. Thence to point number eight hundred forty six A (846 A) runs Southwest twenty eight (28) degrees, thirty two (32) minutes, twenty three (23) seconds, in a distance of eighty three point four hundred fifty eight (83.458) meters. Thence to point number eight hundred fifty (850) runs Southwest nineteen (19) degrees, fifty six (56) minutes, fifty five (55) seconds, in a distance of one hundred forty four point four hundred (141.400) meters. Thence to point number eight hundred fifty seven (857) runs Southwest nineteen (19) degrees, thirty eight (38) minutes, twenty six (26) seconds, in a distance of two hundred twelve point one hundred forty seven (212.147) meters. Thence to point number eight hundred sixty one (861) runs Southwest twenty three (23) degrees, twenty six (26) minutes, twenty two (22) seconds, in a distance of one hundred twenty four point seven hundred twenty five (124.725) meters. Thence to point number eight hundred ninety six (896) runs Southwest sixty three (63) degrees, twenty three (23) minutes, fifty two (52) seconds, in a distance of seventy seven point eight hundred twenty eight (77.828) meters. Thence to point number eight hundred ninety (890) runs Northwest forty two (42) degrees, sixteen (16) minutes, twenty four (24) seconds, in a distance of one hundred three point one hundred six (103.108) meters. Thence to point number seven thousand two hundred two (7202) runs Northwest forty eight (48) degrees, fifty three (53) minutes, one (1) second, in a distance of seventy four point one hundred forty one (74.141) meters. Thence to point number eight hundred eighty two (882) runs Northwest forty five (45) degrees, thirty nine (39) minutes, ten (10) seconds, in a distance of two hundred point nine hundred seventy one (200.971) meters. Thence to point number four hundred two (402) runs Northwest sixty three (63) degrees, twenty seven (27) minutes, twenty (20) seconds; in a distance of four hundred seventy nine point eight hundred sixty three (479.863) meters. Thence to point number three hundred fifty one (351) runs Northwest seventy five (75) degrees, fifty three (53) minutes, forty one (41) seconds, in a distance of three hundred ninety eight point seven hundred thirty seven (398.737) meters. Thence to point number seven thousand six hundred eighty five (7,685) runs Northeast fourteen (14) degrees, eight (8) minutes, thirty

(30) seconds, in a distance of one hundred fifty four point eight hundred thirty (154.830) meters. Thence to point number six hundred seventy three (673) runs Southeast seventy three (73) degrees, forty two (42) minutes, twenty nine (29) seconds, in a distance of one hundred twenty five point seven hundred four (125.704). Thence to point number seven thousand six hundred eighty six (7,686) runs Northeast fifteen (15) degrees, twenty six (26) minutes, twenty four (24) seconds, in a distance of two hundred thirty eight point five hundred ninety eight (238.598) meters. Thence to point number seven thousand six hundred eighty six (7,686) runs Northeast fifteen (15) degrees, twenty six (26) minutes, twenty four (24) seconds, in a distance of two hundred thirty eight point five hundred ninety eight (238.598) meters. Thence to point number seven thousand six hundred eighty seven (7,687) runs Southeast seventy five (75) degrees, thirty six (36) minutes, fifty eight (58) seconds, in a distance of one hundred six point six hundred twelve (126.612) meters. Thence to point number seven thousand six hundred eighty eight (7,688) runs Northeast fourteen (14) degrees, twenty six (26) minutes, forty five (45) seconds, in a distance of three hundred seventy four point nine hundred eighty eight (374.988) meters. Thence to point of beginning, point number five hundred three (503) runs Northwest zero (0) degrees, five (5) minutes, one (1) second, in a distance of two hundred ninety point zero zero nine (290.009) meters, enclosing an area of one million seven hundred thirty eight thousand seven hundred eighty six point zero eight hundred twenty eight (1,738,786.0828) square feet equivalent to thirty nine point nine thousand one hundred seventy (39.9170 acres). To replace Lot 1, Lot 2 is included in the CAF II parcel which is described as follows: From the point of beginning, point number one hundred five (105) located at the Northwest corner of the property, thence to point number five hundred one (501) runs Southeast sixty nine (69) degrees, fourteen (14) minutes, seven (7) seconds, in a distance of one thousand eight hundred twenty nine point fifty six (1,829.56) feet. Thence to point number five hundred two (502) runs Southwest forty four (44) degrees, twenty seven (27) minutes, fifteen (15) seconds, in a distance of nine hundred five point seventy seven (905.77) feet. Thence to point number one hundred eight (108) runs Southwest eighty nine (89) degrees, fifty four (54) minutes, one (1) second, in a distance of one thousand one hundred fourteen point fifty one (1114.51) feet. Thence to point number one hundred seven (107) runs Northeast one (1) degree, one (1) minute, fifty seven (57) seconds, in a distance of three hundred seventy point eighteen (370.18) feet. Thence to point number one hundred and six (106) runs Southeast eighty six (86) degrees, twenty one (21) minutes, two (2) seconds, in a distance of twenty nine point fifty seven (29.57) feet. Thence to the point of beginning point number one hundred five (105) runs Northeast zero (0) degrees, seven (7) minutes, fourteen (14) seconds, in a distance of nine hundred twenty eight point ninety (928.90) feet, enclosing an area of one million four hundred seventy thousand five hundred seventy four point three thousand one hundred eighty three (1,470,574.3183) square feet, equivalent to thirty three point seven thousand five hundred ninety seven (33.7597 acres), herein after referred to as "Lot Two". The Puerto Rico Ports Authority authorizes the construction of, hangars, a cargo terminal, offices and other facilities on Lot Two (2). The lessee promises to the Authority the final construction drawings before commencing such construction with the Authority's consent. The construction consist of approximately eighty thousand square (80,000) feet and one hundred thousand (100,000) for the parking area. By the same document the Ports Authority destines a part of Lot One, that shall be used for fuel connections and the lessee shall have the right to use and connect future fuel line in order to service the Airport that is described in the following manner: From the point beginning point number one (1) located at the Northeast goes of the property, thence to point number two (2) runs Southwest eighty nine (89) degrees, fifty five (55)

minutes, forty four (44) seconds, in a distance of three thousand four hundred forty eight point nine hundred fifty three (3448.953) meters. Thence to point number three (3) runs Southwest nine (9) degrees, fifty three (53) minutes, fifty four (54) seconds, in a distance of nine point nine hundred ninety three (9.993) meters. Thence to point number four (4) runs Northeast eighty nine (89) degrees, fifty five (55) minutes, forty four (44) seconds, in a distance of two thousand five hundred seventy seven point seven hundred fifty one (2577.751) meters. Thence to point number five (5) runs Southeast zero (0) degrees, four (4) minutes, sixteen (16) seconds, in a distance of one hundred eleven point one hundred fifteen (111.115) meters. Thence to point number six (6) runs Southwest forty two (42) degrees, six (6) minutes, thirty two (32) seconds, in a distance of one hundred sixty nine point eight hundred seventy five (169.875) meters. Thence to point number seven (7) runs Southwest fifteen (15) degrees, fifty two (52) minutes, four (4) seconds, in a distance of one hundred eighty two point zero fifty (182.050) meters. Thence to point number eight (8) runs Northeast eighty six (86) degrees, fifty seven (57) minutes, twenty nine (29) seconds, in a distance of ten point four hundred four (10.404) meters. Thence to point number nine (9) runs Northeast, fifteen (15) degrees, fifty two (52) minutes, four (4) seconds, in a distance of one hundred seventy six point three hundred eighty four (176.384) meters. Thence to point number ten (10) runs Northeast forty two (42) degrees, six (6) minutes, thirty two (32) seconds, in a distance of one hundred seventy one point three hundred seventy eight (171.378) meters. Thence to point number eleven (11) runs Northwest zero (0) degrees, four (4) minutes, fifteen (15) seconds, in a distance of one hundred fourteen point nine hundred eleven (114.911) meters. Thence to point number twelve (12) runs Northeast eighty nine (89) degrees, fifty five (55) minutes, forty four (44) seconds, in a distance of eight hundred sixty three point zero eighty nine (863.089) meters. Thence to the point of beginning point number one (1) runs Northwest zero (0) degrees, four (4) minutes, sixteen (16) seconds, in a distance of nine point eight hundred forty three (9.843) meters, enclosing an area of thirty eight thousand five hundred ten point four thousand seven hundred sixty (38,510.4760) square feet, equivalent to zero point eight thousand eight hundred forty one (0.8841) acres. "Hereafter referred to as "Fuel Live Area". According to the 30th inscription an easement is constituted over Lot 2 in favor of the parcel of three hundred thirty-five thousand one hundred sixty point forty nine (335,160.49) square feet equivalent to seven point sixty forty-two (7.6042) in favor of the Puerto Rico Port Authority, that is described as follows: "Beginning at point number one hundred five (105) located at the Northeast corner of the property, thence to point number one hundred twenty three (123), runs Southeast sixty nine (69) degrees, fourteen (14) minutes, seven (7) seconds, in a distance of two hundred seventy six point seventy seven (276.77) feet. Thence to point number one hundred twenty four (124), runs Southwest zero (0) degrees, seven (7) minutes, fourteen (14) seconds, in a distance of one thousand one hundred ninety eight point fifty (1,198.50) feet. Thence to point number one hundred eight (108) runs Southwest eighty nine (89) degrees, fifty four (54) minutes, one (1) second, in a distance of two hundred ninety four point forty one (294.41) feet. Thence to point number one hundred seven (107) runs Northeast one (1) degree, one (1) minute, fifty seven (57) seconds, in a distance of three hundred seventy point eighteen (370.18) feet. Thence to point number one hundred six (106) runs Southeast eighty six (86) degrees, twenty one (21) minutes, two (2) seconds, in a distance of twenty nine point fifty seven (29.57) feet. Thence to point of beginning point number one hundred five (105) runs Northeast zero (0) degrees, seven (7) minutes, fourteen (14) seconds, in a distance of nine hundred twenty eight point ninety (928.90) feet, enclosing an area of three hundred thirty five thousand one hundred sixty point forty nine

(335,160.49) square feet, equivalent to seven point six thousand nine hundred forty two (7.6942 acres)" (Hereinafter referred to as "Right of Way Easement").

CURRENT OWNERSHIP

THE PUERTO RICO PORTS AUTHORITY is the owner in fee simple ("pleno dominio") of this entire parcel, according to the 81st inscription of August 15, 1972, recorded at page 264 of 8ortla 427 of the Registry of the Property, Section of the Municipality of Carolina, and constituted pursuant to deed number 59 of Transfer of Lease, executed on August 15, 1972 before Notary Public MARIA YOLANDA POMALES.

ENCUMBRANCES.....

TRANSFER AND EASEMENT:

According to the 81st inscription of August 15, 1972, recorded at page 264 of volume 427 of the Municipality of Carolina, by virtue of deed number 59 of Transfer of Lease executed on August 15, 1972 before Notary Public MARIA YOLANDA POMALES. The entire parcel is encumbered by a Mortgage in the amount of 850,000.00. This entire parcel is encumbered by a mortgage in favor of the bearer in the principal amount of $850,000.00 and is encumbered only in the total amount of $850,000.00.

LEASE:

Lease in favor of Puerto Rico International Airlines Inc., with respect to a portion of 8,055.43 square meters, according to the 5th Inscription of August 15, 1972, recorded at page 264 of volume 427 of the Registry of the Property, Section of the Municipality of Carolina, constituted pursuant to deed number 59 of Transfer of Lease, executed on August 15, 1972 before Public Notary MARIA YOLANDA POMALES.

TRANSFER OF LEASE AND EASEMENT:

According to the 81st Inscription of August 15, 1972, recorded at page 264 of volume 427 of the Municipality of Carolina, constituted pursuant to deed number 59 of Transfer of Lease, executed on August 15, 1972 before Public Notary MARIA YOLANDA POMALES. The entire parcel is encumbered by a MORTGAGE in favor of the bearer, in the principal amount of $400,000.00; and a foreclosure value of $400,000.00.

EASEMENT:

Easement in favor of property no. one thousand four hundred forty five. 5th Inscription of August 15, 1972, recorded al page 264 of volume 427 of the Municipality of Carolina, constituted pursuant to deed number 59 of Transfer of Lease, executed on August 15, 1972 before Public Notary MARIA YOLANDA POMALES.

LEASE:

Encumbers the lease in favor of Mar de Isla Verde Development, Inc., according to the 7th Inscription of August 15, 1972, recorded at page 264 of volume 427 of the Municipality of Carolina, constituted pursuant to deed number 59 of Transfer of Lease, executed on August 15, 1972 before Public Notary MARIA YOLANDA POMALES.

EASEMENT:

According to the 8th Inscription recorded at page 266 of volume 427 it affects the easement in favor of the Puerto Rico Aqueduct and Sewer Authority. 5th Inscription of August 15, 1972, recorded al page 264 of volume 427 of the Municipality of Carolina, constituted pursuant to deed number 59 of Transfer of Lease, executed on August 15, 1972 before Public Notary MARIA YOLANDA POMALES.

LEASE:

According to the 3rd Inscription of Lease in favor of Trust Advisor Corporation related to the 8th Inscription. 9th Inscription of May 23, 1973, recorded at page 267 of volume 427 of the Municipality of Carolina, constituted pursuant to deed number 143 of Assignment of Lease, executed on April 13, 1973 before Notary Public JOSE A. LAVASTIDA.

LEASE:

According to the 10th Inscription of Lease in favor of Eastern Air Lines, Inc., over a parcel with the following description: parcel consisting of sixty-eight thousand eight hundred eighty-eight square feet point fifty that is part of the lands known as the International Airport, in the "Hato de Cangrejos" and "Cangrejos Arriba" wards of the Municipality of Carolina, this parcel being in the middle of the main parcel and marked in the Exhibit C of the lease agreement between Caribbean Air Lines Inc. and the Puerto Rico Ports Authority, and a structure on the parcel described as follows: Hangar and Improvements. The hangar consist of a steel building surrounded by zinc, one hundred sixty-five feet wide and [•] feet wide and concrete floors, [...] interior walls of concrete block to divide offices, lockers, [•] etc. 10th Inscription of May 31, 1973 recorded al page 267 of volume 427 of the Municipality of Carolina, constituted pursuant to deed number 3 executed on May 24, 1973 before Notary Public WILSON F. COLBERG.

EASEMENT:

According to the 11th Inscription it is encumbered by an easement in favor of the Puerto Rico Electric Power Authority over a parcel of 4,168.95 square meters, related to the inscription at page 270 of volume 427. 11th Inscription of January 23, 1976, recorded ar page 269 of volume 427 of the Municipality of Carolina, constituted pursuant to deed number 113 of Easement, executed on November 21, 1975 before Notary Public PEDRO SANTIAGO TORRES.

LEASE:

According to the 14th Inscription, the lease in favor of Caribbean Airport Facilities Inc., over the "Hangar and Warehouse Offices" with a term of 25 years described at page 11 of volume 564 and page 64 of volume 803, was modified. 14th Inscription of February 13, 1989, recorded at page 10 of volume 564 of the Municipality of Carolina, constituted pursuant to deed number 2 executed on February 10, 1989 before Notary Public LUIS A. ARCHILLA DIAZ.

SURFACE:

"Airport Facilities": on the premises leased from the Puerto Rico Ports Authority, as per deed of Lease, deed number two (2) of February ten (10) nineteen hundred eighty nine (1989) before notary public Luis A. Archilla Diaz, and located at the Luis Muñoz Marín International Airport, as specifically described in said deed Caribbean Airport Facilities Inc., has constructed a Hangar Office and Warehouse building with parking area and service ramp. The two entrances from the Airport Service Road connect to the parking area which bound the building along the North side and partly on the East and West sides. The ramp bounds the building on the South side and partly on the East and West sides. The parking area consist of an asphaltic concrete paved area of two hundred ten thousand nine hundred eighty square feet (210,980 sq. ft.) with capacity for 309 standard parking spaces, 13 parking spaces for handicapped and 126 parking spaces for trailers. The service ramp consists of a 10ortland cement concrete paved area of three hundred forty nine thousand six hundred twenty five square feet (349,625 sq. ft.). Between the parking area and service ramp are two unpaved areas of three thousand one hundred twenty five square feet (3,125 sq. ft.) on the west side and five thousand square feet (5,000 sq. ft.) on the East side. The Hangar Office and Warehouse buildings consists (sic.) of a three level steel structure. The first floor contains to the South a hangar of thirty six thousand square feet, (36,000 sq. ft.) and Warehouse facilities of one hundred twenty two thousand three hundred square feet (122,300 sq. ft.). The second floor contains Office Space of seventy thousand nine hundred and ninety square feet (70,990 sq. ft.) and catering services spaces of thirty nine thousand two hundred square feet (39,200 sq. ft.). The Third floor contains Office Space of two thousand four hundred square feet (2,400 sq. ft.). The total area of the lot plus entrance no. 1 and no. 2 is seven hundred forty four thousand twenty one and seven thousand nine hundred forty three ten thousand square feet (744,021.7943 sq. ft.) equivalent to sixty nine thousand one hundred twenty one and eight thousand eight hundred sixty five ten thousand square meters (69,121.8865 sq. mts.) in turn equivalent to seventeen and five thousand eight hundred sixty four "cuerdas" (17.5864 cdas). 15th Inscription of February 13, 1989, recorded at page 64 of volume 803 of the Municipality of Carolina, constituted pursuant to deed number 3 executed on February 10, 1989 before Notary Public LUIS A. ARCHILLA DIAZ.

LEASE:

Encumbers lease in favor of the Puerto Rico Highway and Transportation Authority, for the amount of $21,000.00 annually, for a period of 99 years that expires on August 28, 2091, over the parcel that is described as follows: Rural: Parcel A: Parcel of land located in the "Cangrejo Arriba" Ward of the Municipality of Carolina with a surface area of four point zero two (4.02) cuerdas adjacent by the North with the main parcel of the Luis Muñoz Marín Airport, property no. 16374; by the South and East, with the parcel of the Commonwealth of Puerto Rico, parcel no. 2350 and by the East, with state road PR-26. 17th Inscription of February 11, 1992, recorded

at page 67 of volume 803 of the Municipality of Carolina, constituted persuanto to deed number 1 of Lease executed on August 29, 1991 before Notary Public YVONNE BONET DABILLO.

LEASE:

Encumbers lease in favor of Aeroparque Corporation with a term commencing on December 8, 1989, and ending twenty (20) years after the facilities to be constructed are opened to the public ("opening date"), with a right to extend the term for an additional five years with a rental rate of $9,792.00 annually, for the recreational facilities and the parking including the right to operate a fast food cafeteria over the parcel that is described as follows: Lot for commercial use only ("Exclusive Premises") with an area of twelve thousand two hundred thirty three point fifty (12,233.50) square feet, which is incorporated and made a part of the area assigned by the Puerto Rico Ports Authority to Aeroparque Corporation according to the assignment agreement number AP eighty-nine dash ninety dash four dash zero seventy-seven (AP89-90-(4)-077). Adjacent by the North, with an area of public use assigned by the Puerto Rico Ports Authority to Aeroparque Corporation, with a distance of seventy-two point three thousand twenty-four (72.3024) feet, by the East, with an area of public use assigned by the Puerto Rico Ports Authority to Aeroparque Corporation, with a distance of one hundred sixty nine point three thousand eight hundred twelve (169.3812) feet, by the West, with an area of public use assigned by the Puerto Rico Ports Authority to Aeroparque Corporation, with a distance of one hundred sixty nine point six thousand four hundred thirty (169.6430). 18th Inscription of April 27, 1992, recorded at page 68 of volume 803 of the Municipality of Carolina, constituted pursuant to deed number 7 executed on April 15, 1992, before Notary Public JOSE RICARDO TORO MORALES.

MORTGAGE OF LEASE; AEROPARQUE:

According to the 19th Inscription of April 27, 1992, recorded at page 258 of volume 848 of the Municipality of Carolina, constituted pursuant to the Deed of Mortgage and Lease executed on April 22, 1992, before the Notary Public JOSE RICARDO TORO MORALES, the entire parcel is encumbered by a Mortgage in favor of First Caribbean Corporation, for the amount of 5,500,000.00 plus interest and with a foreclosure value of 5,500,000.00.

MORTGAGE OF LEASE 14TH INSCRIPTION:

According to the 20th Inscription of January 15, 1993, recorded at page 258 of volume 848 of the Municipality of Carolina constituted pursuant to the deed number 4 of Mortgage of Lease executed on April 22, 1992, before Notary Public GEORGINA S. COLON ORTIZ. The entire parcel is encumbered by a mortgage in favor of Scotiabank de Puerto Rico in the amount of $59,226,000.00; to be repaid in 240 monthly installments commencing on January 15, 1993, and with a foreclosure value of $25,000,000.00.

OBSERVATIONS: Due on demand. The Mortgage Estate has been appraised at twenty five million dollars ($25,000,000.00) in its present condition, operation and use. The Mortgagor and the Mortgagee agrees (sic.) that in the event of a forced sale of the mortgage estate would be reduced to approximately twelve millions dollars ($12,000,000.00) for purposes of the minimum

bidding amount for the first public auction. In the event of foreclosure the Mortgagor and the Mortgagee value the mortgaged Estate at twelve millions dollars ($12,000,000.00).

AMENDMENT TO THE LEASE; 14th INSCRIPTION:

Affects the Amendment of Lease appearing in the 14th Inscription in favor of Caribbean Airport Facilities Inc., with respect to the following: Lessee now desires to amend with the Puerto Rico Ports Authority to amend the lease, and lease certain additional parcel (also located within the Land) and the Authority is willing to [demise and lease] the same to the Lessee, subject to the primary consideration that the Lessee will Construct, on the new parcel portion, Hangars, Cargo Terminals, Offices, and other facilities. Lessee agrees to construct the facility on the Additional premises according to plans and specifications submitted and approved by the Authority prior to construction. The Authority does hereby demise and lease to the Lessee, and the Lessee does hereby hire and take from the Authority, additional land premises consisting of approximately three million (3,000,000.00) square feet of land space on which at its own cost and expense the Lessee will construct the facilities for the exclusive use of the Lessee during the term of this contract and extensions and for common use thereinafter, described as follows (the "Additional Premises"): "Rural": Parcel located in the "Cangrejo Arriba" Ward of the Municipality of Carolina, Puerto Rico, consisting of two hundred eighty-five thousand eight hundred ninety two point forty five square meters (285,892.45 sq. mts.) equivalent to seventy-two point seventy three eighty-eight (72.7388) "cuerdas", adjacent by the North, with the Puerto Rico Ports Authority; by the South, with Baldorioty de Castro Avenue and the Federal Aviation Administration; by the East, Muniz Air Base access road and the Federal Aviation Administration; by the West, with the Puerto Rico Ports Authority." Lessee will construct the facilities for purposes of conducting air cargo operations and other related activities and services. The above indicated area has been estimated, but it will be certified by the Engineering Department of the Authority once the construction is finished. Adjustment will be made in accordance with the final measurements in consideration of the proposed investment, the term of the lease in connection with the Additional Premises shall be for a period of twenty five (25) years commencing as of the date hereof ("Commencement Date") with two (2) options of five (5) additional years each. The Lessee will have the right of first refusal thereafter. The Lessee will notify the Authority in writing, before the end of the initial twenty five (25) year term of the contract that it desires to execute the first option of five (5) years and before the end of the first option that it desires to execute the second option of five (5) years. If Lessee executes the options the term and conditions of rent for each option will be negotiated in accordance with the Authority's published rates. Should the Lessee hold over the use of the premises after this Agreement has terminated in any manner with the consent of the Authority, such holding over shall be deemed merely as a holding over from month to month, and shall be at the rental herein provided payable monthly in advance but otherwise on the same term and conditions as agreed in this contract. If the Lessee is requested to vacate and surrender the premises because of termination of this lease for any cause or because any other reason agreed upon by the parties and the Lessee does not surrender the premises as requested, then the Lessee shall pay the Authority a penalty equivalent to ten percent (10%) of the monthly rent, for each day of occupancy subsequent to the date stated in the Authority's notification for the surrender of the premises. In addition the Lessee shall pay to the Authority a sum equivalent to the monthly rental rate or any portion thereof as fixed in this agreement as compensation for the use and occupancy

of the premises. The agreement is for a term of twenty five years commencing on June 1, 1995, and extendable by two additional terms of five years each. The rent for the lease during the first six (6) years is $0.86 per square feet per year, the next five (5) years $0.96 and then $1.15 plus a percentage of the gross income. 21st Inscription of August 23, 1994, recorded at page 264 of volume 848 of the Municipality of Carolina, constituted pursuant to deed number 1 executed on July 28, 1994 before Notary Public DON ALFONSO FERNANDEZ.

MODIFICATION TO LEASE; 20TH INSCRIPTION:

According to the 22nd Inscription of August 23, 1994, recorded al page 266 of volume 848, of the Municipality of Carolina, pursuant to deed number 16 of July 28, 1994, the entire parcel is encumbered by a mortgage in the principal amount of $27,226,000.00, with an amortization schedule of 240 months, commencing on August 23, 1994, and with a foreclosure value of $27,226,000.

OBSERVATIONS: It is a modification of the mortgage of lease that appears in the 20th Inscription. Due on demand. Three additional sums are guaranteed each equivalent to 10% of the original principal amount of the promissory note to cover cost, expenses and legal fees of any judicial claim, any other advance that may be made under this mortgage and for interest in addition to those provided for by law. This mortgage in the amount of $9,226,000.00 is increased by $18,000,000.00 to the total aggregate amount of $27,226,000.00. This mortgage also encumbers the building to be constructed that is described as follows: "Two Buildings (Buildings A+B) of two stories each made of steel and block and to be of 100 feet by 200 feet in area. Three additional buildings (Buildings C,D+E), the first Building C, 60 feet by 200 feet, the second Building D, 60 feet by 240 feet and the third Building E, [•] feet by 180 feet, all to be of steel and block construction. In addition an area of parking approximately of approximately [•] square feet will serve all buildings".

LEASE:

According to the 24th Inscription of lease in favor of The Puerto Rico Highway and Transportation Authority, for the term of thirty (30) years commencing on the date of execution of the deed until June 13, 2025, with an annual rent of fifty-nine thousand two hundred dollars ($59,200.00) for a total of one million seven hundred seventy-six thousand. Every five years the rent may be adjusted by mutual consent as long as the increase is not more than the increase of the Consumer Price Index. This lease concerns the following parcel: Urban: Parcel of land located in "Cangrejo Arriba" Ward of Carolina, property of the Puerto Rico Ports Authority, with a surface area of one point eight thousand six hundred ninety eight "cuerdas" (1.8698) equivalent to seven thousand three hundred forty eight point nine thousand six hundred forty three (7,348.9643) square meters, also equivalent to one point eight hundred sixteen (1.816) acres with boundaries: by the North, with property number sixteen thousand, three hundred seventy four (16,374); by the South, with State Road number PR twenty six (PR-26); by the East, with the right of way of State Road number twenty six (PR-26); by the West, with the right of way of State Road number twenty six (PR-26). This parcel is needed for the construction of the ACT-zero, zero, two, six, five, zero (002650) Project parcel [•] (008-01). 24th Inscription of July 26, 1995, recorded at page 268 of volume 848 of the Municipality of Carolina, pursuant to the deed

number 4 of Lease executed on June 13, 1995, before the Notary Public IVONNE BONET RIVERO.

LEASE.

According to the 25th Inscription in favor of the Puerto Rico Highway and Transportation Authority, for a period of two (2) years commencing on the execution date of the deed with a monthly rent of thirteen thousand seven hundred thirty-three dollars ($13,733.33) for an aggregate amount of three hundred twenty-nine thousand six hundred dollars ($329,600.00) [over] the following parcel: "Parcel of land located in "Cangrejo Arriba" Ward of Carolina, property of The Puerto Rico Authority, with a surface area of five point two thousand one hundred fifty eight (5,2158) "cuerdas", equivalent to twenty thousand five hundred point two thousand two hundred thirty one (20,500.223) square meters, equivalent to five point zero, six, six, (5.066) acres and with boundaries: by the North, with main property; by the South, with State Road number twenty six (PR-26); by the East, with main property; and by the West, In a point with main property and with the right of way of State Road number twenty six (PR-26)." The parcel known as 008-02 for the construction of a temporary deviation for the project ACT-002650, Baldorioty de Castro avenue, for a period of two (2) years commencing on the date of execution of the deed. 25th Inscription of July 26, 1995, recorded at page 269 of volume 848 of the Municipality of Carolina, constituted pursuant to deed number 5 of Lease executed on June 13, 1995, before Notary Public IVONNE BONET RIVERO.

Conservation easement area.

The Puerto Rico Ports Authority in agreement with the Corps of Engineers of the United States Department of Defense dedicated the following parcel to the preservation of natural resources (Conservation Easement Area) that is described in the following manner: Urban: Parcel of land located at the "Cangrejo Arriba" Ward of the Municipality of Carolina, Puerto Rico, property of the Puerto Rico Ports Authority, denominated as "Tract of Land, Plan and Details for Mangrove Mitigation of Survey Plan" prepared by surveyor Jose Santiago Diaz, with an area of one point five thousand four hundred and forty five ten thousandths of a "cuerda" (1,5445 cdas) equivalent to one point and a half of an acre (1.5 acres) bounded on the North, in five alignments of five hundred seventy nine feet and one hundred sixty one thousandths of another foot, (579.161 feet) with the land of the main property of the Puerto Rico Ports Authority; on the South, in five alignments of one hundred forty feet and ninety seven thousandths of another foot (140.097) feet with the land of the main property of the Puerto Rico Ports Authority; on the East, in five alignments of three hundred thirty seven feet and one hundred eighteen thousandths of another foot (337.118 feet) with the Suarez Channel; and on the West, in six alignments of two hundred sixty six feet and nine hundred twenty six thousandths of another foot (266.926 feet) with access Road to the Muñiz Air Force Base. This parcel is for the construction of "Dual West Crossfield Taxiway Projects" and two (2) outlets for the roads 8 and 10, this parcel being contemplated in Survey Plan No. GG-20-A of the surveyor Jose T. Santiago Diaz, and shall be dedicated to a Wetland Recreation Area and establishes restrictive conditions that no buildings or structures shall be built on such area and the vegetation and the hydrology of the area shall not be altered in order to protect the vegetation and animals that inhabit the same.

26th Inscription of July 28, 1995, recorded at page 270 of volume 848 of the Municipality of Carolina constituted pursuant to deed number 20 of Conservation executed on July 18, 1995 before Notary Public MIGUEL ANGEL CASTELLANOS CASTRO.

Postponement in favor of the 28th Inscription:

The mortgage that appears in the 20th Inscription and the lease that appears in the 22nd Inscription were postponed in favor of the mortgage in the 28th Inscription.

Note at the margin of the 20th Inscription of August 18, 1995, recorded at page 263 of volume 848 of the Municipality of Carolina, constituted pursuant to deed number 47 executed on August 2, 1995 before Notary Public GEORGINA S. COLON ORTIZ.

LEASE.

According to the 27th Inscription, the lease that appears in the 14th Inscription and that has been modified twice is subleased in favor of Adela Catering Corporation, d/b/a Sky Caterers, parts on the 1st and 2nd floor of the Airport and modify the subleased area as follows for the term of the lease that shall last until July 28, 2029 and it will be subordinated to the original lease; the rent shall be four hundred seventy thousand five hundred eighty-eight point twenty three dollars ($470,588.23) for a total of $16,000,000.00 for the entire period of the contract and given that this is a "Net-Net Lease" the subleased parcels are described as follows: "Interior First Level": From the Northwest corner of the facility, due South two hundred eighty (280) feet to the Southwest corner of the facility, across due East one hundred forty (140) feet to the beginning of the hangar and the due North two hundred eighty (280) feet along the Western side of the hangar to a point on the North side of the building to the East of the elevator tower, and then due West one hundred forty (140) feet to the aforementioned Northwest corner of the facility. Additionally, two rooms which extend into the hangar area known as the laundry room and boiler room maintenance area are included in the ground floor premises. "Interior Second Level": From the Northwest corner of the second level of the facility, two hundred eighty (280) feet due South to the Southwest corner of the facility, due East one hundred forty (140) feet to the beginning of the hangar and then due North to the North side of the hangar, and then alongside the North side of the hangar, for a distance of eighty (80) feet, and then due North one hundred forty (140) feet to the North side of the facility. "A total interior space of one hundred four thousand (104,000) square feet." Exterior: From the point of beginning, point number one hundred one (101) located at the Northwest corner of the property, thence to point number one hundred twelve (112) runs Southwest eighty nine (89) degrees fifty seven (57) thirty five (35) seconds in a distance of eighty two point zero five (82.05) meters. Thence to point number one hundred thirteen (113) runs Southwest cero (0) degrees twenty eight (28) minutes, thirty four (34) seconds in a distance of forty six point seventy six (46.76) meters. Thence to point number one hundred fourteen (114) runs Southeast eighty nine (89) degrees, thirty one (31) minutes twenty six (26) seconds, in a distance of nine point forty (9.40) meters. Thence to point number one hundred fifteen (115) runs Southeast cero (0) degrees, cero (0) minutes, four (4) seconds, in a distance of seventy point eighty six (70.86) meters. Thence to point number one hundred sixteen (116) runs Southwest eighty nine (89) degrees, fifty nine (59) minutes, fifty six (56) seconds; in a distance of forty eight point twenty six (48.26) meters. Thence to point number one

hundred seventeen (117) runs Southeast cero (0) degrees, cero (0) minutes, four (4) seconds, in a distance of ninety nine point twenty six (99.26) meters. Thence to point number one hundred eighteen (118) runs Northwest eighty nine (89) degrees, fourteen (14) minutes, thirty six (36) seconds, in a distance of forty two point zero three (42.03) meters. Thence to point number one hundred nineteen (119) runs Northeast cero (0) degrees, ten (10) minutes, cero (0) seconds, in a distance of seven point sixty five (7.65) meters. Thence to point number one hundred eleven (111) runs Northwest eighty nine (89) degrees, fifty (50) minutes, cero (0) seconds, in a distance of cero point seventy nine (0.79) meters. Thence to the point of beginning point number one hundred one (101) runs Northwest cero (0) degrees, cero (0) minutes, seven (7) seconds; in a distance of two hundred eight point eighty one (208.81) meters, enclosing an area of one hundred fifty six thousand two hundred eighty two point eighty one (156,282.81) square meters, equivalent to three point five thousand eight hundred seventy eight (3.5878 acres). The lease includes a right of first refusal.

27th Inscription of August 18, 1995, recorded at page 271 of volume 848 of the Municipality of Carolina, constituted pursuant to deed number 46 of Sublease executed on August 26, 1995 before Notary Public GEORGINA S. COLON ORTIZ.

MORTGAGE OF LEASE, 27TH INSCRIPTION, ADELA CATER:

According to the 28th Inscription of August 18, 1995 recorded at page 271 of volume 84B of the Municipality of Carolina pursuant to the deed number 94 of Mortgage of Lease executed on August 2, 1995, before Notary Public BALDOMERO COLLAZO SALAZAR. The entirety of this parcel is encumbered by a Mortgage in favor of the bearer for the principal amount of $8,645,000.00 payable in 240 monthly installments commencing on August 2, 1995; and with a foreclosure value of $8,645,000.00.

LEASE.

According to the 29th Inscription of [Sale] of Lease that appears on the 23rd Inscription over Lot A consisting of 20,642.9064 square meters, in favor of Cargo Service Corp. 29th Inscription of August 12, 1997, recorded at page 274 of volume 84B of the Municipality of Carolina, constituted pursuant to deed number 69 of Lease executed on October 29, 1996 before Notary Public MARIA LUISA FUSTER ZALDUONDO.

LEASE.

According to the 30th Inscription the mortgage affecting the lease that appears on the 14th Inscription is amended as follows: two parcels of CAF II consisting of 1,257,158.2593 square feet equivalent to 28.8604 acres and 81,177.0833 square feet equivalent to 1.8636 acres are excluded. To replace Lot 1, Lot 2 is included in the CAF II parcel. After excluding such parcels, the remnant of CAF II is the following: From the point of beginning, point number five hundred three (503) located at the Northwest corner of the property, thence to point number three thousand one hundred fifteen (3,115) runs Northeast eighty nine (89) degrees, fifty four (54) minutes, fifty nine (59) seconds, in a distance of one hundred seventy eight hundred twenty six (178,826) meters. Thence to point number three thousand five A (3105) A. runs Northeast eighty

nine (89) degrees, eight (8) minutes, thirty two (32) seconds, in a distance of one hundred twelve point seven hundred eighty five (112,785) meters. Thence to point number three thousand seventy six A (3076 A) runs Northeast eighty nine (89) degrees, forty six (46) minutes, thirty five (35) seconds, in a distance of eight hundred sixty on point two hundred seventy six (861,276 meters). Thence to point number three thousand one hundred four A (3104 A) runs Southeast eighty three (83) degrees, fifty (50) minutes, thirty two (32) seconds, in a distance of one hundred thirty seven point six hundred thirty four (137,634) meters. Thence to point number three thousand one hundred forty two A (3142 A) runs Southeast sixty nine (69) degrees, zero (0) minutes, two (2) seconds, in a distance of one hundred thirty one point seven hundred ninety three (131,793) meters. Thence to point number three thousand one hundred thirty eight A (313). 30th Inscription of December 29, 1997, recorded at page 275 of volume 844 of the Municipality of Carolina, constituted pursuant to deed number 1 executed October 28, 1997 before Notary Public ALFONSO FERNANDEZ.

EASEMENT:

30th Inscription of December 29, 1997 recorded at page 275 of volume of volume 844 of the Municipality of Carolina, constituted pursuant to deed number 1 [of 2nd Modification of Lease] executed October 28, 1997 before Notary Public ALFONSO FERNANDEZ.

EXPANSION OF MORTGAGE OF LEASE; 14TH INSCRIPTION:

According to the 31st Inscription of December 29, 1997 recorded at page 280 of volume 844 of the Municipality of Carolina, constituted pursuant to deed number 6 of Expansion of Mortgage executed November 14, 1997 before Notary Public JORGE SOUSS VILLALOBOS, the entire parcel is affected by a mortgage in favor of Scotiabank of Puerto Rico for the principal amount of $58,774,000.00 commencing on December 29, 1997; this parcel is encumbered only in the principal amount of $12,374,000; and with a foreclosure value of $36,000,000.00.

OBSERVATIONS: Subscribed under affidavit number 2775. It is a modification and expansion of the Mortgage of Lease that appears in the 14th Inscription and its modifications according to the 21st, 22nd and 30th inscriptions. It is expanded and modified in the following manner: it is expanded in the additional amount of $8,774,000 and Lot 1 is released from the mortgage and Lot 2 is included.

LEASE.

32nd Inscription of April 13, 1998 recorded at page 281 of volume 848 of the Municipality of Carolina, constituted pursuant to deed number 1 of Sublease executed March 26, 1998 before Notary Public ALFONSO FERNANDEZ.

MORTGAGE OF LEASE; 23rd INSCRIPTION CARGO SERVICE:

According to the 33rd Inscription of February 13, 2000 recorded at volume 906 of the Municipality of Carolina, constituted pursuant to deed number 190 executed December 20, 2000 before Notary Public ERNESTO A. MELENDEZ. The entire parcel is encumbered by mortgage

in favor of the bearer [in connection with the lease] in the 23rd Inscription for the principal amount of $5,500,000.00, commencing on February 13, 2000; with a foreclosure value of [$500,000.00].

LEASE.

34th Inscription of February 11, 2004 recorded at page 8 of volume 1002 of the Municipality of Carolina, constituted pursuant to deed number 9 of Lease and Edification executed December 22, 2003 before Notary Public YARITZA DEL C. HERNANDEZ BONET.

EXPANSION OF MORTGAGE OF LEASE; 14TH INSCRIPTION:

According to the 36th Inscription of September 7, 2005 recorded at page 20 of volume 1002 of the Municipality of Carolina, constituted pursuant to deed number [1.15A] of Expansion of Mortgage executed March 29, 2005 before Notary Public FRANCISCO J. BIAGGI LANDRON. The entire parcel is encumbered by a mortgage in favor of Westernbank Puerto Rico for the principal amount of $5,750,000.00; with an amortization term of 240 months with a due date of September 7 [2005]; this parcel is encumbered only in the total amount of $10,500,000.00; with a foreclosure value of $41,750,000.00.

OBSERVATIONS: MODIFIES THE MORTGAGE OF LEASE; 14TH INSCRIPTION: Interest: with fluctuating interests over the same at the rate equal to the prime rate as established by Citibank, NA in New York City, from this date and until full and total payment. The interest over this obligation shall be payable monthly to be effected the payment of interest and of principal in the domicile of the holder of this obligation. All interest payable hereunder shall be computed on the basis of actual days elapsed and a year of three hundred and sixty (360) days. Due on Demand. Executed under affidavit 16,486. The new principal amount of this mortgage shall be increased from $36,000,000.00 to $41,750,000.00.

MORTGAGE OF LEASE; 36TH INSCRIPTION:

According to the 36th Inscription of June 4, 2008 recorded at page 21 of volume 1002 of the Municipality of Carolina, constituted pursuant to deed number 28 of Mortgage of Lease executed May 16, 2008 before Notary Public FERNANDO IGNACIO MEDINA [CEDER]. The entire parcel is encumbered by Mortgage in favor of the bearer for the principal amount of $16,000,000.00; commencing on June 4, 2008; this parcel is encumbered only in the total amount of $[19,200,000] and with a foreclosure value of $16,000,000.00.

LEASE.

Note number 3 at the margin of the 34th Inscription of July 14, 2008 recorded at page [2] of volume 1007 of the Municipality of Carolina for change in name dated July 9, 2001.

DOCUMENTS PENDING RECORDATION:

Entry 652 of volume 346 of the Book of Daily Entries:

MAMA A. NAVAS PAVIA presents at 14 hundred hours and 17 minutes of October 27, 2011 CLAIM AND COUNTER CLAIM AGAINST THIRD PARTIES IN THE CIVIL CASE NUMBER FPE020606 GRANTED ON DECEMBER 4, 2002 IN THE SUPERIOR COURT OF CAROLINA BEFORE THE JUDGE OF SUCH COURT, petitioning that parcel number 16,374 of the Municipality of Carolina and that the parcel located in the at the Luis Muñoz Marín International Airport be recorded in favor of CARIBBEAN AIRPORT FACILITES INC. With a transaction value of $[199,55.00], $484,866.00 and $1,000.000.00. Recording fee of $4.00 and Political Code fee of $10.50.

SCHEDULE 2

CONTRACTS

Each of the following is a "LMM Airport Facility Contract" and an "Assigned "LMM Airport Facility Contract."

1. Concession Agreement AP-89-90-4-077, dated as of December 8, 1989, as amended by AP-89-90-4-077 A-1 on May 3. 1991, as amended further by AP-89-90-4-077 A-2 on April 1, 1992, and as amended further by AP-89-90-4-077 E-3 on September 9, 2004 by and between the Authority and Aeroparque Corporation.

2. Lease Agreement AP-00-01-4-035, dated as of December 18, 2000, as amended by AP-00-01-4-035 A-1 on May 8, 2002, as amended further by AP-00-01-4-035 A-2 on July 19, 2002, and as amended further by AP-00-01-4-035 A-3 on January 31, 2005, by and between the Authority and Air Sub Corporation.

3. Concession Agreement AP-04-05-4-212, dated as of January 31, 2005, by and between the Authority and Air Sub Corporation d/b/a Mamma Illardo's.

4. Concession Agreement AP-83-84-4-094, dated as of February 8, 1984, as amended by AP-83-84-4-094 E-1 on October 28, 1986, as amended further by AP-83-84-4-094 A-2 on March 4, 1991, as amended further by AP-83-84-4-094 E-3 on May 14, 1993, as amended further by AP-83-84-4-094 A-4 on May 12, 1997, as amended further by AP-83-84-4-094 E-5 on September 9, 2004, as amended further by AP-83-84-4-094 A-6 on March 10, 2008, and as amended further by AP-83-84-4-094 A-7 on December 14, 2008, by and between the Authority and Airport Catering Services Corporation.

5. Grant Agreement AP-88-89-4-183, dated as of November 21, 1990, as amended by AP-88-89-4-183 A-1 on May 12, 1997, and as amended further by AP-88-89-4-183 E-2 on September 9, 2004, by and between the Authority and Airport Catering Services Corporation.

6. Lease Agreement AP-00-01-4-077, dated as of August 11, 2000, as amended by AP-00-01-4-077 E-1 on March 7, 2003, as amended further by AP-00-01-4-077 E-2 on December 5, 2003, as amended further by AP-00-01-4-077 E-2 on December 8, 2006, and as amended further by AP-00-01-4-077 E-4 on December 12, 2008, by and between the Authority and Alliance Duty Free, Inc.

7. Concession Agreement AP-10-11-4-098, dated as of February 15, 2011, by and between the Authority and Angel M. Colon Roman, d/b/a International Barber Shop.

8. Lease Agreement AP-09-10-4-133, dated as of June 10, 2010, by and between the Authority and ATG Airport Restaurants, Inc.

9. Lease Agreement AP-05-06-4-120, dated as of March 20, 2006, by and between the Authority and Banco Popular de Puerto Rico.*

10. Lease Agreement AP-05-06-4-129, dated as of May 1, 2006, by and between the Authority and Banco Popular de Puerto Rico.*

11. Lease Agreement AP-05-06-4-030, dated as of August 25, 2005, by and between the Authority and Camera Work, Inc., d/b/a Fly BVI.*

12. Concession Agreement AP-11-12-4-150, dated as of June 7, 2012, by and between the Authority and Caribbean Retailers, Inc. d/b/a Sunny Planet.

13. Concession Agreement AP-11-12-4-055, dated as of October 18, 2011, by and between the Authority and CC-1 Limited Partnership, d/b/a Coca-Cola Puerto Rico Bottlers.

14. Concession Agreement AP-10-11-4-111, dated as of March 25, 2011, by and between the Authority and Cosmopar, Inc. d/b/a Tiendas Gabrielas.

15. Lease Agreement AP-11-12-4-050, dated as of September 30, 2011, by and between the Authority and Cynthia Greta Berrios Lopez d/b/a Garbo.

16. Lease Agreement AP-10-11-4-114, dated as of March 29, 2011, by and between the Authority and Edwin Rosario Rodriguez.

17. Concession Agreement AP-04-05-4-022, dated as of July 12, 2004, by and between the Authority and Edwin Rosario Rodriguez, d/b/a El Tamarindo.*

18. Concession Agreement AP-04-05-4-199, dated as of December 31, 2004, as amended by AP-04-05-4-199 E-1 on June 13, 2008, by and between the Authority and El Meson de Felipe, Inc., d/b/a El Meson Sandwiches.

19. Concession Agreement AP-09-10-4-034, dated as of July 15, 2009, by and between the Authority and El Morro Souvenirs Shop, Inc.*

20. Concession Agreement AP-09-10-4-064, dated as of November 23, 2009, by and between the Authority and El Morro Souvenirs Shop, Inc.*

21. Concession Agreement AP-04-05-4-179, dated as of December 31, 2004, by and between the Authority and Enrique Duprey Porrata, d/b/a Fun Stuff.*

22. Concession Agreement AP-11-12-4-034, dated as of September 19, 2011, by and between the Authority and Faith International Corporation, d/b/a Perla's Souvenirs & Things.

23. Concession Agreement AP-11-12-4-035, dated as of September 19, 2011, by and between the Authority and Faith International Corporation, d/b/a Perla's Souvenirs & Things.

24. Concession Agreement AP-04-05-4-202, dated as of December 31, 2004, as amended by AP-04-05-4-202 on September 9, 2008, by and between the Authority and Fasola Corporation, d/b/a Martin's BBQ Rotisserie Chicken.

25. Concession Agreement AP-04-05-4-003, dated as of July 6, 2004, by and between the Authority and Fernando Hernandez Pagan, d/b/a Leather Ranch for Kids.*

26. Concession Agreement AP-05-06-4-080, dated as of January 12, 2006, by and between the Authority and Fernando Hernandez Pagan, d/b/a Leather Ranch.*

27. Concession Agreement AP-09-10-4-043, dated as of August 24, 2009, by and between the Authority and Fernando Hernandez Pagan, d/b/a Leather Ranch.*

28. Concession Agreement AP-10-11-4-026, dated as of August 23, 2010, by and between the Authority and General Retail SH, Inc., d/b/a Island Ice Smoothies.

29. Lease Agreement AP-99-00-4-082, dated as of May 22, 2000, by and between the Authority and Golden Arch Development Corporation.*

30. Concession Agreement AP-04-05-4-197, dated as of December 31, 2004, by and between the Authority and Happy Sweets, Inc., d/b/a Buffalo Wings.

31. Concession Agreement AP-10-11-4-123, dated as of April 26, 2011, by and between the Authority and Loren Airport Corporation, d/b/a Potato Deli.

32. Concession Agreement AP-10-11-4-122, dated as of April 26, 2011, by and between the Authority and Los Quesitos del Aeropuerto, Inc.

33. Lease Agreement AP-10-11-4-084, dated as of January 4, 2011, by and between Maria Orietta Caula, d/b/a San Juan Souvenirs, Gifts & Novelties.

34. Concession Agreement AP-05-06-4-076, dated as of December 14, 2005, as amended by AP-05-06-4-076 E-1 on May 2, 2008, by and between the Authority and Martinez Amezaga and Associates, Inc.*

35. Lease Agreement AP-00-01-4-034, dated as of December 15, 2000, by and between the Authority and New Millennium Investment Group, Inc.*

36. Lease Agreement AP-03-04-4-124, dated as of December 16, 2003, as amended by AP-03-04-4-124 A-1 on September 13, 2007, by and between the Authority and News and Gift Shop of Puerto Rico LLP.*

37. Lease Agreement AP-10-11-4-082, dated as of December 30, 2010, by and between the Authority and Omill Borrero Cofino, d/b/a Los Millones Car Wash.

38. Lease Agreement AP-08-09-4-087, dated as of September 24, 2008, by and between the Authority and P.F. & G.M. International Distributors, Inc./ Medalla Light Store.

39. Concession Agreement AP-09-10-4-124, dated as of May 21, 2010, by and between the Authority and Paner Corporation, d/b/a Pachy's Sweets & More.*

40. Concession Agreement AP-10-11-4-054, dated as of November 10, 2010, by and between the Authority and Paner Corporation, d/b/a Pachy's Sweets & More.

41. Concession Agreement AP-10-11-4-053, dated as of November 10, 2010, by and between the Authority and Paner Corporation d/b/a Pachy's Sweets & More.

42. Concession Agreement AP-09-10-4-120, dated as of April 20, 2010 by and between the Authority and Patricio A. Pena Cabrera, d/b/a Don Rey.

43. Concession Agreement AP-10-11-4-061, dated as of November 16, 2010, by and between the Authority and Piccolo Gelatto's Inc. Pt.

44. Lease Agreement AP-11-12-4-142, dated as of May 30, 2012, by and between the Authority and Franscisco Robles Gonzalez, d/b/a Shoe Shine.

45. Concession Agreement AP-11-12-4-149, dated as of June 7, 2012, by and between the Authority and Secure Seal of Puerto Rico, Inc.

46. Concession Agreement AP-09-10-4-125, dated as of May 21, 2010, by and between the Authority and Silver Planet, Inc.

47. Concession Agreement AP-04-05-4-044, undated, as amended by AP-04-05-4-044 E-1 on December 31, 2004, as amended further by AP-04-05-4-044 E-2 on January 25, 2008, and as amended further by AP-04-05-4-044 E-3 on January 25, 2008, by and between the Authority and South American Restaurants Corporation, d/b/a Church's Chicken.

48. Lease Agreement AP-04-05-4-043, dated as of August 4, 2004, as amended by AP-04-05-4-043 on March 19, 2008, by and between the Authority and Starbucks Coffee Puerto Rico LLC.

49. Concession Agreement AP-05-06-4-105, dated as of March 1, 2006, by and between the Authority and Victor Ruiz Enterprises, Inc., d/b/a Pizza Box.*

50. Concession Agreement AP-04-05-4-046, dated as of August 4, 2004, by and between the Authority and Wendco of PR Inc., d/b/a Wendy's.

51. Concession Agreement AP-07-08-4-088, dated as of October 19, 2007, by and between the Authority and Xyonin, Inc.

52. Concession Agreement AP-10-11-4-105, dated as of March 17, 2011, by and between the Authority and Yocahu Surfwear, Inc.

53. Concession Agreement AP-10-11-4-106, dated as of March 17, 2011, by and between the Authority and Yocahu Surfwear, Inc.

54. Lease Agreement AP-11-12-4-139, dated as of May 18, 2012, by and between the Authority and Primary Care Centers of the USA, Inc.

55. Concession Agreement AP-10-11-4-052, dated as of November 10, 2010, by and between the Authority and Yocahu Surf Wear, Inc.

56. Contract AP-11-12-4-146, dated as of June 5, 2012, by and between the Authority and AIE Tropical, LLC.

57. Contract AP-11-12-4-147, dated as of June 5, 2012, by and between the Authority and Paner Corporation d/b/a Pachy's Sweet and More.

58. Lease Agreement AP-01-02-4-120, dated as of June 26, 2002, by and between the Authority and Avis Rent a Car de Puerto Rico.*

59. Lease Agreement AP-07-08-4-172, dated as of April 15, 2008, by and between the Authority and Best Rate Car & Truck Rental, Inc., d/b/a Thrifty Car Rental.

60. Lease Agreement AP-03-04-4-136, dated as of August 1, 2003, as amended by AP-03-04-4-136 A-1 and AP-03-04-4-136 A-2, by and between the Authority and Budget Rent a Car de Puerto Rico Inc.

61. Lease Agreement AP-07-08-4-017, dated as of July 1, 2007, by and between the Authority and Charlie Car Rental.*

62. Lease Agreement AP-02-03-4-028, dated a of August 22, 2002, as amended by AP-02-03-4-028 E-1 on June 29, 2004, by and between the Authority and Duffy International Corporation d/b/a National Car Rental.

63. Lease Agreement AP-01-02-4-068, dated as of January 18, 2002, as amended by AP-01-02-4-068 A-1 on July 7, 2004, by and between the Authority and Hertz Corporation.*

64. Lease Agreement AP-07-08-4-113, dated as of December 13, 2007, by and between the Authority and More Automotive Products, d/b/a Dollar Rent A Car.

65. Lease Agreement AP-07-08-4-201, dated as of June 5, 2008, by and between the Authority and Prerac, Inc. d/b/a Enterprise Rent a Car.

66. Lease Agreement AP-07-08-4-041, dated as of July 23, 2007, by and between the Authority and Fortune Group Transport, Inc.*

67. Lease Agreement AP-06-07-4-023, dated as of July 7, 2006, by and between the Authority and GMD Airline Service, Inc.*

68. Lease Agreement AP-10-11-4-005, dated as of July 13, 2010, by and between the Authority and Prime Flight Services, Inc.

69. Contract AP-05-06-4-006, dated as of July 28, 2005, by and between the Authority and T&T Cargo Services, Inc.*

70. Lease Agreement AP-07-08-4-143, dated as of March 4, 2008, by and between the Authority and Professional Security Support Corporation.*

71. Lease Agreement AP-04-05-4-083, dated as of September 9, 2004, by and between the Authority and Cargo Services Corporation.

72. Lease Agreement AP-86-87-4-024, dated as of November 17, 1986, as amended by AP-86-87-4-024 E-1 on September 9, 2004, by and between the Authority and Cargo Services Corporation.

73. Cargo Lease Agreement AP-09-10-4-065, dated October 5, 2009, between the Authority and American Airlines, Inc.

74. Equipment Facilities Lease Agreement AP-75-76-4-176, dated June 14, 1976, between the Authority and American Airlines, Inc.

75. Concession Agreement AP-03-04-4-109, dated as of November 25, 2003, by and between the Authority and Roblex Aviation.*

76. Concession Agreement AP-83-84-4-132, dated as of April 23, 1984, as amended by AP-84-85-4-083 E-2/ AP-83-84-4-132 on June 30, 2004, by and between the Authority and Airport Aviation Services, Inc.

77. Lease Agreement AP-09-10-4-123, dated as of May 14, 2010, by and between the Authority and Puerto Rico Air Management Services.*

78. Lease Agreement AP-08-09-4-110, dated as of October 6, 2008, by and between the Authority and Esso Standard Oil Company.

79. Lease Agreement AP-10-11-4-109, dated as of March 23, 2011, by and between the Authority and Orocovis Petroleum Corp.

80. Lease Agreement AP-08-09-4-136, dated as of December 4, 2008, by and between the Authority and BP Products North America, Inc.

81. Concession Agreement AP-06-07-4-067, dated as of October 10, 2006, by and between the Authority and Orocovis Petroleum Corporation.

82. Lease Agreement AP-96-97-4-066, dated as of October 28, 1996, by and between the Authority and The Pipelines of Puerto Rico, Inc.*

83. Lease Agreement AP-00-01-4-053, dated as of December 28, 2000, by and between the Authority and the Department of Natural and Environmental Resources.*

84. Lease Agreement AP-93-94-0-018, dated as of June 21, 1993, by and between the Authority and the Federal Aviation Administration.

85. Lease Agreement AP-03-04-4-053, dated as of August 18, 2003, by and between the Authority and the Federal Aviation Administration, Southern Region.*

86. Memorandum of Agreement AP-08-09-0-088, undated and executed in October 2008, by and between the Authority and the Federal Aviation Administration.

87. Lease Agreement AP-92-93-0-169, dated as of June 21, 1993, as amended by AP-92-93-0-169 E-1 on May 16, 2000, by and between the Authority and the Federal Aviation Administration.

88. Lease Agreement AP-97-98-0-007, dated as of July 1, 1997, as amended by AP-97-98-0-007 A-1 on April 14, 1999, by and between the Authority and the Federal Aviation Administration.*

89. Lease Agreement AP-99-00-0-043, dated as of November 12, 1999, by and between the Authority and the Federal Aviation Administration.

90. Lease Agreement AP-03-04-0-028, dated as of July 29, 2003, by and between the Authority and the Federal Aviation Administration.*

91. Lease Agreement AP-99-00-0-047, dated as of December 2, 1999, by and between the Authority and the Federal Aviation Administration.

92. Lease Agreement AP-97-98-4-039, dated as of October 3, 1997, by and between the Authority and the United States General Services Administration.*

93. Lease Agreement AP-02-03-4-092, dated as of November 25, 2002, as amended by AP-02-03-4-092 E-1 on December 20, 2002, and as amended further by AP-08-09-4-111 on November 25, 2007, by and between the United States General Services Administration.*

94. Lease Agreement AP-09-10-4-127, dated as of May 26, 2010, as amended by AP-09-10-4-127 A-1 on July 7, 2010, and as amended further by AP-09-10-4-127 A-2 on August 23, 2010, by and between the Authority and the United States General Services Administration.

95. Lease Agreement AP-08-09-4-140, dated as of December 29, 2010, by and between the Authority and Municipality of Carolina.

96. Lease Agreement AP-01-02-4-032, dated as of October 1, 2001, by and between the Authority and the Puerto Rico Police Department.*

97. Lease Agreement AP-01-02-4-087, dated as of March 20, 2010, by and between the Authority and the Puerto Rico Police Department.*

98. Lease Agreement AP-01-02-4-112, dated as of June 3, 2002, as amended by AP-01-02-4-112 A-1 on August 21, 2002, by and between the Authority and the Puerto Rico Police Department.*

99. Lease Agreement AP-04-05-4-207, dated as of December 31, 2004, by and between the Authority and the Puerto Rico Police Department.*

100. Lease Agreement AP-07-08-4-061, dated as of September 10, 2007, by and between the Authority and the Puerto Rico Police Department.

101. Agreement AP-06-07-0-136, dated as of May 25, 2007, by and between the Authority and the Transportation Security Administration.*

102. Agreement AP-07-08-4-191, dated as of April 1, 2008, by and between the Authority and the Transportation Security Administration.*

103. Agreement AP-09-10-0-028, dated as of July 9, 2009, by and between the Authority and the Transportation Security Administration.

104. Lease Agreement AP-07-08-4-209, dated as of July 1, 2008, by and between the Authority and the U.S. Postal Service.

105. Lease Agreement AP-03-04-4-219, dated as of May 13, 2004, by and between the Authority and the U.S. Postal Service.

106. Lease Agreement AP-08-09-4-077, dated as of September 9, 2008, by and between the Authority and M & N Aviation, Inc.

107. Agreement AP-95-96-4-063, dated as of October 3, 1995, by and between the Authority and American Parking Systems, Inc., as amended by AP-95-96-5-063 E-1 on May 8, 2004, and as amended further by Civil Case KAC2008-0386(905) on March 31, 2010, by and between the Authority and American Parking Systems, Inc.

108. Concession Agreement AP-04-05-4-050, dated as of August 9, 2004, by and between the Authority and ABCON Media PR, Inc.*

109. Lease Agreement AP-04-05-4-203, dated as of December 31, 2004, by and between the Authority and Compania de Turismo de Puerto Rico.

110. Lease Agreement AP-11-12-4-018, dated as of August 5, 2011, by and between the Authority and Continental Shipping, Inc.

111. Agreement AP-08-09-4-137, dated as of December 17, 2008, by and between Jose J. Almanza Roman d/b/a Almanza Baggage Delivery Services.*

112. Lease Agreement AP-02-03-4-174, dated as of May 20, 2003, by and between the Authority and Puerto Rico Telephone Company, Inc.*

113. Lease Agreement AP-07-08-4-129, dated as of January 29, 2008, by and between the Authority and Jet Tech, Inc.*

114. Lease Agreement AP-05-06-4-067, dated as of December 6, 2005, by and between the Authority and Gran Airport Support Services & General Contractors Builders, Inc. a/k/a Gran Airport Service, Inc.*

115. Concession Agreement AP-07-08-4-178, dated as of May 1, 2008, by and between the Authority and Federacion de Taxistas de Puerto Rico.*

116. Lease Agreement AP-07-08-4-077, dated as of October 1, 2007, by and between the Authority and CCPR Services, Inc.*

117. Lease Agreement AP-06-07-4-064, dated as of October 2, 2006, by and between the Authority and Airport Travel & Tours, Inc.*

118. Lease Agreement AP-02-03-4-161, dated as of April 17, 2003, by and between the Authority and Aeronautical Radio, Inc.*

119. Lease Agreement AP-05-06-4-098, dated as of February 13, 2006, by and between the Authority and QMC Transit, Inc.

120. Concession Agreement AP-11-12-4-153, dated as of June 19, 2012, by and between the Authority and Cooperativa de Servicios de Equipaje.

121. Lease Agreement AP-09-10-4-061, dated as of December 2, 2009, as amended by AP-09-10-4-061 E-1, by and between the Authority and Sharon Travel & Tours Corp.*

122. Agreement AP-03-04-4-198, dated as of April 23, 2004, as amended by AP-03-04-4-198 E-1 on February 1, 2007, and as amended further by AP-03-04-4-198 E-2 on October 31, 2008, by and between the Authority and Trans AD Puerto Rico, Inc.

123. Lease Agreement AP-09-10-4-101, dated as of March 1, 2010, by and between the Authority and Vortex Aviation Maintenance, Inc.

124. Agreement AP-05-06-4-036, dated as of September 21, 2005, by and between the Authority and Wladimir Castro Alvarez, d/b/a Castro's Baggage Delivery Services.*

125. Contract Agreement AP-90-91-5-187, dated as of May 23, 1991, by and between the Authority and the Puerto Rico Electric Power Authority.

126. Contract Agreement AP-09-10-5-038, dated as of July 30, 2009, by and between the Authority and Perfect Cleaning Services, Inc.*

127. Contract Agreement AP-09-10-5-041, dated as of August 14, 2009, by and between the Authority and St. James Security Services, Inc.*

128. Contract AP-11-12-5-029, dated as of September 1, 2011, by and between the Authority and Kristal Ambulance Corp.

129. Contract Agreement AP-09-10-5-081, dated as of December 23, 2009, by and between the Authority and Tamrio, Inc.*

130. Professional Services Agreement AP-11-12-5-136, dated as of May 17, 2012, by and between the Authority and Atkins Caribe, LLP.

131. Professional Services Agreement AP-11-12-5-072, dated as of November 14, 2011, by and between the Authority and Atkins Caribe, LLP, as amended by that certain Supplementary Agreement AP-11-12-5-072 A-1, dated June 21, 2012.

132. Professional Services Agreement AP-11-12-5-138, dated as of May 17, 2012, by and between the Authority and Willmer Engineering, Inc.

133. Hangar Lease by and between the Authority and American Eagle Airlines, Inc.

* Denotes that the contract may have expired pursuant to its terms.

SCHEDULE 3

FORM OF USE AGREEMENT

[*See Attached*]

EXECUTION COPY

AIRPORT USE AGREEMENT

For

LUIS MUÑOZ MARÍN INTERNATIONAL AIRPORT

By and Among

THE PUERTO RICO PORTS AUTHORITY

And

THE LESSEE

And

[AIRLINE]

TABLE OF CONTENTS

ARTICLE 1. DEFINITIONS 2

Section 1.1. Definitions 2

Section 1.2. Interpretation 16

Section 1.3. Incorporation of Schedules; Revisions to Schedules 17

ARTICLE 2. TERM; REPRESENTATIONS; TRANSITION 18

Section 2.1. Term of Agreement 18

Section 2.2. Representations and Warranties 18

Section 2.3. Closing; Conditions to the Effective Date 21

Section 2.4. Assumed and Terminated Agreements 23

Section 2.5. New Use Agreement; Extension 24

Section 2.6. Transition 24

Section 2.7. Changes in Fees 24

ARTICLE 3. USES, RIGHTS AND PRIVILEGES 25

Section 3.1. Use of Facilities 25

Section 3.2. Restrictions 28

Section 3.3. Allocation and Use of Space 30

Section 3.4. Operating Standards 32

Section 3.5. Operation, Maintenance, Replacement and Repair 34

Section 3.6. Removal of Airline Property 35

Section 3.7. Ground-Handling Services 36

Section 3.8. Taxes, Licenses and Permits 37

Section 3.9. Performance by the Lessee upon Failure of the Airline 37

Section 3.10. Utilities 37

Section 3.11. Rights Pertaining to Cargo Carriers 38

Section 3.12. Governance 38

ARTICLE 4. FEES 39

Section 4.1. Total Annual Contribution 39

Section 4.2. Annual Contribution 39

Section 4.3. Landing Contribution 40

Section 4.4. Parking Fees 40

Section 4.5. Exclusive Use Rent 41

Section 4.6. Terminal Contribution 42

TABLE OF CONTENTS
(continued)

Section 4.7. Adjustments for Inflation 46
Section 4.8. Treatment of Affiliates 46
Section 4.9. Puerto Rico Air Travel Promotion and Support Fund 46
ARTICLE 5. PAYMENTS 47
Section 5.1. Information on Airline Operations 47
Section 5.2. Statement of Estimated Annual Contribution 47
Section 5.3. Adjustment to Statement of Estimated Annual Contribution 48
Section 5.4. Monthly Payments 49
Section 5.5. Statement of Actual Annual Contribution; Overpayment; Underpayment 50
Section 5.6. Place of Payment 50
Section 5.7. Late Payments 50
Section 5.8. Security Deposits 50
Section 5.9. Right to Contest; No Abatement or Set-Off 52
Section 5.10. No Other Fees and Charges 52
Section 5.11. Airline Books and Records 54
Section 5.12. Lessee Books and Records 55
ARTICLE 6. CAPITAL PROJECTS 55
Section 6.1. Initial Capital Projects 55
Section 6.2. Passenger Facility Charges 56
Section 6.3. Additional Capital Projects 56
ARTICLE 7. INDEMNIFICATION AND INSURANCE 64
Section 7.1. Indemnification 64
Section 7.2. Insurance 65
Section 7.3. Waiver of Subrogation 68
ARTICLE 8. AIRLINE RIGHTS WITH RESPECT TO THE LEASE AGREEMENT 68
Section 8.1. Lessee Capitalization and Financing 68
Section 8.2. Transfers by Lessee and Changes in Control 69
Section 8.3. Insurance Requirements 69
Section 8.4. Damage and Destruction; Completion of Work 70
Section 8.5. Compliance Monitoring; Notice of Default 71

TABLE OF CONTENTS
(continued)

Section 8.6.	Incident and Financial Reports	71
Section 8.7.	Security Deposit	71
Section 8.8.	Modifications under the Lease Agreement	71
Section 8.9.	Modifications to the Operating Standards	72
Section 8.10.	Lessee Work Plan	73
Section 8.11.	Amendments to the Lease Agreement	73
Section 8.12.	General Provisions Concerning Airline Approvals	73
Section 8.13.	Approval of Plan for the Reconfiguration of Terminal Space	74
ARTICLE 9.	**COMPLIANCE WITH LAW**	**74**
Section 9.1.	Observance and Compliance with Laws	74
Section 9.2.	Compliance with Environmental Laws	75
Section 9.3.	Compliance with FAA Standards	76
Section 9.4.	Non-Contravention	77
Section 9.5.	Local Goods and Services	77
Section 9.6.	Filing with the Office of the Comptroller of Puerto Rico	77
Section 9.7.	Code of Ethics	77
ARTICLE 10.	**DEFAULT AND TERMINATION**	**78**
Section 10.1.	Default by Airline	78
Section 10.2.	Remedies of the Lessee Upon Airline Default	79
Section 10.3.	Defaults by the Lessee	81
Section 10.4.	Remedies of Airline Upon Lessee Default	82
Section 10.5.	Leasehold Mortgagee's Right to Cure	83
Section 10.6.	Other Termination by the Airline	84
Section 10.7.	Covenants Regarding Airport Operations; Termination by the Airlines upon Material Limitations on Operations	85
Section 10.8.	No Waiver	86
Section 10.9.	Force Majeure	86
Section 10.10.	Limitation of Liability	87
ARTICLE 11.	**DISPUTE RESOLUTION**	**87**
Section 11.1.	Scope	87
Section 11.2.	Disputes Involving Multiple Signatory Airlines	87
Section 11.3.	Notice; Tolling	88

TABLE OF CONTENTS
(continued)

Section 11.4.	Informal Dispute Resolution Procedures	88
Section 11.5.	Mediation	89
Section 11.6.	Arbitration	89
Section 11.7.	Provisional Remedies	89
Section 11.8.	Technical Arbitration	89
ARTICLE 12.	**GENERAL PROVISIONS**	**90**
Section 12.1.	Covenant Not to Grant More Favorable Terms	90
Section 12.2.	No Partnership or Agency	91
Section 12.3.	No Personal Liability	91
Section 12.4.	Notices	91
Section 12.5.	Entire Agreement	91
Section 12.6.	Amendment	91
Section 12.7.	Applicable Law	92
Section 12.8.	Authorization to Operate; Consent to Service of Process and Jurisdiction	92
Section 12.9.	Severability	93
Section 12.10.	Representatives	93
Section 12.11.	Actions by the Lessee and a Majority-in-Interest	93
Section 12.12.	Successors and Assigns	94
Section 12.13.	Non-Discriminatory Management	94
Section 12.14.	Reversion to Authority and Attornment	94
Section 12.15.	Certificate in Connection with Lessee Debt	95
Section 12.16.	Confidentiality	95
Section 12.17.	No Third Party Beneficiaries; Later Signatories	95
Section 12.18.	Counterparts	96

AIRPORT USE AGREEMENT

LUIS MUÑOZ MARÍN INTERNATIONAL AIRPORT

This **AIRPORT USE AGREEMENT** is made and entered as of _____ __, 2012, by and among the Puerto Rico Ports Authority (the "**Authority**"), a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico, created pursuant to Act No. 125 of the Legislative Assembly of Puerto Rico enacted on May 7, 1942, as amended; _____ (the "**Lessee**"), a _____ organized under the laws of _____; and _____ ("**[AIRLINE]**")[1], a _____ organized under the laws of _____.

WITNESSETH

WHEREAS, the Authority is the owner and operator of the Luis Muñoz Marín International Airport located in the Municipality of Carolina (the "**Airport**") with the power to lease premises and to grant rights and privileges with respect thereto, all as hereinafter provided;

WHEREAS, [AIRLINE] is an air carrier duly certificated and authorized by the U.S. Department of Transportation and Federal Aviation Administration to serve the Airport and desires to provide air service at the Airport as a certificated air carrier and to undertake the obligations set forth below;

WHEREAS, [AIRLINE] and the Authority are parties to those certain agreements set forth in Section 2.2, which are being [terminated / assumed] in accordance with the terms of this Agreement and the Implementation Agreement;

WHEREAS, the Authority has entered into that certain Lease Agreement (the "**Lease Agreement**") with the Lessee for the operation and management of the Airport;

WHEREAS, prior to the Bid Date, the Authority has entered into those certain Transaction Implementation Agreements with [AIRLINE] and certain other Airlines (the "**Implementation Agreements**") with respect to certain matters related to the Airport and the Lease Agreement; and

WHEREAS, after the Closing, it is anticipated that other Airlines may become a Signatory Airline with respect to an Airport Use Agreement;

NOW, THEREFORE, in consideration of the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

[1] In each tailored Airport Use Agreement, "[AIRLINE]" will be replaced with an appropriate moniker for each Airline (i.e., "American," "Jet Blue" etc.).

ARTICLE 1.

DEFINITIONS

Section 1.1. Definitions. The following words, terms and phrases shall, for purposes of this Agreement, have the following meanings:

"**[AIRLINE]**" has the meaning ascribed thereto in the Preamble.

"**AAA**" has the meaning ascribed thereto in Section 11.5.

"**AAA Rules**" has the meaning ascribed thereto in Section 11.6.

"**Affiliate**," when used to indicate a relationship with a specified Signatory Airline (including [AIRLINE]), means another Airline that is designated by that specified Signatory Airline to the Lessee as its Affiliate *and* (a) is a parent or subsidiary of the Signatory Airline or an entity, directly or indirectly, controlling, controlled by, or under common control with the Signatory Airline; (b) is operating at the Airport for the benefit of that specified Signatory Airline, under the same or substantially similar livery as that specified Signatory Airline and (i) is owned by that specified Signatory Airline or (ii) is under contract to that specified Signatory Airline in respect of such operation; (c) if operating under its own livery, is not selling any seats on an aircraft in its own name and all seats on such aircraft are being sold in the name of that specified Signatory Airline; (d) is operating at the Airport under a shared International Air Transport Association flight designator code with that specified Signatory Airline; or (e) with respect to a specified Signatory Airline that is a Cargo Carrier, is under contract with that specified Signatory Airline relating to its cargo operations. [AIRLINE] shall notify the Lessee of all of its Affiliates whenever such designation is made or removed.

"**Agent for Service of Process**" has the meaning ascribed thereto in Section 12.8(b).

"**Agreement**" means this Airport Use Agreement, as hereafter amended or supplemented from time to time in accordance with its terms.

"**Air Transportation Business**" means the carriage by aircraft of persons or property as a common carrier for compensation or hire, or the carriage of cargo or mail, by aircraft, in commerce, as defined in 49 U.S.C. Subtitle VII, as amended.

"**Airfield Area**" means the land identified as Airfield Area on Schedule B, and, except as otherwise provided herein, all facilities, equipment and improvements now or hereafter located thereon, including the Runways, Taxiways, aprons and facilities at the Airport for the purpose of controlling and assisting arrivals, departures and operations of aircraft using the Airport, such as control towers or other facilities operated and maintained by the FAA or any other Governmental Authority, security fences, service roads, signals, beacons, wind indicators, flood lights, landing lights, boundary lights, construction lights, radio and electronic aids or other aids to operations, navigation or ground control of aircraft whether or not of a type herein mentioned and even though located away from but related to the rest of the Airfield Area.

"**Airfield MII**" means, during any Term Year, any combination of one or more Signatory Airlines that (a) in the aggregate, paid a majority of the Total Airfield Contribution charged to all Signatory Airlines for the prior Term Year and (b) constitutes a numerical majority of all votes cast by such Signatory Airlines within 30 days of the request submitted by the Lessee or one or more Signatory Airlines, as the case may be, for action by the Airfield MII (or such shorter period as may be specified in such request) with respect to the matter or action. Solely for the purpose of determining an Airfield MII, no Airline shall be deemed to be a Signatory Airline (i) so long as an Airline Default with respect to such Airline has occurred and is continuing and the Lessee has provided notice to all the Signatory Airlines or (ii) if a Signatory Airline is no longer operating at the Airport (except if such Signatory Airline's cessation of operations results from a temporary suspension by the FAA).

"**Airline**" means any Person actively engaged in an Air Transportation Business at the Airport.

"**Airline Default**" has meaning ascribed thereto in Section 10.1.

"**Airline Management Committee**" has the meaning ascribed thereto in Section 3.12(a).

"**Airline MII**" means, during any Term Year, any combination of one or more Signatory Airlines that (a) in the aggregate, paid a majority of the Total Annual Contribution charged to all Signatory Airlines for the prior Term Year and (b) constitutes a numerical majority of all votes cast by such Signatory Airlines within 30 days of the request submitted by the Lessee or one or more Signatory Airlines, as the case may be, for action by the Airline MII (or such shorter period as may be specified in such request) with respect to the matter or action. Solely for the purpose of determining an Airline MII, no Airline shall be deemed to be a Signatory Airline (i) so long as an Airline Default with respect to such Airline has occurred and is continuing and the Lessee has provided notice to all the Signatory Airlines or (ii) if a Signatory Airline is no longer operating at the Airport (except if such Signatory Airline's cessation of operations results from a temporary suspension by the FAA).

"**Airline Projects**" means the In-Line Baggage System Project and the Concourse B Jet Bridge Replacement Projects.

"**Airline Project Studies**" means the In-Line Baggage System Project Study and the Concourse B Jet Bridge Replacement Study.

"**Airline Provider**" means a Person providing goods or services or both to an Airline. For the avoidance of doubt, Airline Provider includes "feeder aircraft" to Cargo Carriers.

"**Airline Space Improvements Agreement**" means that certain Airline Space Improvements Agreement entered into by the Authority and the Airline, dated [ ], pursuant to which the Authority agreed to undertake certain improvements at its own cost. [2]

[2] This provision applies only to the Airlines that in fact have such agreements.

"**Airport**" has the meaning ascribed thereto in the Recitals.

"**Airport Operating Certificate**" means an Airport Operating Certificate issued by the FAA pursuant to 14 C.F.R. pt. 139, authorizing the Lessee to operate the Airport.

"**Airport Security Program**" means the Airport Security Plan approved by the TSA for the Airport.

"**Airport Use Agreement**" means this Agreement and any other agreement among the Authority, the Lessee and a Signatory Airline that is substantially similar to this Agreement.

"**Alliance Partner,**" when used to indicate a relationship with a specified Signatory Airline (including [AIRLINE]), means another Airline that has entered into a contract with that specified Signatory Airline with respect to creating or joining a business alliance (including interline, codeshare and marketing relationships, permitted use of a similar name or derivation of the name of a Signatory Airline, and shared reservation systems) among one or more Airlines.

"**Annual Contribution**" means the amount of fees and charges owed by an Airline in any particular Term Year which is computed in accordance with Section 4.2.

"Annual Payment" has the meaning ascribed thereto in Section 4.9.

"**Authority**" has the meaning ascribed thereto in the Preamble.

"**Bid Date**" has the meaning ascribed thereto in the Lease Agreement.

"**Capital Project**" means the purchase, capital lease, creation, improvement, or renovation of a Fixed Asset.

"**Cargo Carrier**" means an Airline engaged in the carriage, distribution and delivery of property and/or mail, but not passengers.

"**Change in Control**" has the meaning ascribed thereto in the Lease Agreement.

"**Closing**" has the meaning ascribed thereto in the Lease Agreement.

"**Common Space**" means space at the Airport available for use by the Airlines that is not Exclusive Use Space, Common Use Assigned Gates or leased space or space reserved for future commercial leasing, as depicted on Schedule M.

"**Common Use Assigned Gates**" means those gates and related areas assigned by the Lessee as such in accordance with Schedule F.

"**Common Use Regulations**" means the common use regulations set forth in Schedule O currently in effect at the Airport and as may be modified by the Lessee upon approval by an Airline MII.

"Commonwealth" means the Commonwealth of Puerto Rico.

"**Comparable Public Airport**" means an airport in the United States (whether publicly or privately owned) open to the general public that is reasonably comparable in size, enplanements and operations to the Airport with respect to the matter to be determined.

"**Concourse B Jet Bridge Replacement Project**" means the replacement of Concourse B jet bridges in accordance with the Concourse B Jet Bridge Replacement Study as approved by a Terminal MII.

"**Concourse B Jet Bridge Replacement Study**" means a study by a third-party consultant (or with approval of a Pre-Closing MII, by the Lessee or its affiliate or designee) of the physical and operating condition of the Concourse B jet bridges (other than jet bridges that have been replaced in the six months preceding the commencement of the study or that are scheduled and funded to be replaced within six months following the commencement of the study) to determine which jet bridges should be replaced or upgraded so as to include functionality such as PC air, ground power and potable water in accordance with best practices at Comparable Public Airports, including cost estimates to undertake such replacements or upgrades.

"**CPI Factor**" means the amount computed in accordance with Section 4.7(c).

"**CPI Value**" has the meaning ascribed thereto in Section 4.7(a).

"**Delegate**" means, with respect to any Person, any director, officer, employee, official, lender (or any agent or trustee acting on its behalf), partner, member, owner, agent, lawyer, accountant, auditor, professional advisor, consultant, engineer, contractor, other Person for whom such Person is responsible at law or other representative of such Person and any professional advisor, consultant or engineer designated by such Person as its "Delegate." Any Affiliate of an Airline and any Airline Provider is a Delegate of the relevant Airline.

"**Deplaned and Enplaned Domestic Passengers**" means all Deplaned Passengers and Enplaned Passengers, excluding (a) Deplaned International Passengers and (b) Deplaned and Enplaned Local Passengers.

"**Deplaned and Enplaned Local Passengers**" means Deplaned Passengers arriving at the Airport on a Local Flight and Enplaned Passengers departing from the Airport on a Local Flight.

"**Deplaned International Passengers**" means Deplaned Passengers arriving from points outside of the United States that are required to use the Federal Inspection Services facility at the Airport.

"**Deplaned Passengers**" means all terminating and all incoming on-line transfer and off-line transfer revenue passengers arriving at the Airport. The term "Deplaned Passengers" does not include through passengers.

"**Designated Person**" means such individual who is designated by notice as such from time to time by each party for the purposes of Article 11.

"**Domestic Terminal Contribution**" means the portion of an Airline's Annual Contribution determined in accordance with Section 4.6(b).

"**Domestic Terminal Rate**" means the rate computed in accordance with Section 4.6(b)(v).

"**Eligible Security, Safety or Environmental Requirement**" has the meaning ascribed thereto in the definition of Government-Mandated Operating Expenses.

"**Eligible Security, Safety or Environmental Requirement Contract**" has the meaning ascribed thereto in Section 6.3(h).

"**Effective Date**" means (a) with respect to those Signatory Airlines that have executed and delivered the Implementation Agreement prior to the Bid Date, the date of the Closing and (b) with respect to an Airline that executes an Airport Use Agreement after the Closing, the date on which such Airport Use Agreement is executed by that Airline and the Lessee.

"**Eligible Airlines**" has the meaning ascribed thereto in Section 4.9.

"**Enplaned Passengers**" means all originating and all outgoing on-line transfer and off-line transfer revenue passengers departing from the Airport. The term "Enplaned Passengers" does not include through passengers.

"**Environmental Laws**" means all applicable Laws relating to environmental matters, including those relating to fines, orders, injunctions, penalties, damages, contribution, cost recovery, compensation, liability, losses or injuries resulting from the Release or threatened Release of Hazardous Materials and to the generation, use, storage, transportation, or disposal of Hazardous Materials, including the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) (42 U.S.C. § 9601 et seq.), the Hazardous Material Transportation Act (49 U.S.C. § 1801 et seq.), the Resource Conservation and Recovery Act of 1976 (RCRA) (42 U.S.C. § 6901 et seq.), the Clean Water Act (CWA) (33 U.S.C. § 1251 et seq.), the Clean Air Act (CAA) (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act of 1976 (15 U.S.C. § 2601 et seq.), the Safe Drinking Water Act (42 U.S.C. § 300f-§ 300j-11 et seq.), the Occupational Safety and Health Act of 1970 (29 U.S.C. § 651 et seq.), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 et seq.) and the Environmental Policy Act of Puerto Rico, Act No. 16 of September 22, 2004, each as heretofore and hereafter amended or supplemented during the Term.

"**Exclusive Use Rent**" means the portion of an Airline's Annual Contribution determined in accordance with Section 4.5.

"**Exclusive Use Space**" has the meaning ascribed thereto in Section 3.3(b)(i). For the avoidance of doubt, "Exclusive Use Space" includes both Non-Seasonal Exclusive Space and Seasonal Exclusive Use Space.

"**Executive Committee**" has the meaning ascribed thereto in Section 3.12(b).

"**Federal Aviation Administration**" (sometimes abbreviated as "**FAA**") means the Federal Aviation Administration created under the Federal Aviation Act of 1958, as amended, or any successor agency thereto.

"**Federal Bankruptcy Code**" means 11 U.S.C. § 101 et seq., or any successor statute thereto.

"**First Partial Term Year**" means, if the Closing occurs on a date other than January 1st, the period commencing on the Closing and ending on December 31st of that year. For the avoidance of doubt, if the Closing occurs on January 1st, then there is no First Partial Term Year.

"**Fixed Asset**" means tangible property used in the operation of the Airport but not expected to be converted into cash in the ordinary course of events, such as plant, machinery and equipment, furniture and fixtures, buildings, land and improvements.

"**Flowage Fee**" means the system rents and/or per gallon fees charged as of the Closing by the Lessee to the fuel farm operator(s) per gallon of gasoline or jet fuel sold, in consideration of allowing the fuel farm operator(s) to deliver fuel to the Airport.

"**Force Majeure Event**" has the meaning ascribed thereto in Section 10.9.

"**Full Term Year**" means any Term Year other than the First Partial Term Year or the Last Partial Term Year.

"**Fund**" has the meaning ascribed thereto in Section 4.9.

"**General Accelerated Upgrades**" has the meaning ascribed thereto in the Lease Agreement.

"**Government-Mandated Capital Project**" means a Capital Project that is required in order to comply with any applicable Law or airport certification requirement; *provided* that the following Capital Projects shall not constitute Government-Mandated Capital Projects to the extent not otherwise required by applicable Law or airport certification requirement: (a) a Capital Project required to comply with the obligations, if any, set forth in the "Competition Plan for Luis Muñoz Marín International Airport" (submitted by the Authority to the FAA in 2004) or in a future competition plan, (b) a Restoration and (c) capital expenditures, if any, related to environmental remediation; and *provided further* that the Initial Capital Projects and the General Accelerated Upgrades shall not constitute Government-Mandated Capital Projects.

"**Government-Mandated Operating Expenses**" means a material increase (after the Closing) in the expense of operating the Airport which is (a) actually and directly related to the Air Transportation Business; (b) incurred as the direct result of compliance with (i) any new federal applicable law of general application that imposes as a new mandatory duty any TSA security requirements, FAA safety requirements or environmental requirements or (ii) any other

federal applicable law of general application that imposes TSA security requirements, FAA safety requirements, or environmental requirements, the incremental costs of which are in excess of a material increase (as defined below), but only if and to the extent such increase is due to a change in the required manner of implementation; and (c) actually incurred and paid by the Lessee (an "**Eligible Security, Safety or Environmental Requirement**") and only for the duration of such legally mandated requirements; *provided* that Government-Mandated Operating Expenses shall not include (A) except as described in clause (b)(ii) above, incremental increases associated with current security, safety or environmental requirements; (B) incremental expenses that are incidental to discretionary projects or initiatives by the Lessee; (C) overhead, supervisory, management, administrative or equivalent costs, except to the extent that such costs are directly and demonstrably related to an Eligible Security, Safety or Environmental Requirement; or (D) additional insurance if not expressly required by the Eligible Security, Safety or Environmental Requirement. In the event that the Eligible Security, Safety or Environmental Requirement is offset by reductions in expenses relating to the elimination or modification of other security, safety or environmental requirements, Government-Mandated Operating Expenses shall mean the expenses incurred and paid by the Lessee minus such reductions in expenses, if any. For purposes of clause (b)(ii) above, the phrase "material increase" means any annual percentage cost increase in excess of the sum of (x) the Unadjusted CPI Factor for the applicable calendar year and (y) 10%.

"**Governmental Authority**" means any court, federal, state, Commonwealth or local government or other regulatory, administrative, or governmental authority.

"**Hazardous Materials**" means asbestos in any form or asbestos-containing materials, polychlorinated biphenyls (PCBs), petroleum, petroleum products, or crude oil or any fractions or derivatives thereof, natural gas, source material, radioactive materials or wastes, special nuclear material and byproduct materials regulated under the Atomic Energy Act (42 U.S.C. § 2011, et seq.), pesticides regulated under the Federal Insecticide Fungicide and Rodenticide Act (7 U.S.C. § 136, et seq.), and any hazardous substance or waste, toxic or dangerous substance, including any material defined or treated as a "hazardous substance," "hazardous waste," "toxic substance" or "contaminant" (or comparable term) under any Environmental Laws.

"**Implementation Agreement**" has the meaning ascribed thereto in the Recitals.

"**Independent Engineer**" means the licensed professional consulting engineering firm appointed by the Lessee pursuant to the Operating Standards and approved by an Airline MII (each Airline determining in its discretion whether to participate in such Airline MII).

"**Initial Capital Project**" has the meaning ascribed thereto in Section 6.1(a).

"**In-line Baggage System Project**" means the installation and construction of in-line baggage systems in Terminals B and D in accordance with the In-line Baggage System Project Study and Schedule J, as approved by a Terminal MII.

"**In-line Baggage System Project Study**" means a study by a third-party consultant (or with approval of a Pre-Closing MII, by the Lessee or its affiliate or designee) of

two or more alternatives for in-line baggage systems for Terminals B and D, in accordance with Schedule J, of functionality and quality equivalent to in-line baggage systems of similar scale installed at Comparable Public Airports during the four years prior to the Closing, including cost estimates.

"**Institutional Lender**" means (a) the United States of America, any state or commonwealth thereof, the Commonwealth or any agency or instrumentality of any of them, any municipal agency, public benefit corporation or public authority, advancing or insuring mortgage loans or making payments which, in any manner, assist in the financing, development, operation and maintenance of projects, (b) any (i) savings bank, savings and loan association, commercial bank, trust company (whether acting individually or in a fiduciary capacity) or insurance company organized and existing under the laws of the United States of America, any state or commonwealth thereof or the Commonwealth, (ii) foreign insurance company or commercial bank qualified to do business as an insurer or commercial bank as applicable under the laws of the United States (if such qualification is necessary), (iii) pension fund, foundation or university or college or other endowment fund or (iv) real estate investment fund, infrastructure investment fund, investment bank, pension advisory firm, mutual fund, investment company or money management firm, (c) any "qualified institutional buyer" under Rule 144(A) under the United States Securities Act of 1933, as amended, or any other similar Law hereinafter enacted that defines a similar category of investors by substantially similar terms, (d) a Governmental Authority acting (directly or through a trust or other single purpose vehicle controlled by it) as a conduit for the purpose of issuing private activity bonds authorized by Law for the benefit of the Lessee or (e) any other financial institution or entity designated by the Lessee and approved by the Authority in accordance with the Lease Agreement; *provided, however,* that each such entity or combination of such entities if the Institutional Lender shall be a combination of such entities shall have individual or combined assets, as the case may be, of not less than $1 billion.

"**Interim Adjustment**" has the meaning ascribed thereto in Section 5.3.

"**International Terminal Contribution**" means the portion of an Airline's Annual Contribution determined in accordance with Section 4.6(c).

"**International Terminal Rate**" means the rate computed in accordance with Section 4.6(c)(v).

"**Landing Contribution**" means the portion of an Airline's Annual Contribution determined in accordance with Section 4.3.

"**Landing Rate**" means the rate computed in accordance with Section 4.3(e).

"**Last Partial Term Year**" means, if this Agreement expires or terminates on a date other than December 31st, the period commencing on January 1st of the year in which this Agreement expires or terminates and ending on the date on which this Agreement expires or terminates. For the avoidance of doubt, if this Agreement expires or terminates on December 31st, then there is no Last Partial Term Year.

"**Late Payment Interest Rate**" means a rate equal to 300 basis points higher than either (a) the rate of interest announced by the *Wall Street Journal* or its successors as the so-

called "Prime Rate," or (b) if at any time a "Prime Rate" is not announced, the rate of interest charged by banks to their most credit-worthy customers.

"**Law**" means any order, writ, injunction, decree, judgment, law, ordinance, decision, ruling, statute, code, rule or regulation of any Governmental Authority.

"**Lease Agreement**" has the meaning ascribed thereto in the Recitals.

"**Leasehold Mortgage**" means any lease, indenture, pledge, mortgage, deed of trust or other security agreement or arrangement, including a securitization transaction with respect to revenues of the Lessee generated at the Airport, encumbering (a) any or all of the Lessee's interest in the Airport created by the Lease Agreement or (b) the rights, benefits and obligations of the Lessee under the Lease Agreement.

"**Leasehold Mortgagee**" means the holder or beneficiary of a Leasehold Mortgage, including an agent, trustee or other representative or designee of such holder or beneficiary.

"**Lessee**" means the Person other than the Authority or the FAA that is party to the Lease Agreement or a New Agreement in accordance with the provisions of this Agreement, except that "Lessee" shall mean the Authority if the Reversion Date occurs during the Term or with respect to Section 12.14 at any time after the Reversion Date.

"**Lessee Affiliate**" means an "Affiliate," as such term is defined in the Lease Agreement, of the Lessee.

"**Lessee Default**" has the meaning ascribed thereto in Section 10.3.

"**Local Flight**" means any flight by a Passenger Carrier that (a) involves the carriage of Deplaned Passengers arriving from and Enplaned Passengers departing to points within the Commonwealth and the United States Virgin Islands and (b) utilizes an aircraft with a passenger capacity not in excess of 12 persons.

"**Local Terminal Contribution**" means the portion of an Airline's Annual Contribution determined in accordance with Section 4.6(d).

"**Local Terminal Rate**" means the rate computed in accordance with Section 4.6(d)(v).

"**Loss**" means, with respect to any Person, any loss, liability, damage, penalty, charge or out-of-pocket and documented cost or expense actually suffered or incurred by such Person, but excluding any punitive, special, indirect and consequential damages and any contingent liability until such liability becomes actual.

"**MAGTOW**" means, with respect to an aircraft type, the maximum allowable gross take off weight, in 1,000-pound units (rounded to the near 1,000-pound unit), at which that aircraft type may take off from an airport, as certificated by the FAA and recited in flight manuals governing that aircraft type.

"**Major Capital Project Contract**" has the meaning ascribed thereto in Section 6.3(h).

"**Maximum Annual Lessee Compensation**" means, for any Term Year, the sum of the following fees and charges that may be charged to the Airlines: (a) the Total Annual Contribution for that Term Year (which, for the avoidance of doubt, takes into account adjustments for inflation and any adjustments for capital costs in accordance with Section 6.3), *plus* (b) fees payable under Section 5.10, if any, *plus* (c) payments required under Section 7.1 or Section 10.2, if any, *plus* (d) any concession fees allowed to be charged to the Airlines in accordance with Section 3.1(m) and Section 3.7.

"**Modification**" has the meaning ascribed thereto in the Lease Agreement.

"**Monthly Payment**" has the meaning ascribed thereto in Section 5.4.

"**Monthly Report**" has the meaning ascribed thereto in Section 5.1(b).

"**Named Windstorm**" is a storm or weather disturbance that is named by the National Oceanic and Atmospheric Administration's National Hurricane Center or similar body until sustained wind speeds drop below the parameter for naming storms.

"**New Agreement**" means a Lease Agreement for the Airport entered into between the Authority and the Leasehold Mortgagee (or the designee or nominee of the Leasehold Mortgagee) in the event of certain terminations of the Lease Agreement pursuant to the rights afforded to the Leasehold Mortgagee under the Lease Agreement.

"**Non-Seasonal Exclusive Use Rate**" means the rate computed in accordance with Section 4.5(c).

"**Non-Seasonal Exclusive Use Rent**" means the portion of an Airline's Exclusive Use Rent determined in accordance with Section 4.5(b).

"**Non-Seasonal Exclusive Use Space**" means Exclusive Use Space that is not Seasonal Exclusive Use Space.

"**Non-Signatory Airline**" means any Airline using the Airport which is not a Signatory Airline.

"**Operating Standards**" has the meaning ascribed thereto in Section 3.4.

"**Ordinary Storm**" means a storm that is comparable to any storm in length or severity of its effect on the Airport that has occurred on or around the Airport within 10 years prior to the Bid Date; *provided* that in no event shall a Named Windstorm or tornado be deemed an Ordinary Storm.

"**Overpayment**" has the meaning ascribed thereto in Section 5.5(b).

"**Parking Fees**" means the portion of an Airline's Annual Contribution determined in accordance with Section 4.4.

"**Parking Rates**" means the rates computed in accordance with Section 4.4(b).

"**Parties**" means any Person party to this Agreement.

"**Passenger Carrier**" means an Airline primarily engaged in the carriage of passengers.

"**Passenger Facility Charge**" (sometimes abbreviated as "**PFC**") means the passenger facility charge as authorized under 49 U.S.C. § 40117, or any predecessor or successor Law, and as approved by the FAA from time to time with respect to the Airport.

"**Person**" means any individual (including the heirs, beneficiaries, executors, legal representatives or administrators thereof), corporation, partnership, joint venture, trust, limited liability company, limited partnership, joint stock company, unincorporated association or other entity or a Governmental Authority and their respective permitted successors and assigns.

"**PFC Regulations**" has the meaning ascribed thereto in Section 6.2(a).

"**Pre-Closing MII**" means any combination of one or more Signatory Airlines that (a) in the aggregate, paid a majority of the fees charged to all Signatory Airlines in the prior year and (b) constitutes a numerical majority of all votes cast by such Signatory Airlines within 30 days of the request by the Lessee or one or more Signatory Airlines, as the case may be, for action by the Pre-Closing MII (or such shorter period as may be specified in such request) with respect to the matter or action. For the purpose of this definition of "Pre-Closing MII" only, "Signatory Airline" means any Airline that, as of the date on which request for action by the Pre-Closing MII is made, has executed an Implementation Agreement.

"**Plan for the Reconfiguration of Terminal Space**" means a plan proposed by the Lessee for the reconfiguration of the Terminal that may include any one or more of the following: (a) reassignment of Common Use Assigned Gates among the Signatory Airlines; (b) reassignment of Exclusive Use Space for ticket counters associated with reassigned Common Use Assigned Gates; (c) the closing of one or more individual terminals that will no longer be used following such reassignment; (d) Modifications to the facility designed to accommodate such changes and improve the operations of the Airport; and (e) such other proposed changes in facilities and operations as are set forth in the plan. The proposed plan shall be set forth in a written document that includes a narrative description of the specific changes to be made, the manner in which any necessary construction activity will be carried out, a capital improvements plan, a financing plan, including funding sources, any required arrangements for interim accommodations or transition while new facilities are being completed, the time when each element of the plan will take effect, proposed changes to this Agreement, including drafts of proposed revised Schedules F and G and other Schedules, and of the Operating Standards, and such other aspects of the plan as the Signatory Airlines may reasonably request in order to consider whether to grant approval for the Plan. If a Plan for the Reconfiguration of Terminal Space is approved in accordance with Section 8.13, then (i) the Lessee may operate the Terminal

in accordance with the terms and conditions, if any, of the approval by the Signatory Airlines, (ii) the allocation of Common Use Assigned Gates and Exclusive Use Space under Section 3.3 of this Agreement, Schedule F and Schedule G shall be deemed modified in accordance with the revised versions of such schedules approved by the Airlines and (iii) any changes to this Agreement, its Schedules, or the Operating Standards, or the Modifications set forth in the plan shall be deemed to be approved without further action by the Signatory Airlines.

"**Release**" means any unlawful spilling, leaking, emitting, discharging, disposing, depositing, leaching, escaping, dumping, pumping, emptying, injecting, pouring, or migration into or through the environment.

"**Restoration**" has the meaning ascribed thereto in the Lease Agreement.

"**Restoration Funds**" has the meaning ascribed thereto in the Lease Agreement.

"**Revenue Landing**" means any landing at the Airport of an aircraft except (a) an aircraft which (without being scheduled to do so) lands at the Airport because of meteorological conditions, mechanical or operating causes, or any emergency or precautionary reason, or (b) an aircraft which is owned by and used exclusively in the service of the United States of America or the government of any state, Commonwealth, territory or possession thereof or therein.

"**Reversion Date**" has the meaning ascribed thereto in the Lease Agreement.

"**Runways**" means runways at the Airport for the landing and taking-off of aircraft.

"**Seasonal Exclusive Use Daily Rate**" means the rate computed in accordance with Section 4.5(e).

"**Seasonal Exclusive Use Rent**" means the portion of an Airline's Exclusive Use Rent determined in accordance with Section 4.5(d).

"**Seasonal Exclusive Use Space**" has the meaning ascribed thereto in Section 3.3(b)(iv).

"**Security Deposit**" has the meaning ascribed thereto in Section 5.8(b).

"**Signatory Airline**" means, at any time, any Airline actively engaged in an Air Transportation Business at the Airport who then is a Party to an Airport Use Agreement, including [AIRLINE].

"**Small Capital Project**" means a Capital Project for which the total expected cost is reasonably estimated to be less than $100,000 (which amount shall be adjusted in every Term Year after the first Term Year by multiplying the CPI Factor for such Term Year by such amount applicable in the prior Term Year).

"**Statement of Actual Annual Contribution**" means the statement of the same name prepared by the Lessee pursuant to Section 5.5.

"**Statement of Estimated Annual Contribution**" means the statement of the same name prepared by the Lessee pursuant to Section 5.2.

"**Taxiways**" means taxiways and taxi lanes at the Airport for the ground movement of aircraft to, from and between the Runways, Terminal Ramp Area and other portions of the Airport.

"**Term**" has the meaning ascribed thereto in Section 2.1.

"**Term Year**" means any full or partial calendar year during the Term, including the First Partial Term Year, every Full Term Year and the Last Partial Term Year.

"**Terminal**" means the airline passenger terminal and related facilities identified as the Terminal in Schedule B.

"**Terminal Area**" means the land and Terminal portion identified as the Terminal Area in Schedule B, and, except as otherwise provided in this Agreement, all facilities, equipment and improvements now or hereafter located thereon, including all passenger terminal buildings, connecting structures, passenger walkways and tunnels, concourses, hold room areas, passenger loading bridges and control towers maintained by the Lessee or an Airline.

"**Terminal MII**" means, during any Term Year, any combination of one or more Signatory Airlines that (a) in the aggregate, paid a majority of the sum of the Total Terminal Contribution and Total Exclusive Use Rent charged to all Signatory Airlines for the prior Term Year and (b) constitutes a numerical majority of all votes cast by such Signatory Airlines within 30 days of the request by the Lessee or one or more Signatory Airlines, as the case may be, for action by the Terminal MII (or such shorter period as may be specified in such request) with respect to the matter or action. Solely for the purpose of determining a Terminal MII, no Airline shall be deemed to be a Signatory Airline (i) so long as an Airline Default with respect to such Airline has occurred and is continuing and the Lessee has provided notice to all the Signatory Airlines or (ii) if a Signatory Airline is no longer operating at the Airport (except if such Signatory Airline's cessation of operations results from a temporary suspension by the FAA).

"**Total Airfield Contribution**" means, for any Term Year, the sum of the Total Landing Contribution for that year plus the Total Parking Fees for that year.

"**Total Annual Contribution**" means, for any Term Year, the amount computed in accordance with Section 4.1, which is the sum of all Airlines' Annual Contributions for that year.

"**Total Domestic Terminal Contribution**" means, for any Term Year, the amount computed in accordance with Section 4.6(b), which is the sum of all Airlines' Domestic Terminal Contributions for that year.

"**Total Exclusive Use Rent**" means, for any Term Year, the amount computed in accordance with Section 4.5, which is the sum of all Airlines' Exclusive Use Rents for that year.

"**Total International Terminal Contribution**" means, for any Term Year, the amount computed in accordance with Section 4.6(c), which is the sum of all Airlines' International Terminal Contributions for that year.

"**Total Landing Contribution**" means, for any Term Year, the amount computed in accordance with Section 4.3, which is the sum of all Airlines' Landing Contributions for that year.

"**Total Local Terminal Contribution**" means, for any Term Year, the amount computed in accordance with Section 4.6(d), which is the sum of all Airlines' Local Terminal Contributions for that year.

"**Total Non-Signatory Domestic Terminal Contribution**" means, for any Term Year, the amount computed in accordance with Section 4.6(b)(ii), which is the sum of all Non-Signatory Airlines' Domestic Terminal Contributions for that year.

"**Total Non-Signatory International Terminal Contribution**" means, for any Term Year, the amount computed in accordance with Section 4.6(c)(ii), which is the sum of all Non-Signatory Airlines' International Terminal Contributions for that year.

"**Total Non-Signatory Landing Contribution**" means, for any Term Year, the amount computed in accordance with Section 4.3(b), which is the sum of all Non-Signatory Airlines' Landing Contributions for that year.

"**Total Non-Signatory Local Terminal Contribution**" means, for any Term Year, the amount computed in accordance with Section 4.6(d)(ii), which is the sum of all Non-Signatory Airlines' Local Terminal Contributions for that year.

"**Total Parking Fees**" means, for any Term Year, the amount computed in accordance with Section 4.4, which is the sum of all Airlines' Parking Fees for that year.

"**Total Signatory Domestic Terminal Contribution**" means, for any Term Year, the amount computed in accordance with Section 4.6(b)(iii), which is the sum of all Signatory Airlines' Domestic Terminal Contributions for that year.

"**Total Signatory International Terminal Contribution**" means, for any Term Year, the amount computed in accordance with Section 4.6(c)(iii), which is the sum of all Signatory Airlines' International Terminal Contributions for that year.

"**Total Signatory Landing Contribution**" means, for any Term Year, the amount computed in accordance with Section 4.3(c), which is the sum of all Signatory Airlines' Landing Contributions for that year.

"**Total Signatory Local Terminal Contribution**" means, for any Term Year, the amount computed in accordance with Section 4.6(d)(iii), which is the sum of all Signatory Airlines' Local Terminal Contributions for that year.

"Total Terminal Contribution" means, for any Term Year, the amount computed in accordance with Section 4.6(a), which is the sum of the Total Domestic Terminal Contribution, the Total International Terminal Contribution and the Total Local Terminal Contribution for that year.

"Transfer" means to sell, convey, assign, lease, sublease, mortgage, encumber, transfer or otherwise dispose of.

"Transition Plan" has the meaning ascribed thereto in Section 2.6.

"Transportation Security Administration" (sometimes abbreviated as **"TSA"**) means the Transportation Security Administration created under the Aviation and Transportation Security Act, 49 U.S.C. § 40101 et seq., as amended, or any successor agency thereto.

"Unadjusted CPI Factor" has the meaning ascribed thereto in Section 4.7(b).

"Underpayment" has the meaning ascribed thereto in Section 5.5(b).

Section 1.2. Interpretation.

(a) The terms "hereby," "herein," "hereof," "hereunder" and any similar terms used in this Agreement refer to this Agreement.

(b) The term "including" means "including, without limitation."

(c) The term "notice" means "written notice" unless specified otherwise.

(d) The term "discretion" means "sole and absolute discretion" unless specified otherwise.

(e) The term "incidental" or "necessary" as it relates to the Air Transportation Business shall be interpreted flexibly to include developments that have been generally accepted to have become part of the Air Transportation Business at Comparable Public Airports.

(f) All references in this Agreement to Articles, Sections, subsections or Schedules, unless otherwise expressed or indicated, are to Articles, Sections, subsections or Schedules of this Agreement.

(g) Any headings preceding the text of Articles, Sections and subsections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect the meaning, construction or effect of this Agreement.

(h) Words importing the singular shall include the plural and vice versa. Words of the masculine gender shall be deemed to include correlative words of the feminine and neuter genders.

(i) All references to a number of days shall mean calendar days, unless otherwise expressly indicated.

(j) Whenever in this Agreement the approval or consent of the Lessee, [AIRLINE] or any other Signatory Airline, as applicable, is required (including a decision to be made by [AIRLINE] or another Signatory Airline whether to participate in or as part of an Airfield MII, Airline MII, Pre-Closing MII or Terminal MII), such approval or consent shall not be unreasonably or arbitrarily withheld, conditioned or delayed (unless the applicable provision of this Agreement requiring such approval or consent provides that such approval or consent may be unreasonably or arbitrarily withheld, conditioned or delayed or given in the discretion of the Lessee, [AIRLINE] or any other Signatory Airline, as applicable). For the avoidance of doubt, [AIRLINE] shall not be responsible or incur any liability, including joint and several liability, for any action of another Airline in connection with approvals or consents required under this Agreement. Wherever the provisions of this Agreement require or provide for or permit an approval or consent by the Lessee, [AIRLINE] or any other Signatory Airline, such approval or consent, and any request therefor, must be in writing (unless waived in writing by the other Party).

Section 1.3. Incorporation of Schedules; Revisions to Schedules.

(a) *List of Schedules.* The following Schedules attached hereto are hereby made a part of this Agreement:

Schedule A	Operating Standards
Schedule B	Plat of Airport
Schedule C	List of Existing Agreements Assumed by the Lessee
Schedule D	List of Terminated Agreements
Schedule E	Form of Statement of Estimated Annual Contribution for the First Term Year
Schedule F	Terminal Facility Utilization
Schedule G	Initial Allocation of Exclusive Use Space
Schedule H	Maintenance and Repair Responsibilities
Schedule I	Form of Letter of Credit
Schedule J	Initial Capital Projects
Schedule K	PFC Commitments
Schedule L	Form of Capital Project Proposal
Schedule M	Common Space

Schedule N	Form of Assignment and Assumption Agreement
Schedule O	Common Use Regulations
Schedule P	Airline Certification
Schedule Q	Sworn Statement
Schedule R	Non-Discrimination and Affirmative Action
Schedule S	Form of Opinion of Counsel

(b) *Revisions to Schedules.* With respect to the Exclusive Use Space or to any other Airport facilities depicted in any of the Schedules to this Agreement, any changes which occur pursuant to the terms of this Agreement from time to time shall be reflected in revised Schedules provided by the Lessee to [AIRLINE]. Such revisions shall be deemed effective without requiring a formal amendment to this Agreement; it being understood that no such revisions shall result in an alteration of the relative rights and obligations of the Lessee or the Airlines unless such Parties have provided their consent in accordance with this Agreement.

ARTICLE 2.

TERM; REPRESENTATIONS; TRANSITION

Section 2.1. Term of Agreement. The term of this Agreement (the "**Term**") shall commence on the Effective Date and expire on the 15th anniversary of the Closing, except as the Term may be extended or earlier terminated in accordance with the terms hereof. For the avoidance of doubt, if the Closing does not occur, this Agreement shall be null and void. [AIRLINE] shall not have any obligation whatsoever under this Agreement until the Effective Date.

Section 2.2. Representations and Warranties.

(a) *Representations and Warranties of the Authority.* The Authority makes the following representations and warranties to the Lessee and [AIRLINE], and the Authority acknowledges that the Lessee and [AIRLINE] are relying upon such representations and warranties in entering into this Agreement:

(i) *Organization.* The Authority is an instrumentality of the Commonwealth.

(ii) *Power and Authority.* The Authority has the power and authority to enter into this Agreement and to do all acts and things and execute and deliver all other documents as are required hereunder to be done, observed or performed by it in accordance with the terms hereof.

(iii) *Enforceability.* This Agreement has been duly authorized, executed and delivered by the Authority and constitutes a valid and legally binding obligation of the Authority, enforceable against the Authority in accordance with the terms hereof, subject only to (A) the effect of bankruptcy, insolvency, reorganization, moratorium or other similar requirements of

Law and judicial decisions now or hereafter in effect generally affecting the enforcement of creditors' rights and remedies; (B) the effect of requirements of Law governing equitable remedies and defenses and the discretion of any court of competent jurisdiction in awarding equitable remedies, including the doctrine of sovereign immunity (except to the extent waived by the Act No. 29 of the Legislative Assembly of Puerto Rico enacted on June 8, 2009 and other applicable Law); and (C) the effect of requirements of Law governing enforcement and collection of damages against the Authority; *provided, however,* that the enforcement of any claims presented in accordance with this Agreement shall be resolved as provided herein.

(iv) *No Conflicts.* The execution and delivery of this Agreement by the Authority, the consummation of the transactions contemplated hereby and the performance by the Authority of the terms, conditions and provisions hereof do not and/or will not contravene or violate or result in a breach of (with or without the giving of notice or lapse of time, or both) or acceleration of any material obligations of the Authority or give rise to a right of termination, cancellation or augmentation of any obligation or loss of a material benefit under or result in the creation of any material Encumbrance (as such term is defined in the Lease Agreement) other than an Authority Permitted Encumbrance (as such term is defined in the Lease Agreement) under (A) any applicable Law or (B) any agreement, instrument or document to which the Authority is a party or by which the Authority is bound.

(v) *Consents.* No consent is required to be obtained by the Authority from, and no notice or filing is required to be given by the Authority to or made by the Authority with, any Person (including any Governmental Authority) in connection with the execution, delivery and performance by the Authority of this Agreement or the consummation of the transactions contemplated hereby.

(vi) *Lease Agreement.* The copy of the executed Lease Agreement delivered to [AIRLINE] by the Authority, whether directly or through an escrow agent, is a true, complete and correct copy of the Lease Agreement. There are no other side letters or similar agreements between the Lessee or a Lessee Affiliate and the Authority other than the Lease Agreement.

(b) *Representations and Warranties of the Lessee.* The Lessee makes the following representations and warranties to the Authority and [AIRLINE], and the Lessee acknowledges that the Authority and [AIRLINE] are relying upon such representations and warranties in entering into this Agreement:

(i) *Organization.* The Lessee is duly organized, validly existing and in good standing under the laws of the place of its organization and is duly qualified to conduct business in the Commonwealth. Except as disclosed in the written certification that the Lessee delivered to the Authority and the Signatory Airlines prior to the Bid Date (or, to the extent changes in ownership of the Lessee are made prior to Closing that would be permitted under the Lease Agreement and this Agreement, the Closing Date), no Person owns, directly or indirectly, 10% or more of the capital stock, units, partnership or membership interests and other equity interests or securities of the Lessee (including options, warrants and other rights to acquire any such equity interests).

(ii) *Power and Authority.* The Lessee has the power and authority to enter into this Agreement and to do all acts and things and execute and deliver all other documents as are required hereunder to be done, observed or performed by it in accordance with the terms hereof.

(iii) *Enforceability.* This Agreement has been duly authorized, executed and delivered by the Lessee and constitutes a valid and legally binding obligation of the Lessee, enforceable against it in accordance with the terms hereof, subject only to (A) the effect of bankruptcy, insolvency, reorganization, moratorium or other similar requirements of Law and judicial decisions now or hereafter in effect generally affecting the enforcement of creditors' rights and remedies and (B) the effect of requirements of Law governing equitable remedies and defenses and the discretion of any court of competent jurisdiction in awarding equitable remedies.

(iv) *No Conflicts.* The execution and delivery of this Agreement by the Lessee, the consummation of the transactions contemplated hereby and the performance by the Lessee of the terms, conditions and provisions hereof do not and/or will not contravene or violate or result in a breach of (with or without the giving of notice or lapse of time, or both) or acceleration of any material obligations of the Lessee under (A) any applicable Law, (B) any material agreement, instrument or document to which the Lessee or any Equity Participant (as such term is defined in the Lease Agreement) is a party or by which it is bound or (C) the articles, bylaws or governing documents of the Lessee and each of such Equity Participants.

(c) *Representations and Warranties of [AIRLINE].* [AIRLINE] makes the following representations and warranties to the Authority and the Lessee, and [AIRLINE] acknowledges that the Authority and the Lessee are relying upon such representations and warranties in entering into this Agreement:

(i) *Organization.* [AIRLINE] is duly organized, validly existing and in good standing under the laws of the place of its organization and is duly qualified to conduct business in the Commonwealth.

(ii) *Power and Authority.* [AIRLINE] has the power and authority to enter into this Agreement and to do all acts and things and execute and deliver all other documents as are required hereunder to be done, observed or performed by it in accordance with the terms hereof, and this Agreement shall have been authorized to be executed and delivered by [AIRLINE] in accordance with all applicable Law, including with respect to any applicable bankruptcy, reorganization, insolvency, liquidation, or dissolution proceeding.

(iii) *Enforceability.* This Agreement has been duly authorized, executed and delivered by [AIRLINE] and constitutes a valid and legally binding obligation of [AIRLINE], enforceable against it in accordance with the terms hereof, subject only to (A) the effect of bankruptcy, insolvency, reorganization, moratorium or other similar requirements of Law and judicial decisions now or hereafter in effect generally affecting the enforcement of creditors' rights and remedies and (B) the effect of requirements of Law governing equitable remedies and defenses and the discretion of any court of competent jurisdiction in awarding equitable remedies.

(iv) *No Conflicts.* The execution and delivery of this Agreement by [AIRLINE], the consummation of the transactions contemplated hereby and the performance by [AIRLINE] of the terms, conditions and provisions hereof do not and/or will not contravene or violate or result in a breach of (with or without the giving of notice or lapse of time, or both) or acceleration of any material obligations of [AIRLINE] under (A) any applicable Law, (B) any material agreement, instrument or document to which [AIRLINE] is a party or by which it is bound or (C) the articles, bylaws or governing documents of [AIRLINE].

Section 2.3. Closing; Conditions to the Effective Date. The Effective Date of this Agreement and any other Airport Use Agreements with respect to those Signatory Airlines (including [AIRLINE]) that have executed and delivered the Implementation Agreement prior to the Bid Date shall be conditioned upon each of the following having been satisfied in full as of the Closing:

(a) the representations and warranties of the Authority in Section 2.2(a) shall be true and correct on and as of the date of this Agreement at and as of the date of the Closing with the same force and effect as if made at and as of such time and date except for failures of representations and warranties to be true or correct that, individually or in the aggregate, have not had and are not reasonably likely to have a material adverse effect on the ability of the Authority to consummate the transactions contemplated hereby or perform its obligations hereunder (it being understood that, for purposes of determining whether such failures have not had and are not reasonably likely to have a material adverse effect on the ability of the Authority to consummate the transactions contemplated hereby or perform its obligations hereunder, all materiality qualifications and references to a material adverse effect contained in such representations and warranties shall be disregarded);

(b) the representations and warranties of the Lessee in Section 2.2(b) shall be true and correct on and as of the date of this Agreement at and as of the date of the Closing with the same force and effect as if made at and as of such time and date except for failures of representations and warranties to be true or correct that, individually or in the aggregate, have not had and are not reasonably likely to have a material adverse effect on the ability of the Lessee to consummate the transactions contemplated hereby or perform its obligations hereunder (it being understood that, for purposes of determining whether such failures have not had and are not reasonably likely to have a material adverse effect on the ability of the Lessee to consummate the transactions contemplated hereby or perform its obligations hereunder, all materiality qualifications and references to a material adverse effect contained in such representations and warranties shall be disregarded);

(c) a Pre-Closing MII, acting reasonably, shall not have determined that a material adverse change to the business or financial condition of the Lessee that would adversely affect the Lessee's ability to finance, operate or manage the Airport or to comply with the Lessee's obligations under this Agreement has occurred since the Lessee was found qualified by the Authority;

(d) the Lessee shall have assumed those agreements required to be assumed in accordance with Section 2.2(a) of this Agreement;

(e) a Pre-Closing MII shall have approved the Transition Plan;

(f) the Authority shall have satisfied the conditions precedent in Section 2.4(a)(iii) of the Lease Agreement relating to the deposit of funds sufficient to provide for the payment, in full, of all obligations of the Authority payable from or secured in whole or in part by the Airport or operations or assets thereat or revenues generated thereat and outstanding at the date and time of Closing in such a manner that such obligations shall be legally retired as of the date of Closing and no longer treated as outstanding under the documents under which such obligations were issued and are secured; and at the Closing, the Authority shall deliver to [AIRLINE] a certificate duly executed by the Executive Director of the Authority certifying that this condition will be satisfied and the payment amount to be made;

(g) the Signatory Airlines shall have received and be entitled to rely upon the legal opinion of counsel to the Authority issued substantially in form set forth as Schedule S;

(h) the Lessee shall have delivered to [AIRLINE] evidence of the insurance policies required to be delivered in accordance with the last sentence of Section 2.5(e) of the Lease Agreement;

(i) the Authority shall have received from [AIRLINE] the certifications described in Schedule P to this Agreement and a sworn statement substantially in the form attached hereto as Schedule Q;

(j) the Authority shall not have imposed any additional fees, rates, charges or expenses since the date of execution of this Agreement;

(k) the proposed Closing is no later than the Outside Closing Date (as such term is defined in the Lease Agreement);

(l) there shall be no preliminary or permanent injunction or temporary restraining order or other order issued by a Governmental Authority or other legal restraint or prohibition enjoining or preventing the transactions contemplated by this Agreement and the Lease Agreement;

(m) there shall be no action taken (including the pendency of any review or proceeding), or any Law enacted, entered, enforced or deemed applicable to the transactions contemplated by this Agreement and the Lease Agreement by any Governmental Authority that, in any case, has resulted or (in the case of any pending review or proceeding, if adversely determined) could reasonably be expected to result in such Governmental Authority conditioning or restricting the consummation of the transactions contemplated by this Agreement and the Lease Agreement in a manner that would impose a material impairment on such transactions or make the consummation of such transactions illegal;

(n) all necessary material approvals and certifications with respect to this Agreement and the Lease Agreement and the transactions contemplated by this Agreement and the Lease Agreement shall have been obtained from all relevant Governmental Authorities;

(o) the Lessee shall have delivered to [AIRLINE] a certificate duly executed by an officer of the Lessee certifying that, as of the Closing, the Lessee has a capitalization that includes equity that is equal to at least 20% of the total upfront payments by the Lessee to the Authority under the Lease Agreement;

(p) there shall have been no change to the Lease Agreement (other than insertion of the name, notice information, Leasehold Fee and similar information specific to the Lessee), as provided in unexecuted form to the Airlines and identified as the "Binding Bid, Execution Copy" prior to the execution of this Agreement, without the approval of a Pre-Closing MII;

(q) the Authority shall have remitted a copy of this Agreement to the Office of the Comptroller, pursuant to Act No. 18 of the Legislative Assembly of Puerto Rico, enacted on October 30, 1975, as amended; and

(r) evidence reasonably satisfactory to a Pre-Closing MII that the Lessee shall have deposited $6,000,000 into a separate escrow account to be called the Puerto Rico Air Travel Promotion and Support Fund as provided for in Section 4.9.

Section 2.4. Assumed and Terminated Agreements.

(a) *Assumed Agreements.* As of the Closing, the agreements and leases listed in Schedule C shall be assumed by the Lessee and in full force and effect as to the Lessee in accordance with an Assignment and Assumption Agreement entered into pursuant to the Lease Agreement, substantially in the form of the Assignment and Assumption Agreement in Schedule N. [Specifically, with respect to [AIRLINE], the Lessee shall assume that certain _____ agreement between [AIRLINE] and the Authority, dated as of _____.]

(b) *Expiration of Assumed Agreements.* Upon the expiration of any lease or agreement under which space is leased or subleased by a Signatory Airline that is assumed by the Lessee in accordance with Section 2.4(a), the Lessee shall offer to enter into a new lease or agreement, as the case may be, with the Signatory Airline for the same or, at the Signatory Airline's discretion, a portion thereof; *provided, however*, that such Signatory Airline shall not have the right to elect to enter into a new lease for a portion of the space such Signatory Airline formerly leased if the proposed new lease renders the remaining portion of such space less marketable or less suitable for its intended purpose. The rental rate for such space in a new lease or agreement shall not exceed the product of (i) the rental rate in effect as of the Closing (prorated in the case of only a portion of space) *multiplied by* (ii) the fraction equal to (A) the CPI Value for the calendar year prior to the effectiveness of such new agreement *divided by* (B) the CPI Value for the calendar year prior to the calendar year in which the Closing occurs. The new lease or agreement shall not contain terms and conditions that are more onerous than the current lease or agreement, unless otherwise agreed by the parties to such agreement.

(c) *Fuel Farm.* Upon the expiration or termination of the agreement with Total Petroleum of Puerto Rico Corp. and BP Products North America, Inc. for the operation of the fuel farm at the Airport in effect as of the Closing, the Lessee shall ensure the continuity of the operation of the fuel farm by entering into a new agreement with Total Petroleum of Puerto Rico Corp. and/or BP Products North America, Inc. or another experienced fuel farm operator or

operating the fuel farm directly. In either case, the amount of a Flowage Fee charged to the fuel farm operator(s), or if operated by the Lessee, which would have been charged to a third party operator of the fuel farm, may not exceed (i) the amount charged under the agreement with Total Petroleum of Puerto Rico Corp. and BP Products North America, Inc. in effect as of the Closing *multiplied by* (ii) the fraction equal to (A) the CPI Value for the calendar year prior to the effectiveness of such new agreement *divided by* (B) the CPI Value for the calendar year prior to the calendar year in which the Closing occurs. For the avoidance of doubt, neither a third-party operator nor the Lessee (as a self-operator or otherwise) may impose charges on the Signatory Airlines related to the fuel farm other than the Flowage Fee contemplated under this Section 2.4(c); *provided, however*, that to the extent that the portion of the amount of any Flowage Fee that is imposed by the Authority pursuant to statutory authorization for the imposition of a tax or a fee in lieu of a tax is increased as a result of a change in Law, then the amount permitted to be charged hereunder shall be automatically increased by such amount. For the avoidance of doubt, the Lessee may continue to impose and receive from the fuel farm operator the concession and rental fees that are currently charged to the fuel farm operator.

(d) *Airline Space Improvements Agreement.* In the event that the Authority has not completed the improvements required under the Airline Space Improvements Agreement prior to Closing, the Lessee shall grant the Authority and its contractors rights of ingress and egress and such other rights as reasonably necessary to enable the Authority and its contractors to complete such improvements.

(e) It is understood and agreed that, except as specifically set forth in Section 2.4(b) and Section 2.4(c) above, this Section 2.4 shall not affect any agreement assigned to and assumed by the Lessee under the Lease Agreement.

Section 2.5. New Use Agreement; Extension. Subject to Section 12.14, if, at the end of the Term, a new airport use agreement has not been approved by the Lessee and by an Airline MII (each Airline determining in its discretion whether to participate in such Airline MII), this Agreement shall continue in effect until such time as a new airport use agreement has been approved by the Lessee and by an Airline MII (each Airline determining in its discretion whether to participate in such Airline MII). The Parties shall use their best efforts to reach such an agreement. Any new use agreement shall contain, unless Airlines constituting an Airline MII shall consent otherwise, the same rights afforded to the Airlines with respect to the Lease Agreement as are afforded to the Airlines under this Agreement, including those set forth in Article 8.

Section 2.6. Transition. The Lessee, the Authority and the Airlines acting by determination of a Pre-Closing MII shall have agreed in writing 30 days prior to the Effective Date (or such other time as agreed to by the Parties) to a transition plan to ensure the orderly transition of control, custody, operation, management, maintenance and rehabilitation of the Airport (the "**Transition Plan**").

Section 2.7. Changes in Fees. The Parties acknowledge that upon the Closing, the fees and charges then in effect for the Airlines' use of the Airport will be reset and adjusted, so that such fees and charges are exclusively calculated in accordance with the provisions of this Agreement from the Closing forward. No retroactive adjustment will be made under this Agreement with

respect to amounts, if any, that may be due to or from [AIRLINE] pursuant to an agreement between the Authority and [AIRLINE] for use of the Airport in effect prior to the effectiveness of this Agreement. The Statement of Estimated Annual Contribution for [AIRLINE] for the first Term Year (which, for the avoidance of doubt, is the First Partial Term Year if the Closing occurs on a date other than January 1st) in the form of Schedule E shall be provided by the Lessee to [AIRLINE] not later than 30 days before the Effective Date, which shall be used for purposes of determining payments due to the Lessee by each Airline during the first Term Year, all subject to adjustments that may be made by the Lessee pursuant to Section 5.3 and to the reconciling adjustments required by Section 5.5.

ARTICLE 3.

USES, RIGHTS AND PRIVILEGES

Section 3.1. Use of Facilities. Except as otherwise provided in this Agreement with respect to Exclusive Use Space and Common Use Assigned Gates and subject to the terms of this Agreement, the Airport Operating Certificate, the Airport Security Program, all applicable Laws, and the rights of the Lessee under this Agreement to monitor the Airlines' compliance with this Agreement, [AIRLINE] shall have the right, in common with other Airlines, to conduct an Air Transportation Business at the Airport and to perform those operations and functions as are incidental or reasonably necessary to the conduct of [AIRLINE]'s Air Transportation Business, including the use of all facilities, improvements, equipment and services that have been or may hereafter be designated for common use at or in connection with the Airport. Without limiting the generality of the foregoing, [AIRLINE] shall have the right:

(a) to land, take off, fly, taxi, tow, park, load and unload the aircraft and other equipment used by [AIRLINE] in the operation of scheduled, non-scheduled, shuttle, courtesy, test, training, inspection, emergency, special, charter, sightseeing and other flights;

(b) to transport, load and unload Airline crews and other personnel, passengers, cargo, baggage, property and mail to, from and at the Airport by such loading and unloading devices, automobiles, buses, trucks and such other means of conveyance as [AIRLINE] may choose or require in connection with its Air Transportation Business at the Airport and at such locations as the Lessee may designate;

(c) to the extent necessary, to repair, maintain, condition, service, tow, test, park and store aircraft and other equipment of [AIRLINE] in areas designated for such purposes by the Lessee and on reasonable non-monetary conditions and terms designated by the Lessee and developed in consultation with the Signatory Airlines, consistent with any directives issued by the FAA, the National Transportation Safety Board, the TSA or any other Governmental Authority with jurisdiction;

(d) to maintain and operate within its Exclusive Use Space office facilities for general, administrative, operations and other functions associated with [AIRLINE]'s Air Transportation Business;

(e) to enplane and deplane passengers, handle reservations, ticketing, billing and manifesting of passengers, and, subject to Section 3.7, handle baggage, express mail and shipments, cargo, property and mail;

(f) of ingress to and egress from the Airport for [AIRLINE]'s Delegates, passengers, guests, patrons, invitees and Airline Providers and their equipment, vehicles, machinery and other property; *provided* that the foregoing does not preclude the Lessee from (i) subjecting such Persons to any rules and regulations generally applicable to the Airport, including those pertaining to airport security, (ii) requiring such Persons to enter into an agreement with the Lessee on customary and reasonable terms prevalent in the United States airport industry (*provided* that, with respect to Airline Providers, no fees shall be imposed upon the Airline Providers other than in accordance with Section 5.10), or (iii) subject to Section 5.10, imposing any tax, charge, or permit or license fee with respect to such Persons, other than Airline Providers;

(g) to install, subject to the prior approval of the Lessee (for which the Lessee may require that the proposed work be performed in conformity with industry standards in effect at Comparable Public Airports) and to maintain and operate, alone or in conjunction with any other air transportation company or companies, or through a nominee, such radio, communications, flight information display systems, meteorological and aerial navigation equipment, facilities and associated wiring, as may be necessary or convenient for [AIRLINE]'s Air Transportation Business at the Airport,

(h) to use, in common with others so authorized, the public address system serving the Terminal Area and the aircraft parking positions;

(i) to use water and electric power, telephone and preconditioned air systems supplied by the Lessee in Common Space, [AIRLINE]'s Common Use Assigned Gates and [AIRLINE]'s Exclusive Use Space, and to use, at [AIRLINE]'s aircraft parking positions, loading bridges and mobile stair devices for the loading, unloading and general servicing of [AIRLINE]'s aircraft, 400 Hertz auxiliary power systems, air start systems and other miscellaneous aircraft and aircraft-related support equipment and facilities;

(j) to purchase or otherwise obtain services and personal property of any nature (other than food and beverage), including aircraft, engines, accessories, gasoline, oil, grease, lubricants, fuel, propellants, passenger supplies and other materials, equipment, supplies, articles and goods, used or acquired by [AIRLINE] in connection with or incidental to [AIRLINE]'s Air Transportation Business at the Airport;

(k) to station its Delegates in areas of the Airport approved by the Lessee to provide baggage check-in or skycap services, subject to any rules and regulations generally applicable to the Airport, including those pertaining to airport security;

(l) to install, maintain and use flight information display screens, identifying signs and [AIRLINE]'s logo in [AIRLINE]'s Exclusive Use Space; *provided* that posters, displays and other materials that advertise the services offered by [AIRLINE] to the traveling public are allowed in [AIRLINE]'s Exclusive Use Space so long as [AIRLINE] has given the Lessee five

days' prior notice of its intent to place such materials together with a copy of the materials proposed to be used. The Lessee reserves the right to place advertising displays or media in all areas of the Airport that are visible to or accessible by the public, excluding [AIRLINE]'s Exclusive Use Space. For the avoidance of doubt, no advertisement of one Airline shall be placed in a jet bridge primarily used by another Airline, and no advertisement that is considered offensive in the reasonable judgment of the primary user of the jet bridge shall be placed in such jet bridge by the Lessee or any advertising vendor of the Lessee.

(m) to operate and maintain in [AIRLINE]'s Exclusive Use Space, passenger clubs sponsored by [AIRLINE] where [AIRLINE] may serve alcoholic or other beverages and food to members of such clubs and the immediate families members and eligible guests of such members that are passengers of [AIRLINE], an Affiliate of [AIRLINE] or an Alliance Partner of [AIRLINE]; *provided* that, for providing food, the Lessee may require [AIRLINE] (i) to compensate or acquire food from a third party food service provider consistent with a food service concession agreement at the Airport, (ii) to enter into a food service concession agreement with the Lessee pursuant to which [AIRLINE], for providing food service, is required to pay a concession fee of an amount mutually agreed upon by the Lessee and [AIRLINE] (but not to exceed 5% of the food service revenue (or if provided without charge, food service cost) to [AIRLINE]) or (iii) to enter into a food service arrangement with an Airline Provider of its choosing, so long as such Airline Provider enters into a food service agreement with the Lessee pursuant to which such Airline Provider, for providing food service, is required to pay a concession fee of an amount mutually agreed upon by the Lessee and [AIRLINE] (but not to exceed 5% of the amount paid to such Airline Provider);

(n) to serve in [AIRLINE]'s holdroom areas non-alcoholic beverages and, with the consent of the Lessee (which shall not be required when the Airline is experiencing significant schedule delays), food to its passengers without charge;

(o) to install, maintain and operate, in [AIRLINE]'s Exclusive Use Space, customer relations, security and waiting room facilities and equipment; reservations offices; administrative offices; crew base facilities; operations offices; lockers, restrooms and related facilities for its employees; baggage, cargo and mail handling and storage facilities and equipment;

(p) to train personnel in the employ of [AIRLINE] at the Airport;

(q) to assess fees on [AIRLINE]'s ticketed passengers for services provided by [AIRLINE] that are necessary, incidental or convenient to [AIRLINE]'s Air Transportation Business, including baggage fees, fees for unaccompanied minors or other fees related to the actual carriage of passengers by [AIRLINE], and the Lessee is prohibited from seeking or collecting any portion of such fees; and

(r) to have access by its employees to sufficient parking at reasonable distances from the Airport and, as may be reasonably necessary considering the distance of such parking from the Airport, reasonable shuttle or similar transportation service between such parking and the Airport. Without limiting the foregoing, the Lessee shall consult with the affected Airlines prior to making any changes in the Airlines' employee parking arrangements and before attempting to impose any such fee pursuant to Section 5.10(b); *provided* that the Lessee shall not be permitted

to make any changes regarding the current parking arrangements relating to the Cargo Carriers, including parking arrangements for employees, customers or suppliers, without the consent of the affected Cargo Carriers.

For the avoidance of doubt, with respect to Cargo Carriers the foregoing is intended and shall be interpreted as including the right to conduct ground transportation of cargo, both directly and through contracted ground transportation carriers, from off-Airport locations to on-Airport facilities and aircraft and from off on-Airport facilities and aircraft to off-Airport locations and to provide on-site customer service.

All cabling installed directly or indirectly by [AIRLINE] shall become the property of the Lessee (subject to the Lease Agreement) should [AIRLINE] vacate the Airport or any relevant portion thereof.

Nothing herein shall be construed to preclude the Lessee and [AIRLINE] from contracting for the provision of additional goods, space or services to [AIRLINE], separate and apart from the goods, space and services to be provided to [AIRLINE] under this Agreement.

Section 3.2. Restrictions. All rights of [AIRLINE] hereunder are subject to the following specific restrictions:

(a) The grant of such rights does not authorize [AIRLINE] to conduct a separate business at the Airport, but permits [AIRLINE] to conduct such activities only insofar as they are necessary or incidental to the conduct of [AIRLINE]'s Air Transportation Business at the Airport and to the conduct of handling arrangements approved pursuant to Section 3.7. It is understood that the loading, unloading, distribution and delivery of cargo, mail or other property to, from and at the Airport is incidental to the Air Transportation Business of an Airline.

(b) Other than for the provision of air transportation services and except as specifically authorized in other sections of this Agreement, (i) [AIRLINE] shall not use or permit the use of any portion of any Exclusive Use Space or other Airport facility space for the purpose of selling, offering for sale, dispensing or providing any merchandise, products or services except to their ticketed passengers and the ticketed passengers of the Affiliates and Alliance Partners of [AIRLINE] as a service incidental to their respective Air Transportation Businesses or to their respective employees, and any other additional activities as may be approved by the Lessee as provided below (it being understood that this Section 3.2(b)(i) does not prohibit [AIRLINE] from loading, unloading, distributing or delivering cargo, mail or other property to, from and at the Airport in the course of its cargo carriage business), and (ii) nothing contained herein is intended to or shall be construed to authorize or permit [AIRLINE] to conduct any activity or to operate any direct or indirect business operation which competes with any revenue generating activity of the Lessee without the approval of the Lessee. The approval of the Lessee will not be withheld unless the proposed additional activities of [AIRLINE] are unlawful, would give rise to a breach by the Lessee of the Lease Agreement, the Airport Operating Certificate, the Airport Security Program, or any assurance to a Governmental Authority or a condition of a Governmental Authority for the operation of the Airport by which the Lessee is governed, or would reasonably be expected to have a measurable adverse effect on the concession revenues of the Lessee. Lessee approval is not required with respect to those activities of [AIRLINE]

conducted as of the Effective Date that would fall within the purview of this Section 3.2(b). For the avoidance of doubt, nothing in this Section 3.2(b) shall be construed to authorize [AIRLINE] to sell food or beverages to any person other than as set forth in Section 3.1(m).

(c) Subject to Section 10.7, the Lessee may, from time to time, and in accordance with the Operating Standards, temporarily or permanently close roadways, doorways and, subject to the following sentence, any other area at the Airport; *provided* that (i) except as set forth in Section 3.3(a) or Schedule F, such closings shall not be permanent with respect to Exclusive Use Space, Common Use Assigned Gates or any other gates or associated ramp areas, and temporary closings of such space shall be preceded by as much prior notice as practicable and in no case with less than 60 days' prior notice to the Signatory Airlines and (ii) if time permits with respect to other closings, the Signatory Airlines shall be consulted with regard to such closings in order to minimize the disruption of services being provided. In addition, upon not less than 90 days' prior notice to the Signatory Airlines, the Lessee may, from time to time, temporarily close Taxiways and Runways at the Airport; *provided* that in an emergency situation, no such prior notice of closure shall be required. Except in an emergency situation, not less than 14 days prior to the closure of any Taxiway, Runway or ramp area at the Airport, the Lessee shall confirm to the Signatory Airlines in writing the dates of such closure.

(d) The Lessee may prohibit the use of any portion of the Airfield Area by any aircraft operated or controlled by [AIRLINE] that exceeds the design strength of the paving of the runways and taxiways at the Airport, or any other standard design criteria.

(e) [AIRLINE] shall not do or authorize to be done anything that may interfere with the effectiveness of the drainage and sewage system, water system or any other part of the utility, electrical or other systems installed or located from time to time at the Airport. In addition, [AIRLINE] shall not allow any Hazardous Materials to enter the drainage or sewage system, water system, or any other part of the utility systems, other than in accordance with the terms and limits of all applicable Laws, including Environmental Laws.

(f) [AIRLINE] shall not do or authorize to be done anything at the Airport (i) which may knowingly constitute a hazardous condition so as to increase the risks normally attendant upon operations permitted by this Agreement or (ii) which will invalidate or conflict with any insurance policies covering the Airport; *provided* that (A) the restrictions contained in such insurance policies are of a type customarily found in insurance policies for Comparable Public Airports or (B) the Lessee has provided notice of such restrictions to [AIRLINE]. If, by reason of any failure on the part of [AIRLINE] to comply with the provisions of this Agreement, the cost of any such insurance or extended coverage is at any time higher than it otherwise would be, then [AIRLINE] shall pay the Lessee that part of all premiums paid by the Lessee which are charged because of such violation or failure by [AIRLINE]. Hazardous conditions include any threat of danger or damage to human health or the environment.

(g) [AIRLINE] shall limit its training flights into and out of the Airport to necessary FAA-qualification flights, and shall coordinate such training and other nonscheduled flight activities with representatives of the Lessee. If requested by the Lessee, [AIRLINE] shall restrict all such activities to certain hours so as not to interfere with scheduled flight activities of other aircraft operators using the Airport or noise-sensitive times.

(h) As soon as possible, after obtaining any necessary approval from appropriate Governmental Authorities, [AIRLINE] shall remove any of its disabled aircraft from the Airfield Area upon the request of the Lessee. [AIRLINE] shall place and/or store any such disabled aircraft only in such hangar facilities that [AIRLINE] has a right to use (whether through ownership, lease or license) at the Airport and/or in such storage areas as may be designated by the Lessee, in which latter event such storage shall be only upon such terms and conditions as at that time may be established by the Lessee, consistent with any directives of the FAA and the National Transportation Safety Board. In the event [AIRLINE] fails to remove any of its disabled aircraft as expeditiously as possible, the Lessee may, but shall not be obligated to, cause the removal of such disabled aircraft by any reasonable means without any liability of the Lessee for any injury or damage to such disabled aircraft (except to the extent such injury or damage is determined in a non-appealable decision to be due to or caused by the negligence or willful misconduct of the Lessee); *provided* that the Lessee shall, to the extent practicable, give [AIRLINE] reasonable prior notice of its intent to do so. If the Lessee removes, or causes another to remove [AIRLINE]'s disabled aircraft, [AIRLINE] shall pay to the Lessee, upon receipt of an invoice, the actual costs incurred for such removal, including the cost of labor.

(i) [AIRLINE] may not load or unload an all-cargo aircraft on the terminal ramp area.

(j) [AIRLINE] shall not use, store, transport, or dispose of any fuels, oil, grease, lubricants, or other Hazardous Materials to, from, within, or upon the Airport in a manner that violates any applicable Law, including applicable Environmental Laws.

Section 3.3. Allocation and Use of Space.

(a) *Common Space.* The Lessee shall maintain a policy of providing open access to the Airport and achieving a balanced utilization of Airport facilities. To achieve that goal, the Lessee shall retain under its exclusive possession and control all Airport facilities, except space under lease or included as Exclusive Use Space under this Agreement, for common use by the Airlines in accordance with this Agreement, including the requirements set forth in Schedule F. The Lessee agrees not to materially decrease the amount of Common Space or the proportion of Common Space to Exclusive Use Space and Common Use Assigned Gates, in each case as of the date of this Agreement, without approval by a Terminal MII, except (i) as contemplated by and in accordance with the procedures set forth in Schedule F, (ii) to the extent that additional Exclusive Use Space is allocated to an Airline that was not a Signatory Airline as of the date of this Agreement upon commencement of its Air Transportation Business at the Airport or is reasonably necessary to accommodate an increase in the number of passengers or amount of cargo served by the Airport, (iii) with respect to a change to such proportion due to the temporary closure of certain space for improvements or other work or (iv) as contemplated in a Plan for the Reconfiguration of Terminal Space that is approved in accordance with Section 8.13. Space at the Airport that has been temporarily or permanently closed shall not be considered "Common Space" or considered for any purpose of this Agreement, including Schedule F, until the Lessee reopens such space for use by the Airlines.

(b) *Exclusive Use Space.*

(i) *General.* The Lessee shall allocate certain terminal space at the Airport (in accordance with this Section 3.3(b) and Schedule G, and subject to modifications in accordance with Schedule F) for exclusive use by [AIRLINE] for ticket counters, offices, clubs and other operations and functions as are incidental or reasonably necessary to the conduct of [AIRLINE]'s Air Transportation Business and for such other purposes as the Lessee shall approve. Such space allocated to [AIRLINE] and other Airlines or reserved by the Lessee for future allocation is "**Exclusive Use Space.**" The allocation of Exclusive Use Space is not a lease and does not convey any interest in any real or personal property whatsoever. [AIRLINE] shall not be permitted to sublease or otherwise grant any rights to any other Person to use its Exclusive Use Space other than as provided in Section 12.12 or with the Lessee's consent; *provided, however*, that [AIRLINE] shall have the right to grant any rights to use its Exclusive Use Space (which, for the avoidance of doubt, does not include gates) to its Alliance Partners and Airline Providers without the Lessee's consent. Any Exclusive Use Space may be relocated, reallocated or terminated in accordance with the terms set forth in Schedule F. [AIRLINE] shall use, keep and maintain its Exclusive Use Space in good repair. Any personal property of [AIRLINE] in its Exclusive Use Space shall remain the property of [AIRLINE], subject to and in accordance with Section 3.6(a). Upon termination or cessation of [AIRLINE]'s use of its Exclusive Use Space, [AIRLINE] is responsible, at its sole cost and expense, subject to Schedule F, for promptly vacating and returning its Exclusive Use Space to the Lessee in a condition at least as good as the condition of such space when first made available to [AIRLINE] under this Agreement, except for normal wear and tear.

(ii) *Improvements and Fixtures.* [AIRLINE] shall have the right to install equipment, systems, and fixtures; to construct additional, non-structural improvements on its Exclusive Use Space as are incidental or reasonably necessary to the conduct of [AIRLINE]'s Air Transportation Business; and to alter, change or make other improvements to its Exclusive Use Space. All such alterations, installations, or improvements shall be commenced only after plans and specifications therefor have been submitted, for informational purposes only, to the Lessee, and that any such alterations, installations or improvements shall be without cost to the Lessee; *provided* that the Lessee shall have the right to consent (which consent shall not be unreasonably withheld, conditioned or delayed) to any alterations, installations or improvements that would materially interfere with Common Space or another Airline's Exclusive Use Space; and *provided further* that the Lessee shall have no liability to any Airline in connection with any alternation, installation or improvement or its consent related thereto. [AIRLINE] shall have the right to enter into agreements with qualified independent contractors of its choosing, on terms and conditions determined solely by [AIRLINE], to perform such alteration, installation or improvement.

(iii) *Allocation of Non-Seasonal Exclusive Use Space.* The initial allocation of Non-Seasonal Exclusive Use Space for each Signatory Airline, including [AIRLINE], as of the Closing and for the first Term Year (which, for the avoidance of doubt, is the First Partial Term Year if the Closing occurs on a date other than January 1st) is shown on Schedule G. For each subsequent Term Year, not later than 90 days prior to the start of that Term Year (in accordance with Section 5.1(a)), [AIRLINE] shall advise the Lessee of any changes in its need for and use of Non-Seasonal Exclusive Use Space during that upcoming Term Year, including increases and

decreases in the amount of space or changes in the location of space. The Lessee shall reduce [AIRLINE]'s Non-Seasonal Exclusive Use Space, as requested by [AIRLINE], effective January 1st of that upcoming Term Year so long as the request is timely received in accordance with the foregoing. (For the avoidance of doubt and except in accordance with Schedule F, any reduction in space shall not be subject to reinstatement by the Lessee, and no modification of the remaining space shall be made by the Lessee without [AIRLINE]'s consent.) For all other requested changes, including increases in the amount of space or changes in the location of space, the Lessee shall use its commercially reasonable efforts to accommodate the requests and needs of all Airlines. Schedule G shall be updated for each Term Year in accordance with adjustments made by the Lessee.

(iv) *Allocation of Seasonal Exclusive Use Space.* The Lessee may allocate certain terminal space at the Airport for use by [AIRLINE] as Exclusive Use Space on a seasonal basis ("**Seasonal Exclusive Use Space**") in accordance with Schedule F. Seasonal Exclusive Use Space may not be allocated for less than 30 consecutive days or for more than 120 consecutive days. [AIRLINE] shall advise the Lessee from time to time of any need for Seasonal Exclusive Use Space. When allocating Seasonal Exclusive Use Space, the Lessee shall determine the duration of time for which [AIRLINE] may use its Seasonal Exclusive Use Space.

(v) *Untenantable Space.* If any of [AIRLINE]'s Exclusive Use Space is damaged or destroyed and thereby rendered untenantable, then, unless the Lessee provides [AIRLINE] with reasonably acceptable alternative space, (A) [AIRLINE] shall not be obligated to pay [AIRLINE]'s Exclusive Use Rent for such untenantable portion during such time as it remains untenantable, and (B) if such untenantable portion remains untenantable for more than one year, [AIRLINE] shall be entitled, upon 45 days' prior notice to the Lessee, to delete such untenantable portion from its Exclusive Use Space; *provided* that there shall be no abatement or reduction where the untenantable condition is caused by the willful or negligent act or omission of [AIRLINE], its Delegates, passengers, guests or invitees (in which case, [AIRLINE] is obligated to restore such space to a tenantable condition at its sole cost and expense); and *provided further* that if the Lessee provides [AIRLINE] with reasonably acceptable alternative Common Space, the abatement shall be limited to the amount by which the [AIRLINE]'s Exclusive Use Rent for such untenantable portion exceeds the then-applicable Exclusive Use Rent for such alternative space. The lost revenue to the Lessee by any such abatement shall not be allocated to the other Signatory Airlines.

(c) *Gates and Other Terminal Space.* All gates and hold rooms, passenger circulation areas, baggage makeup areas and baggage claim areas at the Airport shall be operated on a common use basis; *provided, however*, that, subject to the provisions and conditions set forth in Schedule F, certain gates may be Common Use Assigned Gates. The allocation and usage of gates (including the designation of gates as Common Use Assigned Gates) shall be governed by provisions set forth in Schedule F. [AIRLINE] shall use, keep and maintain such space in accordance with this Agreement, including the requirements set forth in Schedule F.

Section 3.4. Operating Standards.

(a) The Lessee shall operate the Airport in accordance with all requirements of applicable Law, including the Airport Operating Certificate, Airport Certification Manual and

Airport Security Program, and with the standards of operation set forth in Schedule A and as may be modified from time to time in accordance with Section 3.4(d) and by the Authority in accordance with the Lease Agreement and Section 8.9 (the "**Operating Standards**"); shall maintain the Airport in good operating condition and repair; and shall use commercially reasonable efforts to preserve the goodwill of the Airport and to maintain good business relationships with the Airlines and others having business dealings with the Airport. The Lessee shall develop an Operations Plan in accordance with the Operating Standards and, within 180 days after the Closing, shall submit such Operations Plan to the Authority and the Signatory Airlines for approval by the Authority and an Airline MII. The Lessee shall have a reasonable period of time (a) following the Effective Date to carry out changes to the operations of the Airport in order to cause the Airport to comply with the Operating Standards in effect as of the Effective Date, to the extent the Airport is not in compliance therewith as of the Effective Date (which period of time shall not exceed 180 days) and (b) from time to time to comply with the introduction of changes or modifications to the Operating Standards that are made in accordance with the terms of the Lease Agreement and this Agreement (which period of time shall not exceed 90 days, except as otherwise may be provided in the revised Operating Standards).

(b) The Operating Standards shall include requirements of safety, security, airfield operations, maintenance, ground access and other matters necessary and appropriate to assure that all aspects of the Airport are operated in accordance with the standards in effect at Comparable Public Airports. The Parties acknowledge and agree that the Operating Standards and the Operations Plan shall be construed flexibly in light of their objectives. The Operating Standards shall require the Lessee to exercise any rights that it has under agreements with Cargo Carriers in such manner as to protect Cargo Carriers' interest in continued access to all facilities necessary to conduct cargo operations at the Airport. The Lessee shall have in place procedures that are reasonably designed to achieve compliance with the Operating Standards.

(c) In the event that the Lessee enters into leases, subleases, use agreements or other similar agreements regarding the Airport facilities (other than Exclusive Use Space), (i) the Lessee shall continue to be responsible for complying with the Operating Standards in respect of such Airport facilities and (ii) the Signatory Airlines shall continue to have all rights and remedies for any failure of the Lessee to comply with the Operating Standards in respect of such Airport facilities, as contemplated by and subject to the terms hereof.

(d) If the Lessee, at its cost and expense, wishes to modify the Operating Standards, the Lessee must obtain the approval of the Authority and the Signatory Airlines in accordance with the following:

(i) The Lessee shall submit the proposed modifications to the Authority for approval and to the Signatory Airlines for approval by an Airline MII, together with an explanation of the Lessee's rationale for making its proposal and all relevant supporting information, certificates, reports, studies, investigations and other materials as are necessary to demonstrate that the Lessee's proposed modifications are reasonably designed to achieve the objectives of the applicable Operating Standards. The Authority or a Signatory Airline may request any additional supporting information, certificates, reports, studies, investigations and other materials as are reasonably required to determine if the Lessee's proposed modifications are reasonably designed to achieve the objectives of the applicable Operating Standards.

(ii) Approval of the Lessee's proposed modifications may be withheld, delayed or conditioned only if there is a reasonable basis to determine that the Lessee's proposed operating standards are not reasonably designed to achieve the objectives of the applicable Operating Standards. Until the modifications are approved by the Authority and an Airline MII, the Lessee shall not implement the proposed modifications. The Lessee's proposed modifications shall be deemed incorporated into the Operating Standards upon approval by the Authority and an Airline MII in accordance with the terms hereof. If the Authority or an Airline MII refuses to approve any proposed modifications and the Lessee disagrees with such refusal, the Lessee may submit the matter to dispute resolution under the provisions of Article 11.

(iii) Notwithstanding anything to the contrary, neither the Authority nor a Signatory Airline, including [AIRLINE], may withhold, delay or condition the approval of any proposed modification to the Operating Standards (or its participation in an Airline MII to approve the same) if the Lessee reasonably believes that such proposed modification is necessary to comply with the Part 139 Airport Operating Certificate, the TSA-approved Airport Security Program, any promulgated FAA or TSA rule, directive or requirement that is legally binding on the Lessee, or any other requirements of Law; *provided* that the Authority and [AIRLINE] each reserves the right to contest any such proposed modification, including by seeking FAA or TSA guidance, exemption or interpretation to the extent that the Authority or [AIRLINE] reasonably believes that such proposed modification is not reasonably designed to achieve the objective of compliance with either the Part 139 Airport Operating Certificate, the TSA-approved Airport Security Program, FAA or TSA rule, directive or requirements or other requirement of Law. Any such contest shall be asserted by the Authority or [AIRLINE], as appropriate, by giving the Lessee notice within three days of [AIRLINE]'s or Authority's receipt of the proposed modification or such longer period of time as reasonable under the circumstances. Following the receipt by the Lessee of such notice, the Lessee and the Authority or [AIRLINE], as appropriate, shall work together in good faith to resolve such contest, including by working with the FAA or the TSA, as appropriate. If the Lessee and the Authority or [AIRLINE], as appropriate, are unable to resolve such contest, the matter may be submitted to dispute resolution under the provisions of Article 11. The Lessee may implement (and continue to implement) any proposed modification to the Operating Standards that it reasonably believes is necessary to comply with the Part 139 Airport Operating Certificate, the TSA-approved Airport Security Program, any FAA or TSA rule, directive or requirement or any other requirement of Law while it works in good faith with the Authority or [AIRLINE], as appropriate, to resolve any contest regarding the implementation of such modification. For the avoidance of doubt, any proposed or actual modification to the Operating Standards under this Section 3.4 shall not result in an increase in the Total Annual Contribution or other charges to the Signatory Airlines, except to the extent that such modification is caused by an Eligible Security, Safety or Environmental Requirement that results in Government-Mandated Operating Expenses in accordance with Section 6.3(d)(iii).

(e) The Lessee shall deliver to the Signatory Airlines within 60 days after the end of each Term Year a copy of each report required by the Operating Standards. The information set forth in each such report will be true, complete and correct, in all material respects as of the date thereof.

Section 3.5. Operation, Maintenance, Replacement and Repair.

(a) The Lessee shall operate, maintain and keep in good repair and in accordance with generally adopted best practices of Comparable Public Airports, expending such amounts as may be reasonably necessary therefor, all of the areas and facilities of the Airport as required by this Agreement (including the responsibilities set forth in Schedule H) and the Operating Standards.

(b) [AIRLINE] shall, in accordance with this Agreement (including the responsibilities set forth in Schedule H), be responsible for and shall perform or cause to be performed, maintenance and repair of its Exclusive Use Space. [AIRLINE] shall, at all times (i) keep all fixtures, equipment and personal property in a clean, safe, sanitary and orderly condition and appearance; (ii) maintain the same in good operating condition and repair (reasonable wear and tear and conditions existing prior to [AIRLINE]'s occupancy of the Exclusive Use Space excepted) and perform all ordinary repairs, replacements and inside painting, such repairs, replacements and painting by the Airline to be of a quality and class not inferior to the original material and workmanship; and (iii) either directly or through an independent contractor (which independent contractor shall obtain an operator permit), properly dispose of its garbage, debris and other waste materials. If the performance of any of the foregoing maintenance, repair, replacement or painting obligations of [AIRLINE] requires work to be performed near an active taxiway or runway or where safety of Airport operations might be involved, [AIRLINE] shall (A) obtain the Lessee's prior consent before performing such work, which work shall be performed in accordance with the industry standards in effect at Comparable Public Airports, applicable Law and applicable FAA guidelines and (B) post guards or erect barriers or other safeguards as required and approved by the Lessee and the FAA or TSA or other Governmental Authority, at such locations. Compliance with such requirements shall not relieve [AIRLINE] from its liability for the safe performance of its obligations under this Agreement. The Lessee may inspect [AIRLINE]'s Exclusive Use Space at reasonable times and upon prior notice to [AIRLINE] to ensure that such space is being maintained in a suitable condition and, if the Lessee observes unsuitable conditions, may require [AIRLINE] to promptly take necessary remedial action to bring the space into compliance with applicable standards.

(c) Notwithstanding [AIRLINE]'s responsibility and obligation to maintain and operate the Exclusive Use Space, the Lessee agrees to pay all costs related to the capital requirements of the basic systems within the Airport, including the Exclusive Use Space. Such costs shall include, by way of example only, replacements of the following systems: heating, ventilation and cooling systems; elevators, escalators and pedestrian mall moving sidewalks; mechanical systems; electrical systems; and vaults; *provided* that the Lessee may, but is not obligated to, require [AIRLINE] to (i) install such devices or make such alterations to its Exclusive Use Space, at the expense of the Lessee, as the Lessee may reasonably require to reduce the cost or burden to the Lessee of providing such basic systems and (ii) perform any work contemplated by this Section 3.5(c) in accordance with the industry standards as in effect at Comparable Public Airports. The Lessee shall also assume the responsibility and obligation for all basic roof and structural maintenance and repair. The Lessee shall not be responsible for the cost of repair, maintenance or replacement of systems installed by [AIRLINE] in its Exclusive Use Space.

Section 3.6. Removal of Airline Property.

(a) The property owned and placed or installed by [AIRLINE] at the Airport shall remain the property of [AIRLINE] and must be removed on or before the expiration of the Term or the expiration of any extension or renewal of the Term at [AIRLINE]'s sole risk and expense. The cost of restoring the Airport, the structure or any fixtures located therein resulting from damage relating to such removal shall be paid for by [AIRLINE]. In the event of the termination of this Agreement, [AIRLINE] shall have 30 days after such termination during which to remove such property; *provided* that the Lessee shall have the right to assert such lien or liens against the property as the Lessee may by law be permitted, other than liens on aircraft or ground service equipment. After [AIRLINE] has removed all such property or the 30-day period described in the preceding sentence expires, the Lessee and [AIRLINE] shall conduct a walk-through inspection to evaluate the removal of property and the condition of the premises. So long as any such property remains at the Airport, [AIRLINE]'s obligation to pay its Exclusive Use Rent shall continue.

(b) If [AIRLINE]'s property is not removed as herein provided, the Lessee may, at its option, deem such property abandoned and keep such property or, after notice to [AIRLINE] and at [AIRLINE]'s sole risk and expense, remove such property to a public warehouse for deposit, or retain the same in the Lessee's possession and after the expiration of 30 days sell the same, with notice and in accordance with applicable Law, the proceeds of which shall be applied first to the expenses of such removal and sale, second to any sum owed by [AIRLINE] to the Lessee, and any balance remaining shall be paid to [AIRLINE].

Section 3.7. Ground-Handling Services.

(a) To the extent permitted by applicable Law, each Passenger Carrier may use its personnel to provide ground-handling services for itself and any other Passenger Carrier that is an Affiliate or Alliance Partner of such Passenger Carrier. If a Passenger Carrier does not self-handle and does not obtain ground-handling services from an Affiliate or an Alliance Partner, then the Passenger Carrier shall obtain any necessary ground-handling services for a fee from (i) a company authorized by the Lessee to provide ground-handling services at the Airport or (ii) another Signatory Airline with the approval of the Lessee, which approval may be conditioned on, among other matters, the receipt of a concession fee (not to exceed 5% of the amount paid in consideration of such ground-handling services) by the Lessee from the Signatory Airline providing such ground-handling services.

(b) To the extent permitted by applicable Law, each Cargo Carrier may use its personnel to provide ground-handling services for itself and any other Cargo Carrier of which it is an Affiliate (which services may include marshaling, unloading, loading, towing, and weight and balance). A Cargo Carrier may use its personnel to provide ground-handling services to another Cargo Carrier so long as all of the following conditions are met at the time such ground-handling services are provided: (i) the ground-handling services are provided pursuant to a subcontract between the Cargo Carriers; (ii) the Cargo Carrier receiving the service is involved, at the time the service is provided, in the carriage of property to or from the Airport; (iii) the Cargo Carrier providing the service has uninterrupted custodial control over all of the property being delivered to or from the Airport by the Cargo Carrier receiving the service, from its entry to or arrival at the Airport until the departure of the property from the Airport or its delivery; (iv) the service is provided free of charge and no revenue is derived therefrom; (v) the Cargo Carrier

providing the service separately reports the activity resulting from service under each such subcontract to the Lessee its monthly operations reports described in Section 5.1(b); and (vi) the Cargo Carrier providing the service shall be responsible for paying all fees, rates and charges owed to the Lessee by the Cargo Carrier receiving the service for its use of the Airport in connection with its subcontract with the Cargo Carrier providing the service if the Cargo Carrier receiving the service fails to pays such fees, rates and charges when they are due. In addition, a Cargo Carrier may provide ground-handling services to another Cargo Carrier with the approval of the Lessee, which approval may be conditioned on, among other matters, the receipt of a concession fee (not to exceed 5% of the amount paid in consideration of such ground-handling services) by the Lessee from the Cargo Carrier providing such ground-handling services.

Section 3.8. Taxes, Licenses and Permits.

(a) [AIRLINE] shall pay or cause to be paid any and all taxes required to be paid by [AIRLINE] and shall obtain or cause to be obtained any and all licenses, permits, certificates and other authorizations required by any Governmental Authority in connection with the operations or activities performed by [AIRLINE] hereunder, including all licenses, permits, certificates and other authorizations required under Environmental Laws.

(b) Any taxes associated with or assessed on any personal property of [AIRLINE] located on such premises shall be the obligation of [AIRLINE] and, as such, shall be paid by [AIRLINE] and not by the Lessee.

(c) Any taxes imposed on the Lessee resulting from the Lessee's interest in the Airport, this Agreement or the Lease Agreement or from revenues derived by the Lessee from the Airport shall be borne by the Lessee.

Section 3.9. Performance by the Lessee upon Failure of the Airline. If [AIRLINE] fails to perform, for a period of 30 days after notice from the Lessee, or fails to commence performance within 30 days after such notice if complete performance is not reasonably possible within 30 days, any obligation required by this Agreement, the Lessee may perform such obligation of [AIRLINE], and charge [AIRLINE] for the reasonable cost to the Lessee of such performance; *provided* that if [AIRLINE]'s failure to perform any such obligation endangers the health or safety of Persons or the safety of operations at the Airport and the Lessee so states in its notice to [AIRLINE], the Lessee may perform such obligation of [AIRLINE] at any time after the giving of such notice and charge [AIRLINE] for its reasonable and documented costs of such performance.

Section 3.10. Utilities. The Lessee shall be responsible for providing the Signatory Airlines and their respective Delegates access to all utilities at the Terminal without any cost to the Airlines; *provided*, however, that the Lessee may charge [AIRLINE] for the cost of electricity that [AIRLINE] directly uses in its Exclusive Use Space (excluding any pro rations or allocations of electricity consumed by the Lessee in providing any services to such space), at a rate equal to the actual unit cost paid by the Lessee to the utility provider for electricity, without any mark-up or administrative charge. Such a charge shall become effective only from and after such time as the Lessee has installed, at its own cost, separate meters at every Signatory Airline's Exclusive Use Space and charges every such Signatory Airline for electricity provided on the basis set forth

in this Section 3.10; *provided* that such charges shall not include any costs of utility infrastructure, administration or delivery. The Lessee shall provide [AIRLINE] copies of the monthly bills from the utility provider for its space if there is a separate meter installed by the utility provider or, if the Lessee installs a sub-meter, monthly invoices showing actual meter reading accompanied by copies of invoices from the utility provider showing the actual unit costs of electricity paid by the Lessee, in each case subject to reasonable verification by [AIRLINE].

Section 3.11. Rights Pertaining to Cargo Carriers. The Lessee shall apply the provisions of this Agreement, as between Cargo Carriers and Passenger Carriers, on a non-discriminatory basis and shall not favor one over the other. The Lessee shall assume all existing leases of space for cargo operations or under which space is subleased for cargo operations, including the leases identified on Schedule C. Upon termination of any such existing lease with a Cargo Carrier or any such existing lease under which space is subleased by a Cargo Carrier, the Lessee will either (a) offer to enter into a new lease of comparable space with such Cargo Carrier, or (b) offer to enter into a new lease of space under which the lessee will be obligated to offer to sublease comparable space to such Cargo Carrier; and in either case, the lease to the Cargo Carrier shall be at a rental rate that does not exceed the product of (i) the rental rate in effect as of the Closing *multiplied by* (ii) the fraction equal to (A) the CPI Value for the calendar year prior to the effectiveness of such new lease *divided by* (B) the CPI Value for the calendar year prior to the calendar year in which the Closing occurs. In the event that the Lessee does not assume the lease for the Cargo Facility (as defined in the Lease Agreement) pursuant to Section 3.20 of the Lease Agreement or any other lease with a Cargo Carrier or existing lease under which space is subleased by a Cargo Carrier, then the Authority shall be bound (i) by the obligations under the immediately preceding sentence of this Section 3.11 with respect to the Cargo Facility or other space for cargo operations, as may be the case, as if it were the Lessee, for purposes of such preceding sentence, including causing third party operators, if any, to comply with such obligations and (ii) by the Operating Standards, as if it were the Lessee, to the extent applicable, with respect to the Cargo Facility or other space for cargo operations. For the avoidance of doubt, Cargo Carriers shall not pay Terminal Contributions.

Section 3.12. Governance.

(a) *Airline Management Committee.* Each Signatory Airline has the right to designate one representative to an Airline Management Committee (the "**Airline Management Committee**") consisting of representatives of each Signatory Airline. The Airline Management Committee shall meet to review such matters as the Signatory Airlines determine to be appropriate. At the request of the Airline Management Committee, the Lessee shall meet with the Airline Management Committee at least monthly to discuss matters of mutual concern. Non-Signatory Airlines shall be given notice of, and invited to attend, Airline Management Committee meetings.

(b) *Executive Committee.* Each Signatory Airline has the right to designate one representative to an Executive Committee (the "**Executive Committee**") consisting of a representative of each Signatory Airline, a representative of the Lessee who has principal managerial responsibility for the Airport and a representative of the Authority who has the title of Deputy Director (or another representative with a comparable title and job function). As may be necessary or convenient under the circumstances, each of the Signatory Airlines, the Lessee

and the Authority may invite and include in meetings of the Executive Committee such other representatives of Signatory Airlines, the Lessee or the Authority (as applicable) who possess specialized knowledge or experience in connection with the matters to be discussed by the Executive Committee. The Executive Committee will meet at least quarterly and will review ongoing operations and policies of the Airport, including any significant planned changes in operations, policies, financing and key personnel, as well as any other matters relating to the Airport and its operations as any of its members may determine to be appropriate. A written report on each meeting of the Executive Committee, including any specific matters that are requested to be included in such report by any of its members, will be promptly presented to the governing board of the Lessee. The Lessee will also give to the Executive Committee notice in advance of each meeting of its governing board of any agenda items to be considered at such meeting that relate to the operations of the Airport. In addition, in the event any of the Airline representatives on the Executive Committee requests to discuss any matter relating to the operations of the Airport directly with the governing board of the Lessee, the governing board will invite such representatives to the next meeting of the governing board for this purpose.

ARTICLE 4.

FEES

Section 4.1. Total Annual Contribution. For any Term Year, the Total Annual Contribution shall be determined as follows:

(a) *First Partial Term Year.* The Total Annual Contribution for the First Partial Term Year, if any, shall equal the product of (i) $62,000,000 *multiplied by* (ii) the fraction equal to (A) the number of days of the Term in that year *divided by* (B) the number of days in that year.

(b) *First Five Full Term Years.* The Total Annual Contribution for each of the first five Full Term Years shall be $62,000,000.

(c) *Remaining Full Term Years.* The Total Annual Contribution for each of the remaining Full Term Years shall equal the product of (i) the CPI Factor for that year *multiplied by* (ii) the Total Annual Contribution for the prior Term Year.

(d) *Last Partial Term Year.* The Total Annual Contribution for the Last Partial Term Year, if any, shall equal the product of (i) the amount determined in accordance with Section 4.1(b) (if the Last Partial Term Year occurs prior at or to the completion of five Full Term Years) or Section 4.1(c) (if the Last Partial Term Year occurs after the completion of five Full Term Years), as applicable, *multiplied by* (ii) the fraction equal to (A) the number of days of the Term in that year *divided by* (B) the number of days in that year.

(e) For the avoidance of doubt, such amount shall also be increased in accordance with Section 6.3(c) and (d).

Section 4.2. Annual Contribution. For any Term Year, [AIRLINE] must pay the Lessee, in accordance with the provisions hereof, its Annual Contribution, which shall equal the sum of (a) [AIRLINE]'s Parking Fees for that year *plus* (b) [AIRLINE]'s Landing Contribution for that year *plus* (c) [AIRLINE]'s Exclusive Use Rent for that year *plus* (d) [AIRLINE]'s Domestic

Terminal Contribution for that year *plus* (e) [AIRLINE]'s International Terminal Contribution for that year *plus* (f) [AIRLINE]'s Local Terminal Contribution for that year.

Section 4.3. Landing Contribution. For any Term Year:

(a) *Total Landing Contribution.* The Total Landing Contribution shall equal the difference of (i) 42% of the Total Annual Contribution for that year *minus* (ii) the Total Parking Fees for that year. For the avoidance of doubt, such amount shall also be increased in accordance with Section 6.3(c) and (d).

(b) *Total Non-Signatory Landing Contribution.* The Total Non-Signatory Landing Contribution shall equal:

$$\frac{(1.25 \times N \times T)}{(S + (1.25 \times N))}$$

where "**N**" is the total MAGTOW of all aircraft of all Non-Signatory Airlines involved in Revenue Landings during that year; "**S**" is the total MAGTOW of all aircraft of all Signatory Airlines involved in Revenue Landings during that year; and "**T**" is equal to the Total Landing Contribution for that year.

(c) *Total Signatory Landing Contribution.* The Total Signatory Landing Contribution shall equal the difference of (i) the Total Landing Contribution for that year *minus* (ii) the Total Non-Signatory Landing Contribution.

(d) *Airline's Landing Contribution.* [AIRLINE]'s Landing Contribution shall equal the product of (i) the Landing Rate for that year *multiplied by* (ii) the MAGTOW of [AIRLINE]'s aircraft involved in Revenues Landings during that year.

(e) *Landing Rate.*

(i) The Landing Rate for Signatory Airlines shall equal the quotient of (A) the Total Signatory Landing Contribution for that year *divided by* (B) the total MAGTOW of all aircraft of all Signatory Airlines involved in Revenue Landings during that year.

(ii) The Landing Rate for Non-Signatory Airlines shall equal the quotient of (A) the Total Non-Signatory Landing Contribution for that year *divided by* (B) the total MAGTOW of all aircraft of all Non-Signatory Airlines involved in Revenue Landings during that year.

Section 4.4. Parking Fees. For any Term Year:

(a) *Airline's Parking Fees.* [AIRLINE] shall be charged Parking Fees for parking aircraft on Airport grounds not under lease by [AIRLINE] at the Parking Rates (which Parking Rates shall be based upon the MAGTOW of the aircraft and the duration of parking).

(b) *Parking Rates for Signatory Airlines.*

(i) *First Partial Term Year and First Five Full Term Years.* The Parking Rates for Signatory Airlines for the First Partial Term Year, if any, and each of the first five Full Term Years shall equal the aircraft parking rates in effect at the Airport as of the Closing.

(ii) *Remaining Years.* The Parking Rates for Signatory Airlines for each of the remaining Full Term Years and the Last Partial Term Year, if any, shall equal (A) the CPI Factor for that year *multiplied by* (B) the Parking Rates for the prior Term Year.

(c) *Parking Rates for Non-Signatory Airlines.* The Parking Rates for Non-Signatory Airlines in any full or partial Term Year shall equal 125% of the Parking Rates charged to Signatory Airlines for that year.

Section 4.5. Exclusive Use Rent. For any Term Year:

(a) *Airline's Exclusive Use Rent.* [AIRLINE]'s Exclusive Use Rent shall equal the sum of (i) [AIRLINE]'s Non-Seasonal Exclusive Use Rent *plus* (ii) [AIRLINE]'s Seasonal Exclusive Use Rent.

(b) *Non-Seasonal Exclusive Use Rent.* [AIRLINE]'s Non-Seasonal Exclusive Use Rent shall equal the product of (i) the Non-Seasonal Exclusive Use Rate for that year *multiplied by* (ii) the square feet of Non-Seasonal Exclusive Use Space allocated to [AIRLINE] for that year (it being understood that if the amount of square feet of Non-Seasonal Exclusive Use Space allocated to [AIRLINE] for that year changes during that year in accordance with Section 3.3(b), then the amount of square feet to be used for this calculation is the time-weighted average square feet of Non-Seasonal Exclusive Use Space allocated to [AIRLINE] during the course of that year).

(c) *Non-Seasonal Exclusive Use Rate.*

(i) *First Partial Term Year.* The Non-Seasonal Exclusive Use Rate for Signatory Airlines for the First Partial Term Year, if any, shall equal the product of (A) $45 *multiplied by* (B) a fraction equal to (1) the number of days of the Term in that year *divided by* (2) the number of days in that year.

(ii) *First Five Full Term Years.* The Non-Seasonal Exclusive Use Rate for Signatory Airlines for each of the first five Full Term Years shall equal $45.

(iii) *Remaining Full Term Years.* The Non-Seasonal Exclusive Use Rate for Signatory Airlines for each of the remaining Full Term Years shall equal the product of (A) the CPI Factor for that year *multiplied by* (B) the Exclusive Use Rate for the prior Term Year.

(iv) *Last Partial Term Year.* The Non-Seasonal Exclusive Use Rate for the Last Partial Term Year, if any, shall equal the product of (A) the amount determined in accordance with Section 4.5(c)(ii) (if the Last Partial Term Year occurs prior at or to the completion of five Full Term Years) or Section 4.5(c)(iii) (if the Last Partial Term Year occurs after the completion of five Full Term Years), as applicable, *multiplied by* (B) the fraction equal to (1) the number of days of the Term in that year *divided by* (2) the number of days in that year.

(d) *Seasonal Exclusive Use Rent.* [AIRLINE]'s Seasonal Exclusive Use Rent shall be calculated daily as follows: for each day in which [AIRLINE] has been allocated Seasonal Exclusive Use Space, [AIRLINE]'s Seasonal Exclusive Use Rent for that day shall equal the product of (i) the Seasonal Exclusive Use Daily Rate for that day (calculated in accordance with Section 4.5(e)(i) or Section 4.5(e)(ii), as applicable) *multiplied by* (ii) the square feet of Seasonal Exclusive Use Space allocated to [AIRLINE] for that day.

(e) *Seasonal Exclusive Use Rate.*

(i) The Seasonal Exclusive Use Daily Rate for Signatory Airlines in any Term Year shall equal the quotient of (A) the Non-Seasonal Exclusive Use Rate for Signatory Airlines for that Term Year (as calculated in accordance with Section 4.5(c)) *divided by* (B) the number of days of the Term in that year.

(ii) The Seasonal Exclusive Use Daily Rate for Non-Signatory Airlines in any Term Year shall equal the product of (A) the Seasonal Exclusive Use Daily Rate for Signatory Airlines for that Term Year (as calculated in accordance with Section 4.5(e)(i)) *multiplied by* (B) 1.25.

Section 4.6. Terminal Contribution.

(a) *Total Terminal Contribution.* For any Term Year, the Total Terminal Contribution shall equal the difference of (i) 58% of the Total Annual Contribution for that year *minus* (ii) the Total Exclusive Use Rent for that year. For the avoidance of doubt, such amount shall also be increased in accordance with Section 6.3(c) and (d).

(b) *Domestic Terminal Contribution.* For any Term Year:

(i) *Total Domestic Terminal Contribution.* The Total Domestic Terminal Contribution shall equal 63% of the Total Terminal Contribution. For the avoidance of doubt, such amount shall also be increased in accordance with Section 6.3(c) and (d).

(ii) *Total Non-Signatory Domestic Terminal Contribution.* The Total Non-Signatory Domestic Terminal Contribution shall equal:

$$\frac{(1.25 \times N \times T)}{(S + (1.25 \times N))}$$

where "**N**" is the total number of all Non-Signatory Airlines' Deplaned Passengers and Enplaned Passengers during that year, excluding (A) Deplaned International Passengers and (B) Deplaned and Enplaned Local Passengers; "**S**" is the total number of all Signatory Airlines' Deplaned Passengers and Enplaned Passengers during that year, excluding (A) Deplaned International Passengers and (B) Deplaned and Enplaned Local Passengers; and "**T**" is equal to the Total Domestic Terminal Contribution for that year.

(iii) *Total Signatory Domestic Terminal Contribution.* The Total Signatory Domestic Terminal Contribution shall equal the difference of (A) the Total Domestic Terminal Contribution for that year *minus* (B) the Total Non-Signatory Domestic Terminal Contribution.

(iv) *Airline's Domestic Terminal Contribution.* [AIRLINE]'s Domestic Terminal Contribution shall equal the product of (A) the Domestic Terminal Rate for that year *multiplied by* (B) the number of [AIRLINE]'s Deplaned Passengers and Enplaned Passengers (excluding (1) Deplaned International Passengers and (2) Deplaned and Enplaned Local Passengers) during that year.

(v) *Domestic Terminal Rate.*

(A) The Domestic Terminal Rate for Signatory Airlines shall equal the quotient of (1) the Total Signatory Domestic Terminal Contribution for that year *divided by* (2) the total number of all Signatory Airlines' Deplaned Passengers and Enplaned Passengers (excluding (I) Deplaned International Passengers and (II) Deplaned and Enplaned Local Passengers) during that year.

(B) The Domestic Terminal Rate for Non-Signatory Airlines shall equal the quotient of (1) the Total Non-Signatory Domestic Terminal Contribution for that year *divided by* (2) the total number of all Non-Signatory Airlines' Deplaned Passengers and Enplaned Passengers (excluding (I) Deplaned International Passengers and (II) Deplaned and Enplaned Local Passengers) during that year.

(c) *International Terminal Contribution.* For any Term Year:

(i) *Total International Terminal Contribution.* The Total International Terminal Contribution shall equal 36% of the Total Terminal Contribution. For the avoidance of doubt, such amount shall also be increased in accordance with Section 6.3(c) and (d).

(ii) *Total Non-Signatory International Terminal Contribution.* The Total Non-Signatory International Terminal Contribution shall equal:

$$\frac{(1.25 \times N \times T)}{(S + (1.25 \times N))}$$

where "**N**" is the total number of all Non-Signatory Airlines' Deplaned International Passengers during that year; "**S**" is the total number of all Signatory Airlines' Deplaned International Passengers during that year; and "**T**" is equal to the Total International Terminal Contribution for that year.

(iii) *Total Signatory International Terminal Contribution.* The Total Signatory International Terminal Contribution shall equal the difference of (A) the Total International Terminal Contribution for that year *minus* (B) the Total Non-Signatory International Terminal Contribution.

(iv) *Airline's International Terminal Contribution.* [AIRLINE]'s International Terminal Contribution shall equal the product of (A) the International Terminal Rate for that year *multiplied by* (B) the number of [AIRLINE]'s Deplaned International Passengers during that year.

(v) *International Terminal Rate.*

(A) The International Terminal Rate for Signatory Airlines shall equal the quotient of (1) the Total Signatory International Terminal Contribution for that year *divided by* (2) the total number of all Signatory Airlines' Deplaned International Passengers during that year.

(B) The International Terminal Rate for Non-Signatory Airlines shall equal the quotient of (1) the Total Non-Signatory International Terminal Contribution for that year *divided by* (2) the total number of all Non-Signatory Airlines' Deplaned International Passengers during that year.

(d) *Local Terminal Contribution.* For any Term Year:

(i) *Total Local Terminal Contribution.* The Total Local Terminal Contribution shall equal 1% of the Total Terminal Contribution. For the avoidance of doubt, such amount shall also be increased in accordance with Section 6.3(c) and (d).

(ii) *Total Non-Signatory Local Terminal Contribution.* The Total Non-Signatory Local Terminal Contribution shall equal:

$$\frac{(1.25 \times N \times T)}{(S + (1.25 \times N))}$$

where "**N**" is the total number of all Non-Signatory Airlines' Deplaned and Enplaned Local Passengers during that year; "**S**" is the total number of all Signatory Airlines' Deplaned and Enplaned Local Passengers during that year; and "**T**" is equal to the Total Local Contribution for that year.

(iii) *Total Signatory Local Terminal Contribution.* The Total Signatory Local Terminal Contribution shall equal the difference of (A) the Total Local Terminal Contribution for that year *minus* (B) the Total Non-Signatory Local Terminal Contribution.

(iv) *Airline's Local Terminal Contribution.* [AIRLINE]'s Local Terminal Contribution shall equal the product of (A) the Local Terminal Rate for that year *multiplied by* (B) the number of [AIRLINE]'s Deplaned and Enplaned Local Passengers during that year.

(v) *Local Terminal Rate.*

(A) The Local Terminal Rate for Signatory Airlines shall equal the quotient of (1) the Total Signatory Local Terminal Contribution for that year *divided by* (2) the

total number of all Signatory Airlines' Deplaned and Enplaned Local Passengers during that year.

(B) The Local Terminal Rate for Non-Signatory Airlines shall equal the quotient of (1) the Total Non-Signatory Local Terminal Contribution for that year *divided by* (2) the total number of all Non-Signatory Airlines' Deplaned and Enplaned Local Passengers during that year.

(e) *Adjustments to Allocation of Total Terminal Contribution.* The percentages of the Total Terminal Contribution specified in Section 4.6(b)(i) (initially 63%), Section 4.6(c)(i) (initially 36%) and Section 4.6(d)(i) (initially 1%) used to compute the Total Domestic Terminal Contribution, Total International Terminal Contribution and Total Local Terminal Contribution, respectively, may be adjusted from time to time in accordance with the following:

(i) If a Terminal MII, or the Lessee with approval by a Terminal MII, determines that there has been a significant change in the allocation and use of terminal space at the Airport or volume of flights as between the domestic Terminal Area, international Terminal Area and local Terminal Area, the determination of the Terminal MII or the Lessee (with approval by a Terminal MII), as appropriate, may adjust the percentages of the Total Terminal Contribution used to compute the Total Domestic Terminal Contribution, Total International Terminal Contribution and Total Local Terminal Contribution by specifying different percentages that more accurately reflect the allocation and use of terminal space at the Airport. In making such adjustment, the Local Terminal Rate for Signatory Airlines following the adjustment must be expected to not exceed 75% of the Domestic Terminal Rate for Signatory Airlines following the adjustment. Any adjustment made by a Terminal MII hereunder is subject to further revision by the Lessee in accordance with Section 4.6(e)(ii).

(ii) If the Lessee determines that the Local Terminal Rate for Signatory Airlines exceeds or is expected to exceed 75% of the Domestic Terminal Rate for Signatory Airlines, the Lessee shall adjust the percentages of the Total Terminal Contribution used to compute the Total Domestic Terminal Contribution, Total International Terminal Contribution and Total Local Terminal Contribution by specifying different percentages, such that the Local Terminal Rate for Signatory Airlines following the adjustment is expected to not exceed 75% of the Domestic Terminal Rate for Signatory Airlines following the adjustment. In making such an adjustment, the Lessee shall preserve the ratio between the percentages of the Total Terminal Contribution used to compute the Total Domestic Terminal Contribution and the Total International Terminal Contribution as set forth initially in this Agreement and thereafter adjusted by a Terminal MII in accordance with Section 4.6(e)(i).

(iii) The sum of the percentages used to compute the Total Domestic Terminal Contribution, Total International Terminal Contribution and Total Local Terminal Contribution, as adjusted, must always remain 100%.

(iv) Any adjustment made in accordance with this Section 4.6(e) shall take effect January 1st of the Term Year immediately after the Terminal MII gives notice of the adjustment to the Lessee (in the case of an adjustment made by a Terminal MII) or the Lessee gives notice of the adjustment to the Airlines (in the case of an adjustment made by the Lessee);

provided, however, that if such notice is given in December of any year, such adjustment shall take effect January 1st of the Term Year following the Term Year immediately after such notice is given (for illustrative purposes only, if such notice is given on December 1, 2012, such adjustment shall take effect January 1, 2014).

Section 4.7. Adjustments for Inflation.

(a) For a particular calendar year, the "**CPI Value**" is the "Annual Value" of that year obtained from "Consumer Price Index—All Urban Consumers—U.S. All Items Less Food and Energy (CUUR0000SA0L1E)" published by the Bureau of Labor Statistics of the U.S. Department of Labor; *provided* that if the base year used for such index changes during the Term, such index shall be converted in accordance with the conversion factor published by the Bureau of Labor Statistics of the U.S. Department of Labor; and *provided further* that if such index is discontinued or revised during the Term, such other index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if such index had not been discontinued or revised. For illustrative purposes only, the CPI Value for the calendar year 2009 is 219.235.

(b) For a particular calendar year, the "**Unadjusted CPI Factor**" is equal to (i) the CPI Value for the calendar year that is one year prior *divided by* (ii) the CPI Value for the calendar year that is two years prior. For illustrative purposes only, the Unadjusted CPI Factor for the calendar year 2010, if computed in accordance herewith, would be 1.017, which is the CPI Value for calendar year 2009 (which is 219.235) *divided by* the CPI Value for calendar year 2008 (which is 215.572).

(c) For a particular calendar year, except as provided in Section 4.7(d), the "**CPI Factor**" shall be equal to the Unadjusted CPI Factor for that year; *provided* that, if the Unadjusted CPI Factor is greater than 1.050, then the CPI Factor shall be equal to the Unadjusted CPI Factor less one-half of the excess of such amount over 1.050; and *provided further* that, if the Unadjusted CPI Factor is less than 1.000, then the CPI Factor shall be equal to 1.000. For illustrative purposes only, if the Unadjusted CPI Factor for a particular year is determined to be 1.060, the CPI Factor for that year, if computed in accordance herewith, would be 1.055.

(d) The CPI Factor for each year following the expiration of the Term shall be equal to the Unadjusted CPI Factor for that year, without any adjustment whatsoever, unless the Parties otherwise agree.

Section 4.8. Treatment of Affiliates. Solely with respect to the calculation and payment of fees under this Article 4 and Article 5, an Affiliate of a Signatory Airline that is not itself a Signatory Airline shall be deemed to be a Signatory Airline.

Section 4.9. Puerto Rico Air Travel Promotion and Support Fund. Upon Closing, the Lessee will deposit $6,000,000 into a separate escrow account to be called the Puerto Rico Air Travel Promotion and Support Fund (the "**Fund**"), with a bank or other escrow holder mutually acceptable to the Parties. The monies of the Fund shall be held in such account until distributed in accordance with the terms of this Section 4.9. Within 60 days following the end of each of the first three Full Term Years, a distribution from the Fund (the "**Annual Payment**") will be made

to each Signatory Airline for which the total number of passengers arriving at the Airport by such Signatory Airline during such year exceeds its total arriving passengers for the fiscal year of the Authority ended on June 30, 2011 ("**Eligible Airlines**"). $3,000,000 will be distributed following the end of the first Full Term Year, $2,000,000 following the end of the second Full Term Year and $1,000,000 following the end of the third Full Term Year. Each Eligible Airline shall receive the proportion of the Annual Payment determined by dividing the number of its increased arriving passengers for such Full Term Year by the total increased arriving passengers for all Eligible Airlines for such Full Term Year in excess of passengers for the fiscal year of the Authority ended on June 30, 2011. For the avoidance of doubt, if only one Signatory Airline has increased its arriving passengers compared to the fiscal year of the Authority ended on June 30, 2011, such Signatory Airline shall be entitled to the entire distribution for the applicable Full Term Year or Full Term Years, as may be the case. The monies of the Fund shall be held in an interest-bearing account, and the interest on such and any funds remaining after the third distribution will be transferred to the Lessee for its general purposes.

ARTICLE 5.

PAYMENTS

Section 5.1. Information on Airline Operations.

(a) *Annual Report.* For each Term Year, not later than 90 days prior to the start of that year, [AIRLINE] shall submit to the Lessee an estimate of (i) the total MAGTOW of all aircraft to be landed at the Airport by [AIRLINE] and its Affiliates during that year, (ii) the number and MAGTOW of Revenue Landings of [AIRLINE] and its Affiliates, (iii) the number of Deplaned Passengers and Enplaned Passengers at the Airport (itemized by domestic, international and local Terminal Area) of [AIRLINE] and its Affiliates and (iv) any other information reasonably required by the Lessee to prepare or confirm the calculations required by Section 5.2, Section 5.4 and Section 5.5. At such time, [AIRLINE] shall also submit to the Lessee any requests to adjust its Non-Seasonal Exclusive Use Space, in accordance with Section 3.3(b).

(b) *Monthly Report.* For each full or partial calendar month of the Term, not later than 20 days after the end of that month, [AIRLINE] shall submit to the Lessee information regarding its actual operations and the operations of its Affiliates (the "**Monthly Report**"), certified and signed by an authorized representative of [AIRLINE], on forms prescribed by the Lessee, which shall include at minimum (i) the number and MAGTOW of Revenue Landings, (ii) the number of Deplaned Passengers and Enplaned Passengers at the Airport (itemized by domestic, international and local Terminal Area) and (iii) any other information reasonably required by the Lessee to prepare or confirm the calculations required by Section 5.2, Section 5.4 and Section 5.5.

Section 5.2. Statement of Estimated Annual Contribution.

(a) For each Term Year, not later than 60 days prior to the start of that year, the Lessee shall provide [AIRLINE] with a preliminary, estimated, itemized calculation for that year of the following:

(i) The Total Annual Contribution for that year;

(ii) [AIRLINE]'s Annual Contribution for that year, including its Landing Contribution, Parking Fees, Exclusive Use Rent, Domestic Terminal Contribution, International Terminal Contribution and Local Terminal Contribution for that year;

(iii) The CPI Factor for that year;

(iv) The applicable rates for that year, including the Landing Rate, Parking Rates, Domestic Terminal Rate, International Terminal Rate and Local Terminal Rate for that year;

(v) The percentages used to compute the Total Domestic Terminal Contribution, Total International Terminal Contribution and Total Local Terminal Contribution, as adjusted in accordance with Section 4.6(e); and

(vi) The information required by Section 5.10(f).

(b) Within 30 days after the information required by Section 5.2(a) has been delivered to the Airlines, a meeting of the Executive Committee shall be held for the purpose of reviewing such amounts and rates and providing comments by the Airlines to such amounts and rates, which comments will be given due consideration by the Lessee.

(c) For each Term Year, within 15 days after the Executive Committee meeting described in Section 5.2(b) has been held, the Lessee shall provide [AIRLINE] with a final estimated calculation for that year of the amounts and rates enumerated in Section 5.2(a) (the "**Statement of Estimated Annual Contribution**").

Section 5.3. Adjustment to Statement of Estimated Annual Contribution.

(a) *When Permitted.* If, at any time during any Term Year, the Lessee's forecast, based upon its most recently available information with respect to that year (including reports received from Airlines in accordance with Section 5.1(b)), indicates that payments to be made by the Airlines pursuant to the then-existing Statement of Estimated Annual Contribution (in accordance with Section 5.4) would result in an underpayment or overpayment by the Airlines in aggregate of 10 percent or more of the amount of Total Annual Contribution required hereunder to be paid to the Lessee during that year, then the Lessee may adjust (the "**Interim Adjustment**") the Statement of Estimated Annual Contribution for each Airline so as to adjust the Landing Rate, the Domestic Terminal Rate, the International Terminal Rate or the Local Terminal Rate, as appropriate under the circumstances, in order to conform to the Lessee's then-current forecast; *provided* that in no event may the Lessee be entitled to make more than two Interim Adjustments during any Term Year.

(b) *Notice and Effect.* The Lessee shall provide notice to each Airline of any Interim Adjustment and the effect thereof on the Monthly Payments at least 30 days prior to the effective date of such Interim Adjustment. If requested by the Executive Committee or any Signatory Airline, the Lessee shall make appropriate representatives available to discuss the Interim Adjustment, the revised Statement of Estimated Annual Contribution and the revised Monthly

Payment. Upon the effective date of the Interim Adjustment, [AIRLINE] shall make payments to the Lessee for the remainder of the year as provided in Section 5.4 but in the amount of the revised Monthly Payment.

Section 5.4. Monthly Payments. [AIRLINE] shall pay, without invoice,

(a) not later than the first business day of each month, (i) one-twelfth of [AIRLINE]'s Non-Seasonal Exclusive Use Rent as shown on [AIRLINE]'s Statement of Estimated Annual Contribution, or (ii) if there is a change in the amount of Non-Seasonal Exclusive Use Space allocated to [AIRLINE] during the year in accordance with Section 3.3(b), such other monthly amount that will result in [AIRLINE] having paid the correct amount of Non-Seasonal Exclusive Use Rent (as calculated in accordance with Section 4.5) by the end of that year, which the Lessee shall calculate and give notice thereof to [AIRLINE];

(b) not later than the first business day of each month, an amount equal to [AIRLINE]'s Seasonal Exclusive Use Rent for the immediately prior month, calculated in accordance with Section 4.5(d); and

(c) not later than the date on which the Monthly Report is due, an amount equal to the sum of:

(i) the Parking Fees due from [AIRLINE] for its aircraft parked on Airport grounds not under lease by [AIRLINE] in the immediately prior month as shown in [AIRLINE]'s Monthly Report, calculated based upon the Parking Rates shown in [AIRLINE]'s Statement of Estimated Annual Contribution, the MAGTOW of such aircraft and the duration of such parking; *plus*

(ii) the product of (A) the MAGTOW of [AIRLINE]'s aircraft involved in Revenue Landings in the immediately prior month as shown in [AIRLINE]'s Monthly Report *multiplied by* (B) the Landing Rate shown in [AIRLINE]'s Statement of Estimated Annual Contribution; *plus*

(iii) the product of (A) [AIRLINE]'s number of Deplaned and Enplaned Domestic Passengers in the immediately prior month as shown in [AIRLINE]'s Monthly Report *multiplied by* (B) the Domestic Terminal Rate shown in [AIRLINE]'s Statement of Estimated Annual Contribution; *plus*

(iv) the product of (A) [AIRLINE]'s number of Deplaned International Passengers in the immediately prior month as shown in [AIRLINE]'s Monthly Report *multiplied by* (B) the International Terminal Rate shown in [AIRLINE]'s Statement of Estimated Annual Contribution; *plus*

(v) the product of (A) [AIRLINE]'s number of Deplaned and Enplaned Local Passengers *multiplied by* (B) the Local Terminal Rate shown in [AIRLINE]'s Statement of Estimated Annual Contribution;

(collectively each such payment, a "**Monthly Payment**"); *provided* that the amount of actual payment in any month shall be subject to increase or decrease in accordance with Section 5.5(b) resulting from an Underpayment or Overpayment during the prior year.

Section 5.5. Statement of Actual Annual Contribution; Overpayment; Underpayment.

(a) *Statement of Actual Annual Contribution.* Within 90 days after the end of each Term Year, the Lessee shall recalculate and adjust all applicable rates (as enumerated in Section 5.2(a)(iv)). The Lessee's adjustments shall be based on the calculation procedures established in this Agreement, but shall use actual (rather than estimated) figures. Based on such adjustments, the Lessee shall recalculate [AIRLINE]'s Annual Contribution for that year, which shall be set forth on and supported by the Statement of Actual Annual Contribution provided to [AIRLINE]. Within 30 days after the Statement of Actual Annual Contribution has been delivered to the Airlines, a meeting of the Executive Committee shall be held for the purpose of reviewing the Statements of Actual Annual Contribution.

(b) *Overpayment and Underpayment.* If the Annual Contribution paid by [AIRLINE] during any Term Year exceeded the amount of Annual Contribution payable (the excess payment being the "**Overpayment**") or was less than the amount of Annual Contribution payable (the deficiency being the "**Underpayment**"), [AIRLINE], as the case may be, either (i) shall pay the Lessee any Underpayment in monthly installments evenly over the balance of the then-current year (*i.e.* the year in which the Statement of Actual Annual Contribution is provided to [AIRLINE]) to allow the Lessee to recover any Underpayment by [AIRLINE] or (ii) shall recover its Overpayment by monthly reductions in its monthly payments to the Lessee evenly over the balance of the then-current year (*i.e.* the year in which the Statement of Actual Annual Contribution is provided to [AIRLINE]) to compensate [AIRLINE] for any Overpayment to the Lessee. With respect to the Term Year in which this Agreement is terminated, any Underpayments or Overpayments, as the case may be, resulting from such Term Year shall be due and payable by [AIRLINE] to the Lessee or by the Lessee to [AIRLINE], as the case may be, within 10 business days after the Lessee provides the Statement of Actual Annual Contribution to [AIRLINE].

Section 5.6. Place of Payment. All amounts due from [AIRLINE] hereunder shall be paid to the Lessee at the office of the Lessee or at such other place as may be hereafter designated in writing by the Lessee.

Section 5.7. Late Payments. With respect to any amount that is not paid within 10 days of when due, the Lessee shall have the right to charge interest on such amount from its due date at the Late Payment Interest Rate.

Section 5.8. Security Deposits.

(a) *When No Security Deposit Required.* [AIRLINE] shall not be required to deposit a Security Deposit with the Lessee if:

(i) [AIRLINE] is a Signatory Airline as of the Closing; or

(ii) [AIRLINE] has provided regularly scheduled flights to and from the Airport during the 18 months prior to the Effective Date of this Agreement without the occurrence of any act or omission, beyond applicable cure period, that would have been an event of default hereunder had this Agreement been in effect during those 18 months and [AIRLINE] been a party to an Airport Use Agreement; or

(iii) (A) [AIRLINE] has a credit rating at or above the "investment grade" rating (currently Baa3 for Moody's Investors Services, Inc., BBB- for Standard & Poor's Rating Service and Fitch Investors Service) or (B) if [AIRLINE] does not yet have a credit rating, [AIRLINE] has demonstrated continuous profitability for three consecutive quarters, as shown on [AIRLINE]'s Quarterly Certified Statement of Net Income filed with the Securities and Exchange Commission or other comparable audited financial statements.

(b) *Security Deposit.* Unless excepted from the requirement to provide a Security Deposit in accordance with Section 5.8(a), [AIRLINE] shall, upon request of the Lessee, deposit with the Lessee, on or before the Effective Date, a security deposit (the "**Security Deposit**") in the form of a bond, letter of credit from a bank reasonably acceptable to the Lessee, cash or such other form of security as the Lessee may reasonably deem acceptable, in an amount equal to the sum of the first three Monthly Payments due to the Lessee from [AIRLINE], as determined from the Statement of Estimated Annual Contribution. The Security Deposit shall be held as security for the full and faithful performance of every provision of this Agreement to be performed by [AIRLINE]. In the event that [AIRLINE] obtains a letter of credit as its Security Deposit, the letter of credit shall be in the form attached hereto as Schedule I or in another form mutually acceptable to the Lessee and [AIRLINE]. [AIRLINE] shall be obligated to maintain the Security Deposit in effect until the passing of 18 consecutive months without the occurrence of any act or omission, beyond applicable cure periods, that constitutes an event of Airline Default hereunder with respect to [AIRLINE]. Upon the expiration of [AIRLINE]'s obligation to provide a Security Deposit as described in the preceding sentence, the Lessee shall return the Security Deposit to [AIRLINE]. Notwithstanding anything in this Section 5.8, if an event of Airline Default occurs and remains uncured for the applicable cure period, if any, for such event of default as described in Section 10.1 hereof, [AIRLINE] shall be required to deposit a Security Deposit with the Lessee until such time as [AIRLINE] has operated at the Airport for 18 consecutive months without the occurrence of any act or omission, beyond applicable cure periods, that would have been an event enumerated as an event of Airline Default hereunder.

(c) *Use or Application of Security Deposit.* If [AIRLINE] defaults with respect to any provision of this Agreement, the Lessee may use, apply or retain all or any part of this Security Deposit for the payment of all or part of any Annual Contribution or other fee or charge, or for the payment of any other amount which the Lessee may spend or become obligated to spend by reason of [AIRLINE]'s default or failure to compensate the Lessee for any loss, cost or damage that the Lessee may suffer by reason of such default; *provided* that the Lessee has notified [AIRLINE] of the default and [AIRLINE] is not disputing in good faith the default or the application or retention of the Security Deposit in accordance with Article 11. If any portion of said Security Deposit is so used or applied, [AIRLINE] shall, within 10 business days after written demand therefor, restore the Security Deposit to the amount required under this Section 5.8. The Lessee shall not be required to keep this Security Deposit separate from its general funds, and [AIRLINE] shall not be entitled to interest on such Security Deposit.

(d) *Return of Security Deposit.* Upon termination of [AIRLINE]'s operations at the Airport, or upon the expiration of [AIRLINE]'s obligation to provide a Security Deposit as set forth in Section 5.8(b), the Security Deposit or any balance thereof shall be returned to [AIRLINE] within a reasonable time (and in any case, within 30 days) after the complete termination of [AIRLINE]'s operations or the expiration of its obligations to provide a Security Deposit; *provided* that the Lessee may retain the Security Deposit until such time as any amount due from [AIRLINE] for all Annual Contributions or other fees and charges for its operations at the Airport has been determined and paid in full. [AIRLINE] shall not assign nor encumber its contingent rights in the Security Deposit, and neither shall the Lessee nor its successors or assigns be bound by any such assignment or encumbrance.

Section 5.9. Right to Contest; No Abatement or Set-Off.

(a) The payment by [AIRLINE] to the Lessee, and the acceptance by the Lessee from [AIRLINE], of any amount hereunder shall not preclude either [AIRLINE] or the Lessee from questioning the accuracy of any statement on the basis of which such payment was made, or preclude the Lessee from making any claim against [AIRLINE] for any additional amount payable by [AIRLINE] hereunder, or preclude [AIRLINE] from making any claim against the Lessee for credit for any excess amount paid by [AIRLINE] hereunder.

(b) Notwithstanding the foregoing, [AIRLINE] shall not abate, suspend, postpone, set-off or discontinue any payments of the Annual Contribution payable hereunder except as may be permitted hereunder or under applicable Law.

Section 5.10. No Other Fees and Charges.

(a) Subject to Section 6.3, no direct or indirect rents, fees or charges of any kind (including the pass-through of any costs incurred by the Lessee in providing police, security or other direct or indirect services or the imposition of costs to Airline Providers which may be passed through to the Airlines) other than those expressly referred to or provided for in this Agreement or other agreements with [AIRLINE] shall be imposed by the Lessee upon [AIRLINE], its Delegates, passengers, customers, suppliers of materials or Airline Providers for [AIRLINE]'s use of or access to the Airport pursuant to and as provided under this Agreement. Without limiting the generality of the foregoing, the Lessee may not seek or collect any fee from [AIRLINE] in respect of fees assessed by [AIRLINE] to its ticketed passengers that are necessary, incidental or convenient to [AIRLINE]'s Air Transportation Business, including baggage fees, fees for unaccompanied minors, upgrade fees or other fees related to the actual carriage of passengers by [AIRLINE]. Subject to the provisions of this Agreement, all revenues and other amounts or obligations due and payable to the Lessee resulting from the exercise by the Lessee of any of its rights with respect to the Authority or with respect to the Airport under the Lease Agreement or resulting from the Lessee's management of the Airport pursuant to the Lease Agreement, including any payments by Signatory Airlines and Non-Signatory Airlines under this Agreement, belong to the Lessee for the purposes of this Agreement and [AIRLINE] shall have no interest therein or thereto. Subject to the provisions of this Agreement, the Lessee is entitled to impose and collect reasonable and non-discriminatory charges and fees relating to use of the Airport (none of which are included in, subject to, or have any effect on the Total Annual Contribution) on Persons (other than a Signatory Airline conducting an Air

Transportation Business with respect to rights granted to a Signatory Airline under this Agreement), including those:

(i) For the use of the public automobile parking areas at the Airport;

(ii) From operators of ground transportation to, from and on the Airport, except for ground transportation provided directly by or through an Airline Provider for [AIRLINE]'s employees;

(iii) From any concessionaire at the Airport (other than an Airline Provider);

(iv) From any Person for access to the Airport for the conduct of its business;

(v) From any Person (other than an Airline Provider) for the exercise of any rights conferred by the Lease Agreement; and

(vi) Fees chargeable to aircraft landing at or taking off from the Airport other than those engaged in the Air Transportation Business.

(b) Notwithstanding the foregoing, the Airlines and employees of the Airlines may be required to pay miscellaneous charges for badges, parking and other services that are imposed at the rate in effect as of the Closing, subject to being multiplied each year by the CPI Factor for that year. The Parties shall include in the Transition Plan a complete schedule of all such miscellaneous charges. Without limiting the rights of the Signatory Airlines' employees to parking pursuant to Section 3.1(r) and this Section 5.10(b), the Lessee may charge Airline employees for the actual, reasonable cost of providing reasonable shuttle or similar transportation service between a new employee parking area, if any, and the Airport terminals; it being understood and agreed that the Lessee shall not have the right to prohibit the Airlines' employees from using parking for the general public.

(c) Any fee charged by the Lessee to Airline Providers that do not lease or occupy space at the Airport shall not be in excess of an administrative charge to cover the reasonable and direct costs of monitoring and administration.

(d) The restrictions set forth in this Section 5.10 do not apply to any generally applicable permits or license fees levied or imposed by the Authority, or any generally applicable taxes, that are not specific to or directed at the Airlines at the Airport or indirectly levied or imposed on the Airlines by being applicable to all of the Authority's airports. The Lessee reserves the right to impose and use a PFC in accordance with applicable Law and to receive and use (to the extent authorized by applicable Law) a car rental facility charge (imposed on a car rental company or other Persons renting cars, but not on an Airline or its Affiliates or Airline Providers).

(e) The Lessee may not pass through any charges to the Airlines related to compliance with or implementation of a Government-Mandated Capital Project or any Government-Mandated Operating Expenses to the extent that the Lessee has received or will receive compensation from the Authority under the terms of the Lease Agreement or from any other entity.

(f) The Lessee shall separately itemize all charges identified as Government-Mandated Operating Expenses added into the Total Annual Contribution, provide notice of the same to the Airlines before adding such charges to the Total Annual Contribution and provide back-up documentation of all such charges reasonably satisfactory to the Airlines. Once a Government-Mandated Operating Expense is added to the Total Annual Contribution and charged to the Airlines, a Government-Mandated Operating Expense shall not be increased except on an annual basis to reflect actual increases in such expenses incurred and paid by the Lessee. The Lessee shall notify the Airlines of any projected Government-Mandated Operating Expenses and any projected increases in such expenses each year in accordance with Section 5.2. Government-Mandated Operating Expenses, if any, known to the Lessee before the Closing and projected to be charged to the Airlines in the first Term Year shall have been disclosed to the Airlines by the Closing and may not be charged to the Airlines unless such expenses have been disclosed to the Airlines prior to the Closing and the Eligible Security, Safety or Environmental Requirement goes into effect after the Closing. For the avoidance of doubt, nothing in this Section 5.10(f) shall exempt the Lessee from its obligations under Section 6.3(d)(iii).

(g) It is the intention of the Parties that the compensation payable by the Airlines to the Lessee be subject to a maximum amount for any and all kinds of sources of compensation that the Lessee may potentially claim from the Airlines now or in the future, including for rents, fees, charges, permits, authorizations and reimbursements. The Parties agree that such agreed maximum amount shall be the Maximum Annual Lessee Compensation. Accordingly, the aggregate of the compensation payable by the Airlines to the Lessee each year shall not exceed the Maximum Annual Lessee Compensation for that year. For the avoidance of doubt, however, and notwithstanding anything to the contrary, the following shall not be considered in determining the compensation payable by the Airlines to the Lessee: charges pursuant to Section 2.4(b), Section 2.4(c) (if the Lessee is directly operating the fuel farm), Section 3.10, Section 5.8 or this Section 5.10; payments that may be owed by the Airlines to the Lessee pursuant to Section 3.2(h), Section 3.7, Section 3.9, Section 7.1, Section 9.2(e) or Section 10.2(g) or other similar cure rights; compensation for Losses or from resolution of a dispute; awards, interest or penalties due in accordance with this Agreement or the resolution of a dispute; or consideration paid to the Lessee under other agreements.

Section 5.11. Airline Books and Records. [AIRLINE], upon reasonable notice, shall maintain and/or make available at its office in or near San Juan, Puerto Rico, or at the Airport, books, records and accounts relevant to the determination of [AIRLINE]'s Annual Contribution (or any part thereof), including records of its Revenue Landings at the Airport. Each such item of information shall be maintained for a period of at least 5 years from the date of creation, or for any greater period if required by applicable Law or necessary for pending litigation. If such books, records and accounts are not maintained at such office, [AIRLINE] shall in any case maintain such books, records and accounts, and [AIRLINE] shall promptly furnish the Lessee and any Governmental Authority with all information reasonably requested by them with respect to such books, records and accounts. The Lessee, and such Persons as may be designated by the Lessee and such Governmental Authorities, shall have the right, at any reasonable time at their own expense, subject to prior notice to [AIRLINE], to examine, make copies of, take extracts from and audit such books, records and accounts, but (with respect to such right to audit) only such books, records and accounts that relate to the computation and payment of the Airlines' Annual Contributions. For the avoidance of doubt, any materials obtained by the Lessee

pursuant to this Section 5.11 shall be subject to the confidentiality obligations set forth in Section 12.16.

Section 5.12. Lessee Books and Records. The Lessee shall follow such procedures and keep and maintain such books, records and accounts related to this Agreement (including as set forth in Article 4 and Article 5) at the Airport or in or near San Juan, Puerto Rico as may be necessary or appropriate under the provisions of this Agreement for a period of at least 5 years from the date of creation, or for any greater period if required by applicable Law or necessary for pending litigation. Such books, records and accounts shall contain all items affecting the computation of the Airlines' Annual Contributions, recorded in accordance with generally accepted accounting principles. [AIRLINE] shall have the right, at any reasonable time and at its own expense, subject to prior notice to the Lessee, to examine, make copies of, take extracts from and, with approval by an Airline MII, audit such books, records and accounts, but (with respect to such right to audit) only such books, records and accounts that relate to the computation and payment of the Airlines' Annual Contributions. For the avoidance of doubt, any materials obtained by [AIRLINE] pursuant to this Section 5.12 shall be subject to the confidentiality obligations set forth in Section 12.16.

ARTICLE 6.

CAPITAL PROJECTS

Section 6.1. Initial Capital Projects.

(a) *General.* Subject to this Section 6.1, the Lessee shall diligently carry out and complete all Capital Projects identified on Schedule J (the "**Initial Capital Projects**") without any addition to the Total Annual Contribution. The commencement and completion dates for each Initial Capital Project shall be set forth in the Transition Plan. The Authority and the Lessee (pursuant to the Lease Agreement) and the Authority, the Lessee and the Signatory Airlines (pursuant to this Agreement and the other Airport Use Agreements) have agreed that the Initial Capital Projects are necessary to bring the condition of the Airport to a high level consistent with the Operating Standards. In the event that the aggregate cost incurred by the Lessee for all Initial Capital Projects (including reasonable overhead and equivalent costs incurred for such projects) is less than $34,000,000, the Airlines, acting by Airline MII, shall have the right to require the Lessee to expend an amount equal to such deficiency (the amount by which such aggregate costs are less than $34,000,000) toward the completion of other Capital Projects approved by an Airline MII without any addition to the Total Annual Contribution. For purposes of the preceding sentence only, supervisory, management, administrative or equivalent costs incurred by the Lessee toward the completion of a Capital Project and payable to the Lessee or a Lessee Affiliate, as well as any costs related to completion of the General Accelerated Upgrades, shall not be considered in calculating the "aggregate cost" incurred by the Lessee. The Lessee shall not be responsible or otherwise liable for the payment or reimbursement of any costs or expenses incurred by the Authority with respect to any Initial Capital Project prior to the Effective Date.

(b) *Construction Progress Reports.* Until the Initial Capital Projects have been completed, the Lessee shall deliver to the Authority and the Signatory Airlines a quarterly report

on the design, permitting, contracting and construction progress of the Initial Capital Projects. The form of the report shall be included in the Transition Plan.

Section 6.2. Passenger Facility Charges. For purposes of this Section 6.2, in the event of a conflict between the terms of this Section and the provisions of 49 U.S.C. § 40117 or the PFC Regulations (as defined below), the provisions of the statute and PFC Regulations shall govern.

(a) [AIRLINE] shall hold the net principal amount of all PFCs that are collected by [AIRLINE] or its Delegates on behalf of the Lessee pursuant to, and in accordance with, 49 U.S.C. § 40117 and the rules and regulations thereunder (14 C.F.R. Part 158, herein, the "**PFC Regulations**"), both as may be amended from time to time, in trust for the Lessee. For purposes of this Section 6.2, "net principal amount" shall mean the total principal amount of all PFCs that are collected by [AIRLINE] or its Delegates on behalf of the Lessee, reduced by all amounts that [AIRLINE] is permitted to retain pursuant to Section 158.53(a) of the PFC Regulations. [AIRLINE] shall pay all PFC amounts due to the Lessee promptly.

(b) In the absence of additional regulations governing the treatment of refunds, any refunds of PFCs due to passengers as a result of changes of itinerary shall be paid proportionately out of the net principal amount attributable to such PFCs and the amount that the Airlines were permitted to retain under Section 158.53(a) of the PFC Regulations attributable to such PFCs. [AIRLINE] hereby acknowledges its obligations under Section 158.49 of the PFC Regulations. Other than the amounts that [AIRLINE] is entitled to retain pursuant to Section 158.53 of the PFC Regulations, [AIRLINE] shall be entitled to no compensation.

(c) Schedule K sets forth all PFC commitments as of the Closing. Any PFCs that are not shown on Schedule K shall be used, in order of priority, for (i) the Initial Capital Projects, (ii) Government-Mandated Capital Projects, (iii) Airline Projects, (iv) Capital Projects for the Airfield and Terminal Areas in accordance with Section 6.3(c) and (v) other PFC-eligible projects. PFCs collected at the Airport shall not be used to finance projects at any other airport.

(d) The Lessee shall comply with all PFC Regulations. In the event that any PFC funding is cancelled by reason of Lessee's failure to comply with such regulations including assurances or agreements in connection therewith (as determined by a final arbitral judgment pursuant to Article 11 if such failure is contested), the Lessee shall be solely responsible to substitute such funding with its own funding with no recourse to the Airlines.

(e) [AIRLINE] shall comply with all PFC Regulations. In the event of [AIRLINE]'s failure to comply (as determined by the FAA or by a final arbitral judgment pursuant to Article 11), [AIRLINE] shall be solely responsible to substitute such funding with its own funding with no recourse to the Lessee or the other Airlines.

Section 6.3. Additional Capital Projects.

(a) *Scope*. This Section 6.3 applies to any Capital Project for which the Lessee seeks contribution from the Airlines in the form of an increase to the Total Annual Contribution. For the avoidance of doubt, this Section 6.3 does not apply to (i) any Capital Project undertaken by the Lessee for which the Lessee does not seek such contribution from the Airlines (including Small Capital Projects except to the extent that Airline contribution is permitted and obtained in

accordance with Section 6.3(c)) or (ii) the Initial Capital Projects and General Accelerated Upgrades, for which the Lessee may not seek such contribution from the Airlines.

(b) *Alternate Funding Sources.* Prior to adding the cost of any Capital Project to any Annual Contribution in accordance with subsection (c) or (d) of this Section 6.3, the Lessee shall use its best efforts to obtain any available federal funding and to utilize PFCs to the extent such funding sources are available, and [AIRLINE] shall, at no expense, cooperate in such efforts in accordance with customary practice in the Air Transportation Business.

(c) *Airline-Approved Projects.*

(i) *Executive Committee Consultation.* In the event that the Lessee wishes to develop and implement a Capital Project with respect to the Airport, the Lessee shall call a meeting of the Executive Committee to discuss such Capital Project prior to submitting a proposal for such Capital Project to the Airlines for approval.

(ii) *Capital Project Proposal.* After consulting the Executive Committee, to obtain approval of an Airfield MII or Terminal MII for a Capital Project as required by Section 6.3(c)(iii) or (iv), respectively, the Lessee shall submit a proposal for such Capital Project to the Signatory Airlines. Such proposal shall be submitted to the Airlines in substantially the form attached as Schedule L and shall include a detailed description of the project (including the purpose or expected benefits of and justification for the project), the estimated completion date, the estimated costs of the project (including any costs for designing, constructing, equipping and financing the project), the proposed sources and uses of funds and the expected terms of financing. The proposal shall also include a schedule of the annual amortized cost of the project and of the estimated increases to the Total Landing Contribution, Total Domestic Terminal Contribution, Total International Terminal Contribution and/or Total Local Terminal Contribution (if the project is approved by an Airfield MII and/or Terminal MII, as the case may be, in accordance with this Section 6.3(c)).

(iii) *Additional Capital Projects Benefiting the Airfield Area.* If all or a portion of such a Capital Project benefits the Airfield Area, the Lessee may seek to obtain approval of an Airfield MII (each Airline determining in its discretion whether to participate in such Airfield MII). If approved by an Airfield MII, the annual amortized costs of such project attributable to the Airfield Area shall be added to the Total Landing Contribution, beginning the first Full Term Year after the project is substantially complete, in the amounts and years set forth in, and otherwise in accordance with, the proposal described in Section 6.3(c)(ii) and approved by an Airfield MII.

(iv) *Additional Capital Projects Benefiting the Terminal.* If all or a portion of such a Capital Project benefits the Terminal, the Lessee may seek to obtain approval of a Terminal MII (each Airline determining in its discretion whether to participate in such Terminal MII). If approved by a Terminal MII, the annual amortized costs of the project attributable to the Terminal shall be added to the Total Domestic Terminal Contribution, Total International Terminal Contribution and/or Total Local Terminal Contribution, beginning the first Full Term Year after the project is substantially complete, in the amounts and years set forth in, and otherwise in accordance with, the proposal described in Section 6.3(c)(ii) and approved by a

Terminal MII. The annual amortized costs attributable to the domestic, international and local Terminal Areas shall be added to the Total Domestic Terminal Contribution, Total International Terminal Contribution and Total Local Terminal Contribution, respectively (or if the annual amortized costs attributable to the Terminal are not easily allocable among the domestic, international and local Terminal Areas, then 63% of such costs attributable to the Terminal shall be added to the Total Domestic Terminal Contribution, 36% of such costs attributable to the Terminal shall be added to the Total International Terminal Contribution and 1% of such costs attributable to the Terminal shall be added to the Total Local Terminal Contribution; *provided* that these percentages shall be adjusted to conform with any adjustments made in accordance with Section 4.6(e)).

(v) *Cost Overruns.*

(A) The amount of annual amortized project costs to be added to the Total Landing Contribution in any year may not exceed the amount scheduled to be added in that Term Year in accordance with the proposal approved by an Airfield MII, unless an increase to such amount is subsequently approved by an Airfield MII (each Airline determining in its discretion whether to participate in such Airfield MII). The amount of annual amortized project costs to be added to the Total Domestic Terminal Contribution, Total International Terminal Contribution and Total Local Terminal Contribution, respectively, in any year may not exceed the amounts scheduled to be added in that Term Year in accordance with the proposal approved by a Terminal MII, unless an increase to such amount is subsequently approved by a Terminal MII (each Airline determining in its discretion whether to participate in such Terminal MII). The total amount of annual amortized project costs to be added to the Total Landing Contributions, Total Domestic Terminal Contributions, Total International Terminal Contributions and Total Local Terminal Contributions, in aggregate in all years, may not exceed the lesser of (A) the total annual amortized costs of the project approved by an Airfield MII and/or Terminal MII, as the case may be, or (B) the total annual amortized costs of the project actually incurred by the Lessee. Notwithstanding the foregoing limitations, with respect to any such excess costs attributable to Force Majeure Events that are not recouped by the Lessee through insurance proceeds or other compensation, the annual amortized amounts thereof may be added to the Landing Contribution, Total Domestic Terminal Contribution, Total International Terminal Contribution and/or Total Local Terminal Contribution consistent with the allocation and schedule of costs for that project previously identified in the project proposal.

(B) The Lessee shall provide notice to the Signatory Airlines (through the individual then serving on the Executive Committee on behalf of each Signatory Airline) of any anticipated cost overruns attributable to an approved Capital Project as soon as practicable after the Lessee becomes aware of such cost overruns. The Lessee shall consult the Signatory Airlines as to the best method for addressing additional costs before seeking approval of a cost increase by an Airfield MII and/or Terminal MII in accordance with Section 6.3(c)(v)(A).

(vi) *No Adjustment for Inflation.* For the avoidance of doubt, any increase to the Total Landing Contribution, Total Domestic Terminal Contribution, Total International Terminal Contribution or Total Local Terminal Contribution on account of an approved Capital Project is not subject to, and does not affect, any adjustment of the Total Annual Contribution for inflation. Further for the avoidance of doubt, any such increase to the Total Landing

Contribution, Total Domestic Terminal Contribution, Total International Terminal Contribution or Total Local Terminal Contribution shall be only as approved by the Airfield MII or Terminal MII or both, as the case may be, and shall not be adjusted to reflect inflation or any other increase in costs except as indicated in the approved project proposal.

(vii) *Small Capital Projects.* Notwithstanding the foregoing provisions, the Lessee shall bear the costs for Small Capital Projects, up to a maximum of $500,000 (which amount shall be adjusted in accordance with the following sentence) per Term Year, and shall not add the same to the Total Annual Contribution. Such amount shall be adjusted in every Term Year after the first Term Year by multiplying the CPI Factor for such Term Year by such amount applicable in the prior Term Year.

(d) *Government-Mandated Capital Projects; Government-Mandated Operating Expenses.*

(i) *Executive Committee Consultation.* The Lessee shall call a meeting of the Executive Committee to discuss any Government-Mandated Capital Project or any Government-Mandated Operating Expenses. For the avoidance of doubt, any Capital Project that results from a TSA security requirement under applicable Law qualifies as a "Government-Mandated Capital Project."

(ii) *Government-Mandated Capital Project Proposal.* After consulting the Executive Committee, the Lessee shall submit a proposal with respect to any Government-Mandated Capital Project to the Signatory Airlines. The proposal shall be submitted to the Airlines in substantially the form attached as Schedule L and shall include a detailed description of the project (including the purpose or expected benefits of the project), a justification for the determination that the project is a Government-Mandated Capital Project, an evaluation of the project in comparison to other available alternatives for achieving compliance with the relevant Law or airport certification requirement, documentation that the Lessee intends to seek funds from all available Governmental Authority grant funding sources (including what those sources may be), the estimated completion date, the estimated costs of the project (including any costs for designing, constructing, equipping and financing the project), the proposed sources and uses of funds and the expected terms of financing (it being understood that the Lessee is not obligated to propose obtaining, or to subsequently obtain, equity financing as part of the financing of the project). The proposal shall also include a schedule of the annual amortized cost of the project and of the estimated increases to the Total Landing Contribution, Total Domestic Terminal Contribution, Total International Terminal Contribution and/or Total Local Terminal Contribution. The proposal must disclose any compensation to be received by the Lessee from any other party to contracts related to the project and the relationship between such party and the Lessee, if any. If an Airfield MII (with respect to a project attributable to the Airfield Area) or a Terminal MII (with respect to a project attributable to the Terminal), as the case may be (and in each case, each Airline determining in its discretion whether to participate in such Airfield MII or Terminal MII), disputes that the project qualifies as a Government-Mandated Capital Project and initiates the dispute resolution procedures in accordance with Article 11 within 90 days after the Lessee has submitted the proposal to the Signatory Airlines, the Lessee may not add the costs of the Government-Mandated Capital Project to the Landing Contribution, Total Domestic Terminal Contribution, Total International Terminal Contribution or Total Local Terminal

Contribution in accordance with Section 6.3(d)(iv) or (v) until such dispute is resolved. For the avoidance of doubt, the initiation of the dispute resolution procedures in accordance with the foregoing shall not preclude the Lessee from commencing that Government-Mandated Capital Project within the time frame required by the applicable Law or airport certification requirement. If no dispute is initiated within such 90-day period, or if the dispute is resolved in favor of the Lessee (or to the extent it is resolved in favor of the Lessee), the costs of the Government-Mandated Capital Project may be added the Landing Contribution, Total Domestic Terminal Contribution, Total International Terminal Contribution or Total Local Terminal Contribution in accordance with Section 6.3(d)(iv) or (v), or both, as appropriate, as of the date the costs began to be incurred by the Lessee.

(iii) *Government-Mandated Operating Expenses Proposal.* After consulting the Executive Committee, the Lessee shall submit a proposal with respect to any Government-Mandated Operating Expenses to the Signatory Airlines. The proposal shall include a detailed description of such expenses on a line item basis, a justification for the determination that such expenses are Government-Mandated Operating Expenses, an evaluation of such expenses in comparison to other available alternatives for achieving compliance with the relevant Law or airport certification requirement, documentation that the Lessee intends to seek funds from all available funding sources (including what those sources may be), and the estimated amount of such Government-Mandated Operating Expenses. The proposal shall also include a schedule of the estimated increases to the Total Landing Contribution, Total Domestic Terminal Contribution, Total International Terminal Contribution and/or Total Local Terminal Contribution. If an Airfield MII (with respect to a project attributable to the Airfield Area) or a Terminal MII (with respect to a project attributable to the Terminal), as the case may be (and in each case, each Airline determining in its discretion whether to participate in such Airfield MII or Terminal MII), disputes that the expenses qualify as Government-Mandated Operating Expenses and initiates the dispute resolution procedures in accordance with Article 11 within 90 days after the Lessee has submitted the proposal to the Signatory Airlines, the Lessee may not add the Government-Mandated Operating Expenses to the Landing Contribution, Total Domestic Terminal Contribution, Total International Terminal Contribution or Total Local Terminal Contribution in accordance with Section 6.3(d)(iv) or (v) until such dispute is resolved. For the avoidance of doubt, the initiation of the dispute resolution procedures in accordance with the foregoing shall not preclude the Lessee from incurring or paying such claimed Government-Mandated Operating Expenses within the time frame required by the applicable Law or airport certification requirement. If no dispute resolution is initiated within such 90-day period, or if the dispute is resolved in favor of the Lessee (or to the extent it is resolved in favor of the Lessee), the Government-Mandated Operating Expenses may be added the Landing Contribution, Total Domestic Terminal Contribution, Total International Terminal Contribution or Total Local Terminal Contribution in accordance with Section 6.3(d)(iv) or (v), or both, as appropriate, as of the date the costs began to be incurred by the Lessee.

(iv) *Costs Attributable to the Airfield Area.* The annual amortized costs of a Government-Mandated Capital Project (including any costs for designing, constructing, equipping and financing the project) and those annual Government-Mandated Operating Expenses incurred that are attributable to the Airfield Area shall be added to the Landing Contribution, beginning the first Full Term Year after the project is substantially complete, in the amounts and years set forth in, and otherwise in accordance with, the proposal (in the case of a

Government-Mandated Capital Project) or after such expenses are incurred (in the case of any Government-Mandated Operating Expenses).

(v) *Costs Attributable to the Terminal.* The annual amortized costs of a Government-Mandated Capital Project (including any costs for designing, constructing, equipping and financing the project) and those annual Government-Mandated Operating Expenses incurred that are attributable to the Terminal shall be added to the Total Domestic Terminal Contribution, Total International Terminal Contribution and/or Total Local Terminal Contribution, respectively, in the amounts and years set forth in, and otherwise in accordance with, the proposal (in the case of a Government-Mandated Capital Project) or after such expenses are incurred (in the case of any Government-Mandated Operating Expenses); *provided* that if the annual amortized costs or expenses attributable to the Terminal are not easily allocable among the domestic, international and local Terminal Areas, then 63% of such costs attributable to the Terminal shall be added to the Total Domestic Terminal Contribution, 36% of such costs attributable to the Terminal shall be added to the Total International Terminal Contribution and 1% of such costs attributable to the Terminal shall be added to the Total Local Terminal Contribution; *provided further* that these percentages shall be adjusted to conform with any adjustments made in accordance with Section 4.6(e)).

(vi) *Cost Mitigation.* The Parties shall use their best efforts to minimize the cost of any Government-Mandated Capital Project and any Government-Mandated Operating Expenses, to evaluate equitable methods to share the risk, and to assess costs to the appropriate users or beneficiaries of such projects and expenses. Such efforts notwithstanding, the total amount of Government-Mandated Capital Project annual amortized costs and Government-Mandated Operating Expenses to be added to the Total Landing Contributions, Total Domestic Terminal Contributions, Total International Terminal Contributions and Total Local Terminal Contributions, as applicable, shall equal the total annual amortized costs of the project and those expenses actually incurred by the Lessee.

(vii) *Cost Overruns.* The Lessee shall be responsible for the costs of a Government-Mandated Capital Project that are in excess of the costs included in the proposal for such project submitted to the Signatory Airlines in accordance with Section 6.3(d)(ii) (but for the avoidance of doubt, the Lessee may seek approval of a Terminal MII or Airfield MII in accordance with Section 6.3(c) to add such costs to the Landing Contribution, Total Domestic Terminal Contribution, Total International Terminal Contribution and/or Total Local Terminal Contribution); *provided* that with respect to any such excess costs attributable to Force Majeure Events that are not recouped by the Lessee through insurance proceeds or other compensation, the annual amortized amounts thereof may be added to the Landing Contribution, Total Domestic Terminal Contribution, Total International Terminal Contribution and/or Total Local Terminal Contribution consistent with the allocation and schedule of costs for that project previously identified in the project proposal.

(viii) *No Adjustment for Inflation.* For the avoidance of doubt, any increase to the Total Landing Contribution, Total Domestic Terminal Contribution, Total International Terminal Contribution or Total Local Terminal Contribution on account of a Government-Mandated Capital Project or any Government-Mandated Operating Expenses is not subject to, and does not affect, any adjustment of the Total Annual Contribution for inflation. Further for

the avoidance of doubt, any such increase to the Total Landing Contribution, Total Domestic Terminal Contribution, Total International Terminal Contribution or Total Local Terminal Contribution shall not be adjusted to reflect inflation or any other increase in costs except as indicated in the project proposal submitted to the Signatory Airlines.

(ix) *Amortization of Costs.*

(A) With respect to Government-Mandated Capital Projects, except as may be otherwise approved by an Airfield MII (with respect to a project attributable to the Airfield Area) or a Terminal MII (with respect to a project attributable to the Terminal), the Government-Mandated Capital Project costs to be added to the Total Landing Contribution, Total Domestic Terminal Contribution, Total International Terminal Contribution and/or Total Local Terminal Contribution must be amortized over the useful life of such projects, beginning the first Term year in which such project is first available for use. In any given Term Year, the amount included in such portion of the Total Annual Contribution shall equal the amortized amount for that Term Year plus financing costs on the unamortized portion of the project calculated on a straight line basis at a rate equal to the announced rate for the Bank of America Merrill Lynch U.S. Corporate Master Index (Ticker: C0A0) in effect at a date reasonably designated by the Lessee.

(B) With respect to Government-Mandated Operating Expenses, the Government-Mandated Operating Expenses to be added to the Total Landing Contribution, Total Domestic Terminal Contribution, Total International Terminal Contribution and/or Total Local Terminal Contribution each Term Year must reflect the actual Government-Mandated Operating Expenses incurred each Term Year.

(x) *Work by the Airlines.* Notwithstanding the foregoing, the Airlines acting by a determination of an Airline MII, after reviewing the proposal of the Lessee provided in accordance with Section 6.3(d)(ii), may elect, upon prior notice to the Lessee and the Authority within 90 days after the Lessee has submitted the proposal to the Airlines to undertake and complete a Government-Mandated Capital Project at their own cost and expense, in which case the Airlines participating in such Airline MII shall be jointly and severally responsible for completion of such project, in full compliance with all requirements applicable to the Lessee or the project under applicable Law, this Agreement (including the Operating Standards), the Lease Agreement or other commitments or obligations of the Lessee, and the cost for such project (except for any cost borne by the Lessee) shall not be added to the Total Landing Contribution, Total Domestic Terminal Contribution, Total International Terminal Contribution or Total Local Terminal Contribution.

(e) *Airline Projects.* The following provisions shall apply to the Airline Projects.

(i) *Consultation and Agreements prior to Closing.* Prior to the Closing, the Signatory Airlines and the Lessee shall meet to discuss and reach agreement through a Pre-Closing MII on the (A) acceptable third-party consultants (or with approval of a Pre-Closing MII, the Lessee or its affiliate or designee) to conduct the Airline Project Studies, (B) scope and methodology of such studies, including developing the cost estimates for the Airline Projects, (C) timeframe for completion and delivery of the results of the studies to the Signatory Airlines

and the Lessee, which in no event shall be later than six months after the Closing and (D) key terms and conditions of the contracts with the consultants for the studies. The Lessee shall bear all the costs of (x) Concourse B Jet Bridge Replacement Study which is required to be undertaken as part of the General Accelerated Updates required under the Lease Agreement and (y) the In-Line Baggage System Study up to a maximum of $500,000.

(ii) *Incorporation of the Airline Project Studies into the Transition Plan.* The Transition Plan submitted by the Lessee to the Authority and the Signatory Airlines in accordance with Section 2.6 shall incorporate the agreements reached between the Signatory Airlines and the Lessee regarding the Airline Project Studies in accordance with Section 6.3(e)(i).

(iii) *Submission of Airlines Projects for Terminal MII; Proposed Funding.* No later than 60 days after the receipt of each Airline Project Study, the Lessee shall submit to the Signatory Airlines in accordance with Section 6.3(c) a Capital Project in good faith based upon the respective Airline Project Study, provided that if the Lessee shall fail to make such proposal, any Signatory Airline may propose such Capital Projects for a Terminal MII. With respect to the In-Line Baggage System Project, the Terminal MII approval may be conditioned on the receipt of a certain level of TSA funding for that Project, and, in any event, the Lessee shall submit in good faith an application for TSA funding to the maximum extent available. With respect to the Concourse B Jet Bridge Replacement Project, and if TSA funding is unavailable or insufficient to cover the estimated costs of the In-Line Baggage System Project, the Lessee shall propose to the Signatory Airlines a funding plan consisting of the maximum available funding from PFCs, grants, and other funding sources for the Airline Projects consisting of grant funds received from Governmental Authorities plus, if such funding sources are insufficient to cover the costs of applicable Airline Project, a proposed increase to the Total Annual Contribution. Any application for TSA funding, PFCs, grants, and other funding for the Airline Projects shall have priority over any application for such funding sources for any Capital Project other than a Government-Mandated Capital Project.

(iv) *Airline Projects Implementation and Funding.* As soon as commercially practicable after the approval by a Terminal MII of an Airline Project, if any, the Lessee shall diligently carry out and complete such Airline Project in accordance with the terms of such approval.

(f) *Lessee Capital Projects.* If a Capital Project is not approved by the Airlines in accordance with Section 6.3(c) and is not a Government-Mandated Capital Project, the Lessee may undertake the project at its own expense, and those costs shall not be added to the Total Annual Contribution (or any part thereof).

(g) *Lessee Financing Obligations.* The Lessee shall be responsible for all Capital Project financing (except with respect to Capital Projects undertaken by the Airlines pursuant to Section 6.3(d)(x)) and shall have no right to impose any additional obligation for financing on the Signatory Airlines except by adding the costs to the applicable parts of the Total Annual Contribution in accordance with the (i) approval of the Airfield MII obtained in accordance with Section 6.3(c)(iii), (ii) approval of the Terminal MII obtained in accordance with Section 6.3(c)(iv) or Section 6.3(e) or (iii) Government-Mandated Capital Project proposal submitted to

the Signatory Airlines in accordance with Section 6.3(d). The Lessee shall seek the most attractive financing terms reasonably practicable under the circumstances for any such Capital Project financing.

(h) *Major Capital Project Contract or Eligible Security, Safety or Environmental Requirement Contract.* The Lessee shall not enter into any contract except on the basis of arm's length arrangements for (i) work related to a Capital Project in excess of $5,000,000, or a series of such contracts with a single contractor that in aggregate in one Term Year are in excess of $5,000,000, (a "**Major Capital Project Contract**") or (ii) non-Capital Project work related to an Eligible Security, Safety or Environmental Requirement in excess of $500,000 or a series of such contracts with a single contractor that in aggregate in one Term Year are in excess of $500,000 (an "**Eligible Security, Safety or Environmental Requirement Contract**"). For the avoidance of doubt, the foregoing includes contracts with a Lessee Affiliate (which, for the purpose of this Section 6.3(h) only, means such term as defined in the Lease Agreement) or Lessee-Related Parties or whereby the Lessee might pay more than the ordinary price for any good or service. The Lessee shall ensure that all contractors with which it enters into a Major Capital Project Contract or an Eligible Security, Safety or Environmental Requirement Contract have the requisite expertise, qualifications, experience, competence, skills and know-how and financial capability to carry out the contract. Each Major Capital Project Contract or Eligible Security, Safety or Environmental Requirement Contract shall permit the Airlines, by approval of an Airline MII (each Airline determining in its discretion whether to participate in such Airline MII), to cure any default by the Lessee thereunder. The Lessee shall select a contractor with which to enter into a Major Capital Project Contract or an Eligible Security, Safety or Environmental Requirement Contract, as the case may be, through a competitive process and shall provide the Signatory Airlines with reasonably satisfactory documentation of such competitive process prior to entering into the Major Capital Project Contract or Eligible Security, Safety or Environmental Requirement Contract, as the case may be.

(i) *No Allocation of Costs for Non-Airline Space.* For the avoidance of doubt, the Lessee shall bear all costs related to the portion of any Capital Project in connection with space that is leased to non-Airline tenants or that is occupied by the Authority or the Lessee, and no allocation of such costs shall be made to the Airlines.

ARTICLE 7.

INDEMNIFICATION AND INSURANCE

Section 7.1. Indemnification.

(a) [AIRLINE] shall indemnify, save, hold harmless, and defend the Authority, the Lessee, each of their respective officials, agents and employees, and each of their respective successors and assigns, individually and collectively, from and against any claim, action, loss, damage, injury, liability, and cost and expense of whatsoever kind or nature (including reasonable attorney fees, disbursements, court costs, and expert fees) due to or caused by injury to persons, including death, or damage to property to the extent arising from [AIRLINE]'s or any [AIRLINE]'s contractor's, while such contractor is performing work on behalf of [AIRLINE], use and occupancy of or work at the Airport and actions undertaken pursuant to this Agreement,

except to the extent such injury or damage is due to or caused by the negligence or willful misconduct of the Authority, the Lessee, a third party not contractually related to [AIRLINE], or their respective officers, employees, agents, successors, or assigns, as applicable.

(b) The Lessee shall indemnify, save, hold harmless, and defend the Authority, [AIRLINE], each of their respective officials, agents and employees, and each of their respective successors and assigns, individually and collectively, from and against any claim, action, loss, damage, injury, liability and cost and expense of whatsoever kind or nature (including reasonable attorney fees, disbursements, court costs and expert fees) due to or caused by injury to persons, including death, or damage to property to the extent arising from the Lessee's use, occupancy and operation of the Airport, except to the extent that such injury or damage is caused by the negligence or willful misconduct of the Authority, [AIRLINE], a third party not contractually related to the Lessee, or their respective officers, employees, agents, successors, or assigns, as applicable.

(c) To the extent that any claim, action, loss, damage, injury, liability, and cost and expense of whatsoever kind or nature (including reasonable attorneys' fees, disbursements, court costs, and expert fees) pursuant to this Section 7.1 arose during the term of this Agreement, the provisions of this Section 7.1 shall survive the expiration, termination or early cancellation of this Agreement for a period of five years following the date of such expiration, termination or early cancellation of this Agreement.

(d) Any final judgment, after any applicable appeal process, rendered against any Party by a court of competent jurisdiction for any cause for which the other party is liable hereunder shall be conclusive against such party as to liability and amount upon the expiration of the time for appeal therefrom.

Section 7.2. Insurance.

(a) Without limiting [AIRLINE]'s obligation to indemnify the Lessee as provided for in Section 7.1, [AIRLINE] shall procure and maintain, or cause to be procured and maintained, in force at all times during the Term of this Agreement a customary policy or policies of insurance insuring [AIRLINE] against the liabilities outlined below, subject to policy terms and conditions, for injuries to persons (including wrongful death) and damages to property caused by [AIRLINE]'s or any of [AIRLINE]'s Affiliates' use and occupancy of the Airport or otherwise caused by [AIRLINE]'s or any of [AIRLINE]'s Affiliates' activities and operations on the Airport, the policy limits thereof to be in the minimum as set forth herein.

(i) *Comprehensive Airline Liability Insurance.* [AIRLINE] shall maintain comprehensive airline liability insurance.

(A) The comprehensive airline liability insurance and, if necessary, commercial umbrella insurance shall be at a limit of not less than (1) $50,000,000 for each occurrence and in the aggregate, with respect to a Signatory Airline that at the Airport only operates aircraft with a passenger capacity not in excess of 20 persons, or (2) $300,000,000 for each occurrence and in the aggregate, with respect to all other Signatory Airlines.

(B) The comprehensive airline liability insurance shall include, with aggregates where applicable, coverage for Commercial/Comprehensive General Liability, Bodily Injury and Property Damage to Third Parties, Passenger Liability (applicable only to Passenger Carriers), Personal Injury and Advertising Injury Liability (sublimited to $25,000,000), Contractual Liability, Passengers' Checked and Unchecked Baggage Liability (applicable only to Passenger Carriers), Premises, Operations, Independent Contractors, Products-Completed Operations Liabilities and Cargo Legal Liabilities.

(C) The comprehensive airline liability insurance shall include coverage for mobile or other ground vehicle equipment operated on those parts of the Airport that are not accessible to the public and are designated as restricted areas with a limit of not less than $10,000,000 for each occurrence. Mobile or other ground vehicle equipment shall include, baggage tugs, aircraft pushback tugs, provisioning trucks, air stair truck and belt loaders.

(D) The comprehensive airline liability insurance shall apply as primary insurance with respect to any other insurance afforded to the Lessee. There shall be no endorsement or modification of the policy to make it excess over other available insurance. If the policy states that it is excess or *pro rata*, the policy shall be endorsed to be primary with respect to the Lessee as an additional insured.

(ii) *Aircraft Liability Insurance.* [AIRLINE] shall maintain aircraft liability insurance with a limit of not less than (A) $50,000,000, with respect to a Signatory Airline that at the Airport only operates aircraft with a passenger capacity not in excess of 20 persons, or (B) $300,000,000, with respect to all other Signatory Airlines, in any case with aggregates where applicable, for bodily injury or death, personal injury, and property damage for all owned, operated, maintained, non-owned, leased, or hired aircraft, including passenger coverage for any Passenger Carrier. The aircraft liability insurance may be included in the comprehensive airline liability insurance policy.

(iii) *Commercial Automobile Liability Insurance.*

(A) [AIRLINE] shall maintain automobile liability insurance with a limit of not less than $5,000,000 for each accident for vehicles operated in restricted areas at the Airport.

(B) [AIRLINE] shall maintain automobile liability insurance with a limit of not less than $1,000,000 for each accident for vehicles operated in areas at the Airport other than restricted areas.

(C) Such insurance shall cover liability arising out of any automobile owned or operated by [AIRLINE], [AIRLINE]'s Affiliates or their respective employees during the course of their employment.

(iv) *Workers' Compensation, Unemployment and Disability Insurance.* [AIRLINE] shall maintain workers' compensation insurance. Coverage shall be at statutory limits as required by the Laws of the Commonwealth. [AIRLINE] shall also maintain proof of unemployment and disability insurance as required by the Laws of the Commonwealth.

(v) *Commercial Property Insurance.* [AIRLINE] shall maintain all-risk property insurance covering the full value and full replacement cost of [AIRLINE]'s property and any improvements and betterments.

(b) The aforesaid amounts and types of insurance shall be reviewed from time to time by the Lessee and may be adjusted by the Lessee if the Lessee reasonably determines such adjustments are necessary to protect the Lessee's interests, but in no event shall the Lessee require insurance with greater coverage than is required for Comparable Public Airports. The Lessee shall not make any adjustments without prior notice to and consultation with the Signatory Airlines. [AIRLINE] will have 90 days to comply with any such adjustments after receiving a second notice from the Lessee specifying the amount of the adjustment. If [AIRLINE] is unable or does not desire to comply with any such adjustments, then this Agreement may be terminated by [AIRLNE] no later than 90 days after receiving such second notice from the Lessee. [AIRLINE] shall furnish the Lessee, prior to the commencement of the Term hereof, with a certificate or certificates of insurance as evidence that the required insurance is in force. The Lessee shall be named as an additional insured on each such liability insurance policy or policies to the extent of [AIRLINE]'s obligations assumed under this Section 7.2, subject to policy terms, conditions, limitations, warranties and exclusions. Said policies shall be issued by insurance companies of nationally recognized financial responsibility with a Best's Guide rating of no less than A-(VII), by a captive insurance company of [AIRLINE], or by insurance companies of internationally recognized and favorable reputation in the aviation marketplace. Said policies shall be in a form and content reasonably satisfactory to the Lessee and shall provide for 30 days (10 days cancellation in the event of non-payment of premium) advance notice to the Lessee prior to the cancellation of or any adverse material change affecting the additional insureds in such policies. [AIRLINE]'s failure to provide or maintain the required insurance coverages as set forth herein shall be grounds for immediate termination of this Agreement, at the Lessee's option.

(c) *No Representation of Coverage Adequacy.* By requiring insurance herein, the Lessee does not represent that coverage and limits will necessarily be adequate to protect the Airline or any of [AIRLINE]'s Affiliates, and such coverage and limits shall not be deemed as a limitation on [AIRLINE]'s liability under the indemnities granted to the Lessee in this Agreement.

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

(e) *Incidents.* In addition to any applicable requirements contained in the Operating Standards or imposed by applicable Law, [AIRLINE] shall, within a reasonable time after [AIRLINE] has received legal notice of the accident or event, notify the Lessee of any accident or event which occurs at the Airport as a result of or in connection with [AIRLINE]'s performance of this Agreement, which results in or might reasonably be expected to have resulted in bodily injury, personal injury or property damage. Additionally, [AIRLINE] shall send a written report of such accident or event to the Lessee within 24 hours or as soon as

possible, but no more than four business days after the Lessee requests [AIRLINE] to provide additional information about such accident or event. Initial notification of such accidents and events and written reports shall be sent to such person as designated by the Lessee by notice to [AIRLINE]. In the event that the Lessee causes such an accident or event at the Airport that impacts [AIRLINE] or any of [AIRLINE]'s Affiliates and results in a claim, the Lessee shall, not more than five days after the Lessee has notice of the accident or event, notify the Airline in writing, and provide a written report of such accident or event.

Section 7.3. Waiver of Subrogation. The Lessee and [AIRLINE] hereby mutually waive any and all rights of recovery against the other party arising out of damage or destruction of the buildings, Airport, or any other property from causes included under any property insurance policies to the extent such damage or destruction is covered by the proceeds of such policies and whether or not such damage or destruction shall have been caused by the parties, their officers, employees or agents, but only to the extent that the insurance policies then in force permit such waiver. All policies of property insurance shall contain, to the extent available, this waiver of subrogation provision and the cost of such provision shall be borne by the primary insured.

ARTICLE 8.

AIRLINE RIGHTS WITH RESPECT TO THE LEASE AGREEMENT

Section 8.1. Lessee Capitalization and Financing.

(a) *Special Purpose Entity.* The Lessee is and shall remain a special purpose entity that has no operations or assets other than in connection with the Airport in accordance with the Lease Agreement.

(b) *Capitalization.* As of the Closing, the Lessee shall have a capitalization that includes equity that is equal to at least 20% of the total upfront payments by the Lessee to the Authority under the Lease Agreement.

(c) *Leasehold Mortgagee.* Any Leasehold Mortgagee must be an Institutional Lender; the rights of such Leasehold Mortgagee under any Leasehold Mortgage and the Lease Agreement shall be subject to the rights of the Signatory Airlines under this Agreement; and any Leasehold Mortgage shall be in compliance with the requirements of Section 18.1 of the Lease Agreement. It is understood and agreed that the Use Agreement shall survive any enforcement of the Leasehold Mortgage including foreclosure and that in the event of any conflict between the terms and conditions of the Use Agreement and those of the Leasehold Mortgage, the terms and conditions of the Use Agreement shall prevail. The Leasehold Mortgage shall contain language to that effect and provide that [AIRLINE] is a third party beneficiary of the Leasehold Mortgage. The Authority shall deliver to the Signatory Airlines a copy of the form of the security documentation for any Leasehold Mortgage received by the Lessee in accordance with Section 18.1(a) of the Lease Agreement and shall consult with the Signatory Airlines in determining whether the Leasehold Mortgage is in compliance with the Lease Agreement. While the Leasehold Mortgage is outstanding, the Lessee shall not agree to any amendment or modification of the Leasehold Mortgage that would affect the priority of the rights of the Signatory Airlines as described above without approval by an Airline MII.

(d) *Cash Reserve.* In accordance with the Lease Agreement, the Lessee shall maintain the reserves set forth in Section 3.8 of the Lease Agreement. The Lessee shall deliver to the Authority and [AIRLINE], on the first business day of each quarter of each Term Year, and as otherwise requested from time to time by the Authority or [AIRLINE], an Officer's Certificate in which the Lessee represents and warrants that it is compliance with the requirements contemplated by Section 3.8 of the Lease Agreement.

Section 8.2. Transfers by Lessee and Changes in Control.

(a) *Transfers by the Lessee.* Except as provided in Section 8.2(d), the Lessee shall not Transfer, or otherwise permit a Transfer of, its interests in the Airport created by the Lease Agreement or its rights, benefits and obligations under the Lease Agreement to or in favor of any Person unless (in addition to having satisfied all criteria required by the Lease Agreement) such proposed transferee has been approved by Airlines constituting an Airline MII.

(b) *Changes in Control.* Except as provided in Section 8.2(d), direct or indirect ownership interests in the Lessee may not be Transferred if such Transfer would result in a Change in Control of the Lessee unless (in addition to having satisfied all criteria required by the Lease Agreement) such proposed Transfer has been approved by Airlines constituting an Airline MII.

(c) *Standard for Withholding Approval.* The approval by the Airline MII under this Section 8.2 may be withheld only if the Signatory Airlines acting by an Airline MII reasonably determine that the proposed transfer would be detrimental to the Signatory Airlines' Air Transportation Business at the Airport taking into account one or more of the following factors: (i) the financial strength and integrity of the proposed transferee, its direct or indirect beneficial owners, any proposed managers or operating partners and each of their respective Affiliates (for the purposes of this Section 8.2(c) only, as such term is defined in the Lease Agreement); (ii) the experience of the proposed transferee or any proposed managers or operating partners to be engaged by the proposed transferee in operating airports and performing other projects; and (iii) the background and reputation of the proposed transferee, its direct or indirect beneficial owners, any proposed managers or operating partners, each of their respective officers, directors and employees and each of their respective Affiliates (including the absence of criminal, civil or regulatory claims or actions against any such Person and the quality of any such Person's past or present performance on other projects).

(d) *Permitted Transfers.* This Section 8.2 does not apply to Transfers to a Leasehold Mortgagee or to a designee or nominee permitted in accordance with Article 18 of the Lease Agreement or to Changes in Control occasioned by the exercise by any Leasehold Mortgagee of its remedies under any pledge of shares, limited liability company interests or partnership interests.

Section 8.3. Insurance Requirements. The Lessee shall maintain, or cause to be maintained, the insurance coverages required by Article 13 of the Lease Agreement. Such coverages required to be maintained by the Lessee may not be lessened (relative to the coverages required to be maintained as of the date of Closing) without approval of an Airline MII or except as provided in Section 13.2(o) of the Lease Agreement. With respect to commercial general

liability insurance and automobile liability insurance, the Signatory Airlines shall be named as additional insureds for claims arising out of the operations of the Lessee. The Lessee shall concurrently provide the Signatory Airlines with a copy of any certificate of insurance provided to the Authority in accordance with Section 13.2(a) of the Lease Agreement.

Section 8.4. Damage and Destruction; Completion of Work.

(a) *Damage and Destruction.*

(i) *Application of Insurance Proceeds.* If the Airport or any portion thereof shall be damaged or destroyed, all insurance proceeds from insurance policies required to be maintained by the Lessee pursuant to the Lease Agreement for damage and destruction of the Airport shall be applied as provided by the Lease Agreement.

(ii) *Restoration by the Airlines.* If the Authority fails or chooses not to commence or complete any Restoration required to be undertaken by the Lessee, which the Authority would be entitled to undertake by exercising its rights under Section 13.3(b) of the Lease Agreement, the Airlines, upon approval by an Airline MII, may, but shall not be required to, enter the relevant Airport facilities and each and every part thereof as necessary, at any reasonable time and upon reasonable prior notice to the Lessee, and complete such Restoration at the Lessee's expense and shall be entitled to be paid for out of the Restoration Funds for the relevant Restoration costs incurred by such Airlines.

(b) *Completion of Work at the Airport.* If the Authority fails or chooses not to commence or complete any activity required to be undertaken by the Lessee, which the Authority would be entitled to undertake by exercising its rights under Section 3.7(a) of the Lease Agreement, the Airlines, upon approval by an Airline MII, may, but shall not be required to, enter the relevant Airport facilities and each and every part thereof at all reasonable times and upon reasonable prior notice to the Lessee (except in the circumstances set forth in Section 3.7(a)(iii) or (iv) of the Lease Agreement) to conduct such activities; *provided* that the Airlines acting hereunder shall give five days' notice to the Authority, except in cases of emergencies or actions resulting or threatening to result in materially increase cost or disruption of service, in which case no notice is required; and *provided further* that any entry made by Airlines hereunder shall be subject to the same restrictions that apply to the Authority under Section 3.7 of the Lease Agreement.

(c) *Effect of Reservation.* Any reservation of a right by the [AIRLINE] and any of its representatives to enter the Airport facilities and to make or perform any repairs, alterations, Restoration or other work in, to or about the Airport facilities that is the Lessee's obligation pursuant to the Lease Agreement, shall not be deemed to impose any obligation on [AIRLINE] to do so or render [AIRLINE] liable to the Lessee or any other Person for the failure to do so. Nothing in this Agreement shall impose any duty upon the part of [AIRLINE] to do any work required to be performed by the Lessee hereunder and performance of any such work by [AIRLINE] and any of its Representatives shall not constitute a waiver of the Lessee's default in failing to perform the same.

(d) *Agreements by the Lessee.* No agreement or contract of any kind between the Lessee and any other Person shall affect the right of the Authority and of [AIRLINE] to exercise any remedies provided under this Agreement, including any right of access to the Airport facilities in accordance with this Section 8.4.

Section 8.5. Compliance Monitoring; Notice of Default.

(a) The Authority shall monitor compliance by the Lessee of the Lessee's obligations under the Lease Agreement. In the event that there is a breach or potential breach of the Lease Agreement that could be reasonably anticipated to have anticipated to have a material adverse effect on the ability of the Lessee to comply with the Lessee's obligation to this Agreement, after consulting with the Lessee and providing the Lessee an opportunity to dispute or cure such breach or potential breach in accordance with the Lease Agreement, the Authority shall promptly notify the Signatory Airlines of such breach or potential breach and consult with the Signatory Airlines, acting reasonably, regarding potential courses of action by the Authority to enforce its rights under this Agreement and the Lease Agreement.

(b) The Authority shall promptly give notice to the Lessee and [AIRLINE] (i) if an Authority Default (as defined under the Lease Agreement) occurs under the Lease Agreement and (ii) of all material claims, proceedings, disputes (including labor disputes) or litigation pertaining to the Airport facilities or operations (whether or not such claim, proceeding, dispute or litigation is covered by insurance) of which the Authority is aware; and the Authority shall provide the Lessee and [AIRLINE] with all reasonable information requested by them from time to time concerning the status of such claims, proceedings, disputes or litigation.

(c) The Lessee shall promptly give notice to the Authority and [AIRLINE] (i) if a Lessee Default (as defined under the Lease Agreement) occurs under the Lease Agreement and (ii) of all material claims, proceedings, disputes (including labor disputes) or litigation pertaining to the Airport facilities or operations (whether or not such claim, proceeding, dispute or litigation is covered by insurance) of which the Lessee is aware; and the Lessee shall provide the Authority and [AIRLINE] with all reasonable information requested by them from time to time concerning the status of such claims, proceedings, disputes or litigation.

Section 8.6. Incident and Financial Reports. The Lessee shall concurrently provide the Signatory Airlines with a copy of any notice or report provided to the Authority in accordance with Section 8.1(a) and (c) of the Lease Agreement, subject to any restrictions imposed by Law or stock exchange regulation.

Section 8.7. Security Deposit. In the event that the Lease Agreement becomes effective and is subsequently terminated, any security deposits from the Lessee required to be maintained under the Lease Agreement that are properly retained by the Authority upon such termination in accordance with the Lease Agreement will be used exclusively to cover ongoing costs of operations of the Airport incurred by the Authority or any other future operator of the Airport.

Section 8.8. Modifications under the Lease Agreement. A Modification agreed to by the Authority and the Lessee pursuant to Section 5.1 of the Lease Agreement, or a Modification required by the Authority to be implemented pursuant to Section 5.2 of the Lease Agreement,

that is reasonably likely to materially diminish or impair the rights of the Signatory Airlines under this Agreement or materially interfere with the Air Transportation Business of the Signatory Airlines at the Airport may not be effectuated without approval by an Airline MII (each Airline determining in its discretion whether to participate in such Airline MII). Notwithstanding the foregoing, no approval by an Airline MII shall be necessary for any Modification that is reasonably necessary to ensure the safety or security of the Airline and its users.

Section 8.9. Modifications to the Operating Standards.

(a) *Modifications Requiring Airline Approval.* A modification by the Authority to the Operating Standards in accordance with Section 6.2 of the Lease Agreement that is reasonably likely to materially diminish or impair the rights of the Airlines under this Agreement or materially interfere with the Air Transportation Business of the Airlines at the Airport may not be effectuated without approval by an Airline MII (each Airline determining in its discretion whether to participate in such Airline MII). Approval by an Airline MII may be withheld, delayed or conditioned only if there is a reasonable basis to determine that such modification is not reasonably designed to achieve the objectives of the applicable Operating Standards. The Authority shall provide notice to the Signatory Airlines of any modification to the Operating Standards for which approval by an Airline MII is required hereunder.

(b) *Alternative Proposals by the Airlines.* With respect to any modification to the Operating Standards to comply with any new Law or to conform to standards or practices generally adopted at Comparable Public Airports in accordance with Section 6.2 of the Lease Agreement that is not subject to approval by an Airline MII in accordance with Section 8.9(a), the Authority shall give notice of the proposed modification to the Operating Standards to the Signatory Airlines at least five business days in advance of requiring compliance therewith. The Signatory Airlines may propose an alternative modification to the Operating Standards to comply with such new Law or to conform to standards or practices generally adopted at Comparable Public Airports, as the case may be. The Authority and the Lessee shall consider in good faith such proposal and whether to modify the Authority's proposed modification to the Operating Standards accordingly.

(c) *Proposals Initiated by the Airlines.* If the Signatory Airlines believe that a modification to the Operating Standards is necessary to comply with any new Law applicable to the Airport or wish to modify the Operating Standards to conform to standards or practices generally adopted at Comparable Public Airports, and neither the Authority nor the Lessee has proposed a modification to the Operating Standards to so comply or conform, as the case may be, the Signatory Airlines acting by determination of an Airline MII may propose a modification to the Operating Standards to comply with such new Law or to conform to such standards or practices. The Authority and the Lessee shall consider in good faith such proposal and whether to modify the Operating Standards accordingly. Promptly upon receipt of such proposal, the Lessee and the Authority shall engage the Airlines participating in the Airline MII to determine in good faith whether implementation of the proposed modification is necessary to satisfy the requirements set forth above. If the Lessee or the Authority does not agree that the proposed modification is necessary to satisfy the requirements set forth above, the Lessee or the Authority, as the case may be, shall provide prompt notice of such disagreement to such Airlines, and

thereafter the Parties shall work together in good faith to resolve such disagreement, including by discussing alternative modifications to the Operating Standards and examining the standards or practices generally adopted at Comparable Public Airports. If such disagreement is unable to be resolved, it may be submitted for resolution in accordance with Article 11.

Section 8.10. Lessee Work Plan. A work plan submitted by the Lessee to the Authority in accordance with Section 16.1(b)(iii) of the Lease Agreement in order to a cure a default by the Lessee under the Lease Agreement, if such work plan is reasonably likely to materially diminish or impair the rights of the Signatory Airlines under this Agreement or materially interfere with the Air Transportation Business of the Signatory Airlines at the Airport, may not be approved by the Authority without approval by an Airline MII (each Signatory Airline determining in its discretion whether to participate in such Airline MII). The Authority shall provide notice to the Signatory Airlines of any Lessee work plan for which approval by an Airline MII is required hereunder.

Section 8.11. Amendments to the Lease Agreement. An amendment to the Lease Agreement that is reasonably likely to affect the rights of the Airlines under this Agreement, including this Article 8, may not be effectuated without approval by an Airline MII (each Airline determining in its discretion whether to participate in such Airline MII). The Authority shall provide notice to the Signatory Airlines of any proposed amendment to the Lease Agreement for which approval by an Airline MII is required hereunder. The Authority also shall provide notice to the Signatory Airlines of any amendment to the Lease Agreement that does not, in the opinion of the Authority, require approval by an Airline MII, at least five business days prior to entering into such amendment, and the Airlines acting by determination of an Airline MII may refer the matter for resolution in accordance with Article 11 if they believe approval by an Airline MII is required. If within such five-day period the matter is referred to resolution in accordance with the foregoing, the Lessee and the Authority shall not effectuate such amendment until the matter is resolved and any amendment in contravention of this sentence shall be considered null and void *ab initio*.

Section 8.12. General Provisions Concerning Airline Approvals.

(a) *Airline Competition.* It is understood that the Airline approval rights under this Article 8 are not intended to protect the competitive interests of particular Airlines in relation to other Airlines or any new Airlines, and that the promotion of competition among Airlines at the Airport, including the accommodation of new Airlines, in and of itself will not be deemed to impair the rights of the Airlines hereunder or have a material adverse effect upon the Airport Transportation Business of the Airlines at the Airport.

(b) *Support for Airline Position.* The Authority or the Lessee may request any supporting information from the Signatory Airlines available to the Signatory Airlines as may be reasonably required to review any claim that a Modification, modification to the Operating Standards, Lessee work plan or proposed amendment to the Lease Agreement for which approval by an Airline MII is required in accordance with this Article 8 is reasonably likely to materially diminish or impair the rights of the Airlines under this Agreement, to materially interfere with the Air Transportation Business of the Airlines at the Airport or to affect the rights of the Airlines, as the case may be.

(c) *No Approvals Required.* Notwithstanding anything in this Article 8 to the contrary, no approval by an Airline MII shall be necessary for any Modification, modification to the Operating Standards, Lessee Work Plan or amendment to the Lease Agreement that is required in order to comply with any applicable Law or airport certification requirement.

(d) *Dispute Resolution.* If a proposed Modification, modification to the Operating Standards, Lessee work plan or amendment to the Lease Agreement for which approval by an Airline MII is required in accordance with this Article 8 is not so approved within 60 days after notice thereof is provided to the Signatory Airlines, the Authority or the Lessee may refer the matter for resolution in accordance with Article 11. The proposed Modification, modification to the Operating Standards, Lessee work plan or amendment to the Lease Agreement, as applicable, shall not be effectuated until approved by an Airline MII or ordered by a final award in accordance with Article 11.

Section 8.13. Approval of Plan for the Reconfiguration of Terminal Space. Approval of a Plan for the Reconfiguration of Terminal Space must be obtained in writing (a) from Signatory Airlines that (i) in the aggregate paid a majority of the Total Annual Contribution charged to all Signatory Airlines for the prior Term Year (or if approval is being obtained prior to the completion of the initial Term Year, a majority of the total fees paid by the Signatory Airlines to the Authority during the 12 months prior to the Bid Date as defined in the Lease Agreement) and (ii) constitute a numerical majority of all votes cast by such Signatory Airlines and (b) from any Signatory Airline whose operations would be directly affected by the Plan for the Reconfiguration of Terminal Space. Solely for purposes of determining whether the required approval of a Plan for the Reconfiguration of Terminal Space has been obtained, no Airline shall be deemed to be a Signatory Airline (A) so long as an Airline Default with respect to such Airline has occurred and is continuing and the Lessee has provided notice to all the Signatory Airlines or (B) if a Signatory Airline is no longer operating at the Airport (except if such Signatory Airline's cessation of operations results from a temporary suspension by the FAA). Such approval may be granted by the Airlines in writing at any time from their execution of the Transaction Implementation Agreement through the second anniversary of the Effective Date. The provisions of this Section 8.13 shall be construed as in addition to and not in derogation or limitation of the rights of the Parties under any other provisions of this Agreement.

ARTICLE 9.

COMPLIANCE WITH LAW

Section 9.1. Observance and Compliance with Laws.

(a) *General.* [AIRLINE] and the Lessee shall, and shall cause their Delegates and licensees to, observe and comply with, and pay all taxes and obtain all licenses, permits, certificates and other authorizations required by all applicable Laws in connection with each respective Party's operations or activities hereunder, including all rules, regulations and directives of the FAA, TSA, any successor agency to the FAA or TSA, or any other Governmental Authority having jurisdiction to the extent such Laws, taxes, licenses, permits, certificates, rules, regulations and directions are applicable to [AIRLINE] or the Lessee.

(b) *Preemption.* Notwithstanding any provision of this Agreement to the contrary, any requirement that is imposed on [AIRLINE] in this Agreement or by any agreement, law, ordinance, rule or regulation shall not apply to [AIRLINE] to the extent that such requirement is or would otherwise be preempted by federal law, including the Airline Deregulation Act (49 U.S.C. § 41713).

Section 9.2. Compliance with Environmental Laws. [AIRLINE] and the Lessee shall, in conducting any activity or business on the Airport premises, including environmental response or remedial activities, comply with all applicable Laws in connection with each respective Party's operations or activities hereunder, including applicable Environmental Laws regarding the generation, storage, use, transportation and disposal of Hazardous Materials and regarding Releases or threatened Releases of Hazardous Materials into the environment.

(a) *Review of Environmental Documents.* [AIRLINE], on the one hand, or the Lessee, on the other hand, at the request of the other, shall make available for inspection and copying upon reasonable notice and at reasonable times, any or all of the non-privileged documents and materials the Party has prepared pursuant to any applicable Law or submitted to any Governmental Authority; *provided* that such documents and materials relate to environmental issues or applicable Environmental Laws and are pertinent to the Airport. If any applicable Environmental Law requires [AIRLINE] to file any notice or report of a Release or threatened Release of Hazardous Materials on, under or about the Airport, [AIRLINE] shall file such notice or report and shall provide a copy of the same to the Lessee. To the extent practicable, [AIRLINE] shall provide a copy to the Lessee prior to submitting such notice or report to the appropriate Governmental Authority.

(b) *Access for Environmental Inspection.* The Lessee shall have access to all Airport facility space, including all Exclusive Use Space, to inspect the same in order to confirm that [AIRLINE] is using such space in accordance with all applicable Environmental Laws. Any such inspection shall be done after reasonable notice to [AIRLINE] and providing for the presence of an authorized representative of [AIRLINE] (except, in each case, if not reasonably possible in the case of an emergency), and in a way that does not materially disrupt or interfere with the operations and occupancy of [AIRLINE] to the extent possible. If there is reasonable cause to believe that [AIRLINE] is not in compliance with an Environmental Law, [AIRLINE], at the request of the Lessee and at [AIRLINE]'s expense (except as provided in the immediately succeeding sentence of this Section 9.2(b)), shall conduct such testing and analysis as is reasonable and necessary to ascertain whether [AIRLINE] is using such space in compliance with the applicable Environmental Law in question. If such testing and analysis confirms that [AIRLINE] is using the space in compliance with all applicable Environmental Laws, all costs of testing and analysis shall be borne by the Lessee. Any such tests shall be conducted by qualified independent experts chosen by [AIRLINE] and subject to the Lessee's approval. Copies of reports from any such testing shall be provided to the Lessee upon receipt by [AIRLINE].

(c) *Environmental Noncompliance.* If [AIRLINE] fails to comply with any applicable Environmental Laws with respect to the Airport, the Lessee, consistent with its rights and remedies as otherwise provided for in this Agreement, after providing [AIRLINE] with reasonable notice under the circumstances and reasonable opportunity to correct such noncompliance, may take all reasonable and necessary measures, at [AIRLINE]'s expense, to

correct such noncompliance, except if not reasonably possible in the case of any emergency, with applicable Environmental Laws.

(d) *Duty to Notify Lessee.* In the event of a Release of Hazardous Materials into the environment relating to or arising out of [AIRLINE]'s use or occupancy of the Airport, or in the event of any claim, demand, action or notice made against [AIRLINE] regarding [AIRLINE]'s failure or alleged failure to comply with any applicable Environmental Laws with respect to the Airport, [AIRLINE] immediately shall notify the Lessee and shall provide the Lessee with copies of any written claims, demands, notices, or actions so made.

(e) *Environmental Remediation.* [AIRLINE] shall undertake all necessary steps in accordance with applicable Environmental Laws to remedy and remove any Releases of Hazardous Materials caused by [AIRLINE] at the Airport as are necessary to bring the Airport into compliance with all applicable Environmental Laws when such lack of compliance is caused by [AIRLINE]. Such work shall be performed at [AIRLINE]'s expense (to the extent of [AIRLINE]'s responsibility under the applicable Environmental Laws) after [AIRLINE] submits to the Lessee a written plan for completing such work and receives the prior approval of the Lessee (to the extent practicable and authorized by applicable Law). The Lessee shall have, at the Lessee's expense and using consultants and representatives of its choice, the right to review and inspect all such work. Specific cleanup levels for any environmental remediation work shall be designed to meet all of the applicable Environmental Laws. In the event that the Lessee is named in any enforcement action or lawsuit in connection with the environmental condition of any Airport facility space caused by the action or inaction of [AIRLINE], [AIRLINE] shall defend the Lessee and indemnify and hold harmless the Lessee from any costs, damages or fines resulting therefrom to the extent of [AIRLINE]'s responsibility under the applicable Environmental Laws. Nothing in this Section 9.2 imposes any liability, duty or indemnification obligation on [AIRLINE] for acts or omissions of the Lessee.

(f) *National Emission Standards for Hazardous Air Pollutants.* [AIRLINE] warrants that all work performed by it and on its behalf pursuant to this Agreement shall be performed in accordance with any applicable National Emission Standards for Hazardous Air Pollutants (NESHAP), 40 C.F.R. pt. 61.145.

Section 9.3. Compliance with FAA Standards. [AIRLINE] and the Lessee shall comply, and shall cause their contractors to comply, with all applicable Laws, including the following:

(a) *Prohibition Against Exclusive Rights.* Nothing herein contained shall be construed to grant or authorize the granting of an exclusive right to conduct an Air Transportation Business as prohibited by 49 U.S.C. §§ 40103 and 47107, and associated grant agreements, and the Lessee reserves the right to grant to others the privileges and right of conducting any or all activities of an aeronautical nature.

(b) *Government Inclusion.* [AIRLINE] and the Lessee covenant and agree that this Agreement shall be subordinated to the provisions of any existing or future agreement or assurances between the Lessee and the United States Government, the execution of which has been or will be required as a condition precedent to the granting of federal funds or the approval to impose or use PFCs for the development of the Airport. Upon request, the Lessee shall

provide copies at no cost to [AIRLINE] of any documentation related to the imposition or use of PFCs. [AIRLINE] further agrees that it shall not cause the Lessee to violate any assurances made by the Lessee to the federal government in connection with the granting of such federal funds or approvals.

(c) *Non-Discrimination and Affirmative Action.* This Agreement involves the use of or access to space on, over or under real property acquired or improved under the Airport Development Aid Program of the FAA, and therefore involves activity that serves the public. [AIRLINE] and the Lessee, for themselves, their personal representatives, successors in interest and assigns, as part of the consideration hereof, do hereby covenant and agree, as a covenant running with the land, that (i) each shall abide by the non-discrimination and affirmative action provisions set forth on Schedule R to this Agreement; and (ii) that [AIRLINE] and the Lessee shall use the premises in compliance with all other applicable requirements imposed by or pursuant to regulations of the United States Department of Transportation.

(d) *Non-Discrimination in Furnishing Services.* [AIRLINE] agrees to furnish services in the United States in compliance with applicable federal law and on a fair and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit of service; *provided* that [AIRLINE] may be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions.

(e) No Party hereby waives any right to file a complaint with the United States Department of Transportation with respect to matters not covered by this Agreement or the Lease Agreement.

Section 9.4. Non-Contravention. The Lessee and [AIRLINE] acknowledge and agree that nothing contemplated in this Agreement obligates the Lessee or [AIRLINE] to take any action that would cause the Lessee to violate any Law, lose its Airport Operating Certificate or violate the Airport Security Program.

Section 9.5. Local Goods and Services. With respect to any work performed by [AIRLINE] at the Airport related to permanent improvements or repairs, as required by Article 10 of Act No. 14 of the Legislative Assembly of Puerto Rico, enacted on January 8, 2004, 3 P.R. Laws Ann. § 930 *et seq.*, [AIRLINE] shall use, to the extent available and applicable to the services provided hereunder, goods extracted, produced, assembled, packaged, bottled or distributed in the Commonwealth by businesses operating in the Commonwealth or distributed by agents established in the Commonwealth.

Section 9.6. Filing with the Office of the Comptroller of Puerto Rico. Pursuant to Act Number 18 of October 30, 1975, as amended by Law No. 127 of May 31, 2004, the Authority advises [AIRLINE] that until a copy of this Agreement is remitted to the Office of the Comptroller, no party may demand any contractual obligation from another party.

Section 9.7. Code of Ethics. [AIRLINE] agrees to comply with the "Code of Ethics for Contractors, Suppliers of Goods and Services and Applicants for Economic Incentives of the Executives Agencies of the Commonwealth of Puerto Rico", Act No. 84 of the Legislative Assembly of Puerto Rico, enacted on June 18, 2002, as amended.

ARTICLE 10.

DEFAULT AND TERMINATION

Section 10.1. Default by Airline. The occurrence of any one or more of the following events during the Term constitutes an "**Airline Default**" by [AIRLINE] under this Agreement:

(a) Except as described in Section 10.1(b) through (k), if [AIRLINE] fails to comply with, perform or observe any material obligation, covenant, agreement, term or condition in this Agreement or the requirements or directives of a final award in a matter submitted to dispute resolution in accordance with Article 11, and such failure continues unremedied for a period of 45 days following initial notice thereof (giving particulars of the failure in reasonable detail) from the Lessee to [AIRLINE]; *provided* that such failure shall not constitute an Airline Default if [AIRLINE], within 45 days following such initial notice, has demonstrated to the satisfaction of the Lessee, acting reasonably, that (A) it is proceeding and will proceed with all due diligence to cure or cause to be cured such failure, (B) its actions can be reasonably expected to cure or cause to be cured such failure within a reasonable period of time acceptable to the Lessee, acting reasonably and (C) such failure is in fact cured within such period of time;

(b) If [AIRLINE] fails to pay any of [AIRLINE]'s Annual Contribution or to satisfy any other monetary obligations to the Lessee when due, including the obligation to timely remit PFCs to the Lessee when due or requirements or directives of a final monetary award in a matter submitted to dispute resolution in accordance with Article 11, and such failure continues unremedied for a period of 20 business days following initial notice thereof from the Lessee to [AIRLINE];

(c) If [AIRLINE] fails to comply with, perform or observe any material obligation, covenant, agreement, term or condition in this Agreement or the requirements or directives of a final award in a matter submitted to dispute resolution in accordance with Article 11, which failure creates a material danger to the safety of Airport operations or a material impairment to the Airport or to the continuing use of the Airport as a commercial service airport, and, in either case, such Airline Default remains unremedied for a period of 10 business days following initial notice thereof from the Lessee;

(d) If [AIRLINE] fails to comply in any material respect with a work plan approved by the Lessee in accordance with Section 10.2(b);

(e) If [AIRLINE] (i) admits, in writing, that it is unable to pay its debts as such become due, (ii) makes an assignment for the benefit of creditors, (iii) files a voluntary petition under the Federal Bankruptcy Code, or if [AIRLINE] files any petition or answer seeking, consenting to or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy code or any other present or future applicable Law, or shall seek or consent to or acquiesce in or suffer the appointment of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of [AIRLINE], or of all or any substantial part of its properties or of the Airport or any interest therein, or (iv) takes any corporate action in furtherance of any action described in this Section 10.1(e);

(f) If (i) any proceeding against [AIRLINE] seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy code or any other present or future applicable Law is commenced and is not dismissed within 60 days after its commencement without the consent or acquiescence of [AIRLINE], or if any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of [AIRLINE] is appointed over all or any substantial part of its properties or over the Airport or any interest therein, and such appointment is not vacated or stayed on appeal or otherwise within 60 days or (ii) if, in any such proceeding, (A) such proceeding is converted to a case under Chapter 7 of the Federal Bankruptcy Code, including pursuant to section 1112 of the Federal Bankruptcy Code, (B) a trustee or examiner with expanded powers is appointed in such proceeding, (C) there is an admission by [AIRLINE] or a statement by the court or other judicial authority supervising such proceeding that [AIRLINE] is administratively insolvent, (D) [AIRLINE] proposes or supports any plan of reorganization or liquidation in such proceeding that does not call for the performance of all obligations under this Agreement or (E) any order is entered in such proceeding that impairs or limits Lessee's rights under this Agreement;

(g) If a levy under execution or attachment has been made against all or any portion of the Airport or any interest therein as a result of an encumbrance created, incurred, assumed or suffered to exist by [AIRLINE], or any Person claiming through it, and such execution or attachment has not been vacated, removed or stayed by court order, bonding or otherwise within a period of 60 days, unless such levy resulted from actions or omissions of the Lessee or its Delegates;

(h) [AIRLINE] shall become a corporation in dissolution, except in connection with its merger into another entity;

(i) [AIRLINE] shall discontinue its Air Transportation Business at the Airport for a period of 30 consecutive days or for a period of 60 nonconsecutive days whenever occurring in the aggregate in any Fiscal Year (or if [AIRLINE] has notified the Lessee that it provides only seasonal service at the Airport, in the season in which [AIRLINE] operates at the Airport) or, after exhausting or abandoning any further appeals, [AIRLINE] shall be prevented for a period of 30 consecutive days by action of any Governmental Authority other than the Lessee from conducting its Air Transportation Business at the Airport;

(j) [AIRLINE] fails to maintain the insurance policies required by Section 7.2; or

(k) [AIRLINE] fails to renew or extend any Security Deposit required under Section 5.8 at least 30 days before the stated expiration of such Security Deposit.

Section 10.2. Remedies of the Lessee Upon Airline Default. Upon the occurrence of and during the continuance of an Airline Default, the Lessee may, by notice to [AIRLINE], declare [AIRLINE] to be in default and may do any or all of the following as the Lessee, in its discretion, shall determine:

(a) With respect to an Airline Default described in subsection (b) or (c) of Section 10.1, the Lessee is entitled to terminate this Agreement (without the need for reentry or any other

action on behalf of the Lessee) upon notice to [AIRLINE], which may be given immediately upon the expiration of the 20-business-day period described in Section 10.1(b) or immediately upon the expiration of the 10-business-day period described in Section 10.1(c), as the case may be;

(b) With respect to an Airline Default described in Section 10.1(d), the Lessee is entitled to terminate this Agreement (without the need for reentry or any other action on behalf of the Lessee) by giving 60 days' prior notice to [AIRLINE] (for the avoidance of doubt, the entitlement of [AIRLINE] to cure such Airline Default by the delivery of an approved work plan, as described in Section 10.2(c), shall not apply thereto);

(c) With respect to an Airline Default described in Section 10.1(j), the Lessee is entitled to direct [AIRLINE] to immediately cease all operations at the Airport as soon as the Lessee becomes aware of such Airline Default. Additionally, if [AIRLINE] has not cured such Airline Default within 10 business days of receiving notice thereof by the Lessee, the Lessee is entitled to terminate this Agreement (without the need for reentry or any other action on behalf of the Lessee) upon notice to [AIRLINE], which may be given immediately upon the expiration of such 10-business-day period.

(d) With respect to an Airline Default, other than one described in subsection (b), (c), (d) or (j) of Section 10.1, the Lessee is entitled to terminate this Agreement (without the need for reentry or any other action on behalf of the Lessee) by giving 60 days' prior notice to [AIRLINE]; *provided* that [AIRLINE] shall be entitled to cure a curable non-monetary Airline Default by providing the Lessee with a written work plan within such 60-day period, which work plan is approved by the Lessee, outlining the actions by which [AIRLINE] will ensure future compliance with either the obligation, covenant, agreement, term or condition in this Agreement or the requirements or directives of the issued final award in accordance with Article 11 that [AIRLINE] failed to perform or observe;

(e) With respect to an Airline Default described in Section 10.1(k), the Lessee is entitled to draw in full the outstanding amount of the Security Deposit and hold the proceeds thereof as security for the future payment obligations of [AIRLINE];

(f) If the Airline Default is by reason of the failure to pay any monies, the Lessee is entitled to (without obligation to do so) make payment on behalf of [AIRLINE] of such monies, and any amount so paid by the Lessee shall be payable by [AIRLINE] to the Lessee within three business days after demand therefor;

(g) The Lessee is entitled to cure the Airline Default (but this shall not obligate the Lessee to cure or attempt to cure an Airline Default or, after having commenced to cure or attempted to cure an Airline Default, to continue to do so), and all costs and expenses reasonably incurred by the Lessee in curing or attempting to cure the Airline Default, together with an administrative fee equal to 15% of such costs and expenses, shall be payable by [AIRLINE] to the Lessee within three business days of demand; *provided* that (i) the Lessee shall not incur any liability to [AIRLINE] for any act or omission of the Lessee or any other Person in the course of remedying or attempting to remedy any Airline Default and (ii) the Lessee's cure of any Airline Default shall not affect the Lessee's rights against [AIRLINE] by reason of the Airline Default;

(h) The Lessee is entitled to seek specific performance, injunction or other equitable remedies, it being acknowledged that damages are an inadequate remedy for an Airline Default;

(i) The Lessee is entitled to seek to recover its Losses arising from such Airline Default and any amounts due and payable under this Agreement and, in connection therewith, exercise any recourse available to any Person who is owed damages or a debt;

(j) The Lessee is entitled to, subject to applicable Law, distrain against any of [AIRLINE]'s goods situated at the Airport (other than the Airline's aircraft and any passenger luggage or cargo) and [AIRLINE] waives any statutory protections and exemptions in connection therewith; and

(k) The Lessee is entitled to exercise any of its other rights and remedies provided for hereunder.

Section 10.3. Defaults by the Lessee. The occurrence of any one or more of the following events during the Term shall constitute a "**Lessee Default**" under this Agreement:

(a) If the Lessee fails to comply with or observe any material obligation, covenant, agreement, term or condition in this Agreement (including the Operating Standards) or the requirements or directives of a final award in a matter submitted to dispute resolution in accordance with Article 11, and such failure continues unremedied for a period of 30 days following initial notice thereof (giving particulars of the failure in reasonable detail) from [AIRLINE] to the Lessee; *provided* that such failure shall not constitute a Lessee Default if the Lessee, within 30 days following such initial notice, has demonstrated to the satisfaction of [AIRLINE], acting reasonably, that (A) it is proceeding with all due diligence to cure or cause to be cured such failure, (B) its actions can be reasonably expected to cure or cause to be cured such failure within a reasonable period of time acceptable to [AIRLINE], acting reasonably and (C) such failure is in fact cured within such period of time;

(b) If the Lessee fails to comply in any material respect with a work plan approved by [AIRLINE] in accordance with Section 10.4(b), and such failure continues for 10 business days following notice thereof from [AIRLINE] to the Lessee;

(c) If a levy under execution or attachment has been made against any portion of the Airport facility used by [AIRLINE] as result of an encumbrance created, incurred, assumed or suffered to exist by the Lessee or any Person claiming through it (other than a Permitted Lessee Encumbrance under the Lease Agreement), and such execution or attachment has not been vacated, removed or stayed by court order, bonding or otherwise within a period of 60 days, unless such levy resulted from actions or omissions of [AIRLINE] or its Delegates, or if all or any material portion of the Airport shall be subject to a condemnation or similar taking by a Governmental Authority;

(d) If the Lessee (i) admits, in writing, that it is unable to pay its debts as such become due, (ii) makes an assignment for the benefit of creditors, (iii) files a voluntary petition under the federal bankruptcy code, or if the Lessee files any petition or answer seeking, consenting to or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy code

or any other present or future applicable Law, or shall seek or consent to or acquiesce in or suffer the appointment of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of the Lessee, or of all or any substantial part of its properties (in each case, if the Lessee is the Authority, to the extent applicable to a Governmental Authority), or (iv) takes any action in furtherance of any action described in this Section 10.3(d); or

(e) If any proceeding against the Lessee seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy code or any other present or future applicable Law is commenced and is not dismissed within 60 days after its commencement without the consent or acquiescence of the Lessee, or if any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of the Lessee is appointed over all or any substantial part of its properties or over the Airport or any interest therein (in each case, if the Lessee is the Authority, to the extent applicable to a Governmental Authority), and such appointment is not vacated or stayed on appeal or otherwise within 60 days.

Section 10.4. Remedies of Airline Upon Lessee Default. Upon the occurrence and during the continuance of a Lessee Default, [AIRLINE] may by notice to the Lessee declare the Lessee to be in default and, except as provided in Section 10.5, do any or all of the following as [AIRLINE], in its discretion, shall determine:

(a) With respect to a Lessee Default described in Section 10.3(b), [AIRLINE] is entitled to terminate this Agreement by giving 60 days' prior notice to the Lessee (for the avoidance of doubt, the entitlement of the Lessee to cure such Lessee Default by the delivery of an approved work plan, as described in Section 10.4(b), shall not apply thereto);

(b) With respect to a Lessee Default, other than one described in Section 10.3(b), [AIRLINE] is entitled to terminate this Agreement by giving 60 days' prior notice to the Lessee; *provided* that the Lessee shall be entitled to cure a curable Lessee Default by providing [AIRLINE] with a written work plan within such 60-day period, which work plan is approved by [AIRLINE], outlining the actions by which the Lessee will ensure future compliance with either the obligation, covenant, agreement, term or condition in this Agreement or the requirement or directive of the final award in accordance with Article 11 that the Lessee failed to perform or observe;

(c) [AIRLINE] is entitled to seek to recover its Losses and any amounts due and payable under this Agreement and, in connection therewith, exercise any recourse available to any Person who is owed damages or a debt by the Lessee;

(d) [AIRLINE] is entitled to seek specific performance, injunction or other equitable remedies, it being acknowledged that damages are an inadequate remedy for a Lessee Default;

(e) [AIRLINE] is entitled to cure the Lessee Default (but this shall not obligate [AIRLINE] to cure or attempt to cure a Lessee Default or, after having commenced to cure or attempted to cure a Lessee Default, to continue to do so), and all costs and expenses reasonably incurred by [AIRLINE] in curing or attempting to cure the Lessee Default, together with an administrative fee equal to 15% of such costs and expenses, shall be payable by the Lessee to

[AIRLINE] within three business days of demand; *provided* that (i) [AIRLINE] shall not incur any liability to the Lessee for any act or omission of [AIRLINE] or any other Person in the course of remedying or attempting to remedy any Lessee Default and (ii) [AIRLINE]'s cure of any Lessee Default shall not affect [AIRLINE]'s rights against the Lessee by reason of the Lessee Default; *provided further* that [AIRLINE] shall not cure a Lessee Default unless it has previously provided notice of such default to each Leasehold Mortgagee and no Leasehold Mortgagee has cured such default within the period provided in Section 10.5(b);

(f) Upon the occurrence and continuation (without cure) of a Lessee Default that materially adversely affects [AIRLINE]'s operations or rights under this Agreement and to the exclusion of the exercise of any other monetary remedies in respect of such Lessee Default that otherwise may be available to [AIRLINE], [AIRLINE] shall be entitled, upon 45 days' prior notice to the Lessee, to establish a third-party interest-bearing escrow account with a commercial bank, as escrow agent, reasonably satisfactory to [AIRLINE] and to pay over to such escrow agent, in lieu of making such payments to the Lessee, such portion of [AIRLINE]'s Annual Contribution corresponding to [AIRLINE]'s reasonably claimed Losses in respect of such Lessee Default. Any funds deposited into such escrow account shall be released only by direction of a joint letter of [AIRLINE] and the Lessee or by direction of a court order or final award in a matter submitted to dispute resolution in accordance with Article 11. Interest earned on the account shall be paid along with other funds released to the Lessee or [AIRLINE] or both, as may be the case (it being understood that if funds are released to both such Parties, the interest will be paid to such Parties in proportion to the funds released to each of them). The lost revenue to the Lessee by any such escrow account established in accordance with this Section 10.4(f) shall not be allocated to the other Signatory Airlines; and

(g) [AIRLINE] is entitled to exercise any of its other rights and remedies provided for hereunder.

Section 10.5. Leasehold Mortgagee's Right to Cure.

(a) Whenever a Leasehold Mortgage exists as to which [AIRLINE] has been provided notice by the holder thereof in accordance with the Lease Agreement, [AIRLINE] shall, simultaneous with providing the Lessee any required notice under this Agreement, provide a copy of such notice to such Leasehold Mortgagee. Any failure by [AIRLINE] to provide such notice to the Leasehold Mortgagee shall not operate to cure the Lessee Default.

(b) The Leasehold Mortgagee shall have a period of 60 days with respect to any Lessee Default beyond any cure period expressly provided to the Lessee in this Agreement in which to cure or cause to be cured any such Lessee Default. That 60-day period shall be extended if (i) the Lessee Default is non-monetary, (ii) may be cured but cannot reasonably be cured within the 60-day period, (iii) the Leasehold Mortgagee begins to cure such default within the 60-day period (or, if possession is necessary in order to effect such cure, the Leasehold Mortgagee, within that 60-day period, files the appropriate legal action to commence foreclosure on the liens of the Leasehold Mortgage or take other appropriate legal action to commence a transfer of title to the relevant property) and (iv) thereafter proceeds with all due diligence to cure such Lessee Default (including by proceeding with all due diligence to effect such

foreclosure and during such foreclosure action (to the extent practicable) and thereafter to effect such a cure) within a reasonable period of time acceptable to [AIRLINE], acting reasonably.

(c) If a Leasehold Mortgagee is acting with all due diligence to cure a Lessee Default in accordance with this Section 10.5, then [AIRLINE] shall not exercise its rights to terminate this Agreement by reason of such Lessee Default. [AIRLINE] may, however, exercise any of its other rights and remedies provided for under this Agreement (at law or in equity) as may be necessary for the continued operation of [AIRLINE]'s Air Transportation Business at the Airport, so long as the exercise of such rights does not interfere with the Leasehold Mortgagee's rights hereunder.

(d) Any actions taken by a Leasehold Mortgagee or its representatives under this Section 10.5 shall be undertaken in accordance with the provisions of this Agreement that would be applicable to the Lessee if it were taking such actions. [AIRLINE] shall accept any such performance by a Leasehold Mortgagee or its nominee as though the same had been done or performed by the Lessee. Any payment to be made or action to be taken by a Leasehold Mortgagee hereunder as a prerequisite to keeping this Agreement in effect shall be deemed properly to have been made or taken by the Leasehold Mortgagee if such payment is made or action is taken by a nominee, agent or assignee of the rights of such Leasehold Mortgagee. Any exercise of the Leasehold Mortgagee's rights to cure hereunder do not result in the assumption by such Leasehold Mortgagee of the Lessee's obligations hereunder.

(e) Notwithstanding the Leasehold Mortgagee's right to cure as provided under this Section 10.5, if a Lessee Default materially impairs airline operations at the Airport, [AIRLINE] may proceed to cure the Lessee Default pursuant to Section 10.4(e), in which event the cure by the Leasehold Mortgagee shall include the payments to [AIRLINE] contemplated by Section 10.4(e).

Section 10.6. Other Termination by the Airline.

(a) If (i) [AIRLINE] is prevented from conducting its Air Transportation Business at the Airport for a period of 120 consecutive days for any reason not attributable to [AIRLINE], (ii) [AIRLINE] desires to cease all of its Air Transportation Business at the Airport upon not less than 120 days' prior notice of the same to the Lessee or (iii) [AIRLINE] wishes to terminate this Agreement pursuant to Section 7.2(b), [AIRLINE] may terminate this Agreement (as to itself only) and its obligations hereunder by giving the Lessee 10 days' prior notice (in the case of clauses (i) and (ii), following the expiration of such 120-day period); *provided* that [AIRLINE] may not terminate this Agreement pursuant to this Section 10.6 if, at the time of giving such notice or at any time during such 10-day period, (x) there is an Airline Default, (y) the Lessee has given initial notice to [AIRLINE] of its failure to comply with an obligation, as described in subsection (a), (b) or (c) of Section 10.1(a), or (z) [AIRLINE] is otherwise in default by the occurrence of any other event described in this Agreement as an event of default.

(b) If this Agreement is terminated pursuant to Section 10.6(a), such termination shall not be effective until [AIRLINE] has satisfied all of its then-outstanding obligations to the Lessee, including any Monthly Payments then owing through and until such termination is effective. [AIRLINE] shall remain liable to the Lessee for any Underpayment that may be due

by [AIRLINE] for the final Term Year in which [AIRLINE] operates at the Airport; it being understood that because such Underpayment may not be known or calculated until the following Term Year, a termination under this Section 10.6 may take effect subject to the potential liability for an Underpayment.

Section 10.7. Covenants Regarding Airport Operations; Termination by the Airlines upon Material Limitations on Operations.

(a) The Lessee and [AIRLINE] agree that the continued operation of the Airport is important to the Lessee and [AIRLINE]. Accordingly, the Lessee will use its best efforts to ensure that the Airport's flight operations, passenger handling, cargo handling and other capacities germane to the operation of commercial air service at the Airport are not constrained, restricted, limited or reduced by action by the Lessee and remain available to meet the demand for transportation to the region.

(b) Neither the Lessee nor [AIRLINE] shall advocate or support any constraints, restrictions, limitations or reductions on the Airport's flight operations, passenger handling, cargo handling or other capacities germane to the operation of the Airport by any Governmental Authority.

(c) The Lessee shall not voluntarily transfer its ownership, oversight or control of the Airport to any Governmental Authority other than as permitted by the Lease Agreement.

(d) The Lessee and [AIRLINE] shall use commercially reasonable efforts to cooperate to oppose any effort by any Governmental Authority that will have the effect of (i) increasing taxes or tax rates imposed upon the Airlines, (ii) constraining or otherwise limiting the Airlines' operations at the Airport that are not imposed generally at airports in the United States, or (iii) imposing additional costs or expenses on the Airlines' operations at the Airport that are not imposed generally at airports in the United States.

(e) In the event that the Lessee fails to comply with this Section 10.7, [AIRLINE] may, upon notice to the Lessee (as provided below), terminate this Agreement (as provided below). The Lessee or [AIRLINE] shall be deemed to have failed to comply with the provisions of this Section 10.7 if the cumulative effect of individual actions by the Lessee or [AIRLINE] creates such a failure. The Lessee shall have 90 days in which to review and respond to the notice given by [AIRLINE]. In the event that the Lessee disagrees with the determination of [AIRLINE], [AIRLINE] may not terminate this Agreement until 30 days after the Lessee has responded to such notice. However, [AIRLINE] shall not have the right to terminate this Agreement in the event that constraints, restrictions, limitations or reductions on the Airport's flight operations, passenger handling, cargo handling or other capacities are enacted with general applicability to all airports within the jurisdiction of the applicable Governmental Authority.

(f) In the event of termination pursuant to Section 10.7(e), such termination shall not be effective until [AIRLINE] has satisfied all of its then-outstanding obligations to the Lessee, including any Monthly Payments then owing. [AIRLINE] shall remain liable to the Lessee for any Underpayment that may be due by [AIRLINE] for the final Term Year in which [AIRLINE] operates at the Airport; it being understood that because such Underpayment may not be known

or calculated until the following Term Year, a termination under Section 10.7(e) may take effect subject to the potential liability for an Underpayment.

Section 10.8. No Waiver. A failure by any Party to take any action with respect to any default or violation by the other of any of the terms, covenants or conditions of this Agreement shall not in any respect limit, prejudice, diminish or constitute a waiver of any rights of the party to act with respect to any prior, contemporaneous or subsequent violation or default. The acceptance by the Lessee of payment of [AIRLINE]'s Annual Contribution for any period or periods after a default or violation of any of the terms, conditions and covenants of this Agreement shall not constitute a waiver or diminution of, nor create any limitation upon any right of the Lessee pursuant to this Agreement to terminate this Agreement for subsequent violation or default, or for continuation or repetition of the original violation or default.

Section 10.9. Force Majeure.

(a) No Party hereto shall be liable to any other Party for any failure, delay or interruption in performing its obligations hereunder due to causes or conditions beyond its reasonable control (a "**Force Majeure Event**"), including fire, tornado, hurricane, Named Windstorm, flooding, earthquake or other natural disaster, bomb scares, explosions, fires, terrorist acts, any response to the foregoing by a Governmental Authority, strikes, boycotts, picketing, slow-downs, work stoppages, or other labor actions affecting the Lessee or its contractors, or [AIRLINE] or its contractors, except to the extent that such failure, delay or interruption results from failure on the part of the Lessee or [AIRLINE] to use reasonable care to prevent, or, after such failure, delay or interruption, use its commercially reasonable efforts to cure, such failure, delay or interruption; *provided* that nothing in this Section 10.9 is intended or shall be construed to abate, postpone or in any respect diminish [AIRLINE]'s obligations to make any payments due the Lessee pursuant to this Agreement. It is expressly understood that a Force Majeure Event will not include any of the following events: (i) economic hardship; (ii) changes in market conditions; (iii) changes in Law except as set forth in Section 10.9(b); (iv) delays caused by Delegates of the Parties, *provided* that such delay was not caused by a Force Majeure Event; (v) [AIRLINE]'s capacity reductions at the Airport or other airports; and (vi) any weather conditions that are ordinarily or customarily encountered or experienced at or in the vicinity of the Airport, including any Ordinary Storm, but excluding any tornado, hurricane or Named Windstorm.

(b) The Lessee shall be under no obligation to supply any service if and to the extent and during any period that the supplying of any such service or the use of any component necessary therefor shall be prohibited, materially restricted or rationed by any Law or Governmental Authority.

(c) The Party claiming a Force Majeure Event shall, within five business days after it knows of the occurrence of the Force Majeure Event, give the other Party notice describing the details of the cause and nature of the Force Majeure Event, the anticipated length of delay due to the Force Majeure Event and any other effect on the Party's performance of its obligations hereunder. Within 15 days after initial notification, such Party shall provide sufficient proof of the occurrence and duration of such Force Majeure Event to the other Party and shall thereafter provide the other Party with periodic supplemental updates to reflect any change in information

given to the other Party as often as requested by the other Party. The Party claiming the Force Majeure Event shall give notice to the other Party of (i) the cessation of the relevant Force Majeure Event and (ii) the cessation of the effects of such Force Majeure Event on the performance by its of its obligations under this Agreement as soon as practicable after becoming aware of each such cessation.

(d) Except as otherwise provided herein, the performance by the Party claiming the Force Majeure Event of its obligations hereunder shall be suspended, and in the event that such Party is required to start or complete an action during a specific period of time, such start date or period for completion shall be extended, on the condition that (i) such suspension of performance and extension of time shall be of no greater scope and of no longer duration than is required by the effects of the Force Majeure Event, and (ii) the Party claiming the Force Majeure Event continually uses its commercially reasonable efforts to alleviate and mitigate the cause and effect of the Force Majeure Event and remedy its inability to perform.

(e) In the event that the Parties are unable in good faith to agree that a Force Majeure Event has occurred or performance hereunder is excused as a result thereof, the Parties shall submit the dispute for resolution pursuant to Article 11 and the Party claiming relief from a Force Majeure Event shall have the burden of proof as to whether such a Force Majeure Event has occurred and whether performance hereunder is excused as a result thereof.

(f) If a Force Majeure Event has occurred and continues for more than six months, any Party may terminate this Agreement by notice to the other Party.

Section 10.10. Limitation of Liability. Except as otherwise set forth in this Agreement and to the extent not otherwise prohibited by applicable Law, no Party (or any of its Delegates) shall be liable to any other Party (or any of its Delegates) for any diminution in value or any consequential, punitive, incidental or special damages of such other Party (or any of its Delegates), including lost profits or loss of business reputation or opportunity relating to any breach or alleged breach of this Agreement or with respect to the transactions contemplated hereby.

ARTICLE 11.

DISPUTE RESOLUTION

Section 11.1. Scope. Except for disputes concerning termination of this Agreement by any Party (which shall be resolved as provided in Section 12.8), any dispute arising out of, relating to or in connection with this Agreement, including any question as to whether such dispute is subject to arbitration, shall be resolved as set forth in this Article 11. For the avoidance of doubt, [AIRLINE] may initiate a dispute by itself, without the concurrence of any other Airline.

Section 11.2. Disputes Involving Multiple Signatory Airlines.

(a) A dispute arising from a Lessee Default under multiple Airport Use Agreements that adversely affects multiple Signatory Airlines may be brought jointly by the adversely-affected Signatory Airlines.

(b) To promote the efficient and consistent resolution of disputes, (i) the Signatory Airlines involved in such disputes shall cooperate to consider in good faith whether to bring disputes under this Agreement and other Airport Use Agreements jointly through a single arbitration proceeding or (ii) to the extent that multiple disputes have already been brought, the Lessee and the Signatory Airlines involved in such disputes shall cooperate to consider in good faith whether to consolidate disputes into a single arbitration proceeding, in any case where (A) the claims or defenses would raise common issues of law or fact and create the possibility of conflicting decisions if the proceedings are not consolidated and (B) the risk of undue delay or prejudice to the rights of a party opposing consolidation would be outweighed by prejudice resulting from a failure to consolidate.

(c) In any dispute involving multiple Signatory Airlines (whether jointly brought by such Signatory Airlines or consolidated by an arbitral panel) the individual Airlines shall appoint a single Designated Person for mediation in accordance with Section 11.5 and shall select an arbitrator in accordance with Section 11.6.

Section 11.3. Notice; Tolling.

(a) If a Party receives an initial notice of a failure that might constitute an event of default if unremedied, as described in Section 10.1(a), Section 10.1(b), Section 10.1(c) or Section 10.3(a), and contests, disputes or challenges the propriety of such notice, the Party may, by notice of dispute to the other Party, initiate the dispute resolution procedure in this Article 11. If applicable, the cure period set forth in Section 10.1(a) or Section 10.3(a), as the case may be, shall be tolled from and after the time notice of dispute is given until the issuance of a final award.

(b) If a Party receives a notice of an event of default, as described in Section 10.2 or Section 10.4, and contests, disputes or challenges the propriety of such notice, the Party may, by notice to the other Party, initiate the dispute resolution procedure in this Article 11. If applicable, the cure period set forth in Section 10.2(b), Section 10.2(c), Section 10.2(d) or Section 10.4, as the case may be, shall be tolled from and after the time notice of dispute is given until the issuance of a final award.

(c) For avoidance of doubt, the time period in which to cure an Airline Default described in Section 10.1(b) or Section 10.1(c) shall not be tolled.

Section 11.4. Informal Dispute Resolution Procedures. The Parties agree that, at all times, they will attempt in good faith to resolve all disputes that may arise under this Agreement. The Parties further agree that, upon receipt of notice of a dispute from a Party, the Parties will refer the dispute to the Designated Person of each Party. The Designated Persons shall negotiate in good faith to resolve the dispute, conferring as often as they deem reasonably necessary, and shall meet and in good faith furnish to each other the information pertinent to the dispute. Statements made by Representatives of the Parties during the dispute resolution mechanisms set forth in this Section 11.4 and documents specifically created for such dispute resolution mechanisms shall be considered part of settlement negotiations and shall not be admissible in evidence by any proceeding without the mutual consent of the Parties.

Section 11.5. Mediation. Mediation of a dispute under this Agreement may not be commenced until the earlier of (a) such time as both of the Designated Persons, after following the procedures set forth in Section 11.4, conclude in good faith that amicable resolution through continued negotiation of the matter does not appear likely or (b) 15 days after the date of the notice referring the dispute to the Designated Persons, pursuant to Section 11.4. If, after such time period, the dispute remains unresolved, the Parties shall attempt to resolve the dispute through mediation administered by the American Arbitration Association ("**AAA**") under its Commercial Mediation Procedures before resorting to binding arbitration, as provided by Section 11.6.

Section 11.6. Arbitration. If the procedures described in Section 11.4 and Section 11.5 do not result in resolution of the dispute within 30 business days following a reference to mediation, the dispute shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the AAA (the "**AAA Rules**"). Any Party may initiate the arbitration, as provided in the AAA Rules. The place of arbitration shall be San Juan, Puerto Rico, unless the Parties agree otherwise, and the language of the arbitration shall be English. The arbitral panel shall determine the rights and obligations of the Parties in accordance with the substantive Laws of the Commonwealth and without regard to conflicts of laws principles thereof. Except as agreed by the Parties, the arbitral panel shall have no power to alter or modify any terms or provisions of this Agreement, or to render any award that, by its terms or effects, would alter or modify any term or provision of this Agreement. The arbitral panel shall be composed of three arbitrators, one to be selected by the Airline(s), one to be selected by the Lessee and the third (who shall act as chairman of the panel) to be selected by the two previously selected arbitrators. If the two previously-selected arbitrators cannot agree on the selection of the third arbitrator, the third arbitrator shall be selected in accordance with the AAA Rules. Once the arbitral panel has been composed, the arbitrators shall act as neutrals and not as Party arbitrators, and no Party shall engage in any ex parte communication with any member of the arbitral panel. Each Party shall bear its own attorney fees, expenses and costs. The award shall include interest at the Late Payment Interest Rate from the date of any breach or violation of this Agreement or the incurring of any obligation as determined in the arbitral award until paid in full. The award shall be in writing and state the reasons upon which it is based. The award shall be final and binding on the Parties. Judgment on the award may be entered by any court with competent jurisdiction. The Federal Arbitration Act, 9 U.S.C. § 1 et seq., shall govern any arbitration conducted pursuant to this Section 11.6.

Section 11.7. Provisional Remedies. No Party shall be precluded from initiating a proceeding in a court of competent jurisdiction for the purpose of obtaining any emergency or provisional remedy to protect its rights that may be necessary and that is not otherwise available under this Agreement.

Section 11.8. Technical Arbitration.

(a) *Informal Dispute Resolution by Independent Engineer.* The Parties may agree to submit any engineering or technical dispute under this Agreement to the Independent Engineer, which submission may be made without submitting the engineering or technical dispute to engineering arbitration pursuant to Section 11.8(b) or to the dispute resolution process described in Section 11.4 through Section 11.6. The Independent Engineer shall determine any unresolved

disputed items within three business days of the submission of such dispute to the Independent Engineer, unless the Independent Engineer has good cause to extend such date for determination. The Parties shall each bear their own costs with respect to the submission of such dispute to the Independent Engineer and shall bear equally the cost of the Independent Engineer with respect to such dispute. The Independent Engineer's decision shall be in writing and state the reasons upon which it is based. The decision of the Independent Engineer shall be final and binding on the Parties, unless any Party expressly reserves the right, at the time of the submission of the engineering or technical dispute to the Independent Engineer, to submit the dispute to engineering arbitration pursuant to Section 11.8(b) or to the dispute resolution process described in Section 11.4 through Section 11.6.

(b) *Engineering Arbitration.* The Parties may agree to submit any engineering or technical dispute under this Agreement to engineering arbitration, which submission may be made without submitting the engineering or technical dispute to the Independent Engineer pursuant to Section 11.8(a) or to the dispute resolution process described in Section 11.5 through Section 11.6. Such engineering arbitration shall be conducted by an independent engineering arbitrator, which shall be an engineering firm with nationally recognized engineering experience related to Comparable Public Airports and that is acceptable to the Airline(s) and the Lessee (and if the Parties fail to agree upon the independent engineering arbitrator within five business days after the Parties agree to submit the dispute to engineering arbitration, then the Airline(s) and the Lessee shall each appoint an independent engineering arbitrator and both such arbitrators shall be instructed to select a third independent engineering arbitrator to conduct the engineering arbitration). Such submission shall be in the form of written statements of position by one or both of the Parties, which statements shall be provided to both the other Party and the independent engineering arbitrator, with each Party having an opportunity to respond to such written statements of the other Party and any requests for statements or information by the independent engineering arbitrator, including in-person meetings. All such submissions by a Party shall be made within 10 business days following appointment of the independent engineering arbitrator and, notwithstanding any provision herein to the contrary, any unresolved disputed items shall be determined by the independent engineering arbitrator within seven business days following receipt by the independent engineering arbitrator of the Parties' submissions of information unless such independent engineering arbitrator has good cause to extend such date for determination. The Parties shall each bear their own costs with respect to the arbitration of any such engineering dispute and shall bear equally the cost of retaining such independent engineering arbitrator. The independent engineering arbitrator's award shall be in writing and state the reasons upon which it is based. The independent engineering arbitrator's award shall be final and binding on the Parties.

ARTICLE 12.

GENERAL PROVISIONS

Section 12.1. Covenant Not to Grant More Favorable Terms. The Lessee shall not enter into any lease, contract or other agreement with any other Airline providing service at the Airport with respect to those portions of the Airport that are subject to this Agreement (other than any lease set forth on Schedule C that is assumed by the Lessee and renewals thereof as contemplated by Section 2.4), which contains any terms (including rates or charges) more favorable to such

Airline than the terms applicable hereunder to [AIRLINE] unless the Lessee also makes those more favorable terms available to [AIRLINE]. Notwithstanding anything in this Agreement to the contrary, the Lessee may engage in marketing, promotional and incentive programs, including non-discriminatory waivers or reductions of fees consistent with applicable Law, including FAA regulations and policy, including efforts to attract new air transportation service to the Airport and increased frequencies of existing air transportation service and to encourage the movement of certain peak period air transportation services to off-peak periods.

Section 12.2. No Partnership or Agency. Nothing herein contained is intended or shall be construed to in any respect create or establish any partnership, joint venture or association or to make [AIRLINE] the general representative or Delegate of the Lessee for any purpose whatsoever.

Section 12.3. No Personal Liability. No Delegate of the Lessee or [AIRLINE] shall be charged personally by the other party, its Delegates, or by any assignee of [AIRLINE], with any liability or expenses of defense or be held personally liable to them under any term or provision of this Agreement, or because of the Lessee's execution or attempted execution, or because of any breach hereof.

Section 12.4. Notices. Except as otherwise expressly provided hereunder, all notices and other communications provided for under this Agreement shall be in writing and shall be mailed, electronically mailed (e-mailed), faxed or personally delivered to the Lessee or [AIRLINE], to the person and at the address set forth at the foot of this Agreement next to such Party, or to such other Person or address as either the Lessee or [AIRLINE] may hereafter designate by notice to the other in accordance with this Section 12.4. Except as otherwise expressly provided hereunder, any notice or communication under this Agreement shall be deemed to have been given or made (a) if a messenger or courier service is used, when delivered to the addressee; (b) if sent by mail (certified or otherwise), five days after being deposited in the mails, postage prepaid and properly addressed; and (c) if sent by facsimile or electronic mail (e-mail), the earlier of (i) actual receipt by addressee and (ii) confirmation of receipt by the addressee.

Section 12.5. Entire Agreement. This Agreement, including the attached exhibits and endorsements, constitutes the entire agreement of the parties on the subject matter hereof.

Section 12.6. Amendment.

(a) *Amendments Requiring Approval of the Airline.* Subject to Section 12.1, the provisions of this Agreement that, when viewed together with comparable provisions of other Airport Use Agreements, do not relate to or confer rights upon multiple Signatory Airlines, may be amended only by a written agreement signed by the Lessee and [AIRLINE] (and, subject to Section 11.14(c), without need for approval by the Authority).

(b) *Amendments Requiring Approval of an Airline MII.* Subject to Section 12.1, the provisions of this Agreement that, when viewed together with comparable provisions of other Airport Use Agreements, relate to or confer rights upon multiple Signatory Airlines, may be amended only by a written agreement signed by the Lessee and Airlines constituting an Airline MII (each Airline determining in its discretion whether to participate in such Airline MII) (and,

subject to Section 12.14(c), without need for approval by the Authority); *provided* that this Section 12.6(b) shall not apply to an amendment that would have an effect described in Section 12.6(c). Such a written agreement between the Lessee and an Airline MII under this Section 12.6(b) shall uniformly amend this Agreement and each other Airport Use Agreement. In accordance with Section 12.11(c), [AIRLINE] and each other Signatory Airline agrees to be bound by the approval, action or decision of the Airline MII with respect to such written agreement, whether or not [AIRLINE] constitutes a part of the Airline MII that so acted or rendered its approval or decision. [AIRLINE] shall execute such supplements or amendments in connection with the effectuation of an amendment subject to this Section 12.6(b) and approved by an Airline MII; *provided* that the failure of [AIRLINE] to execute such supplements or amendments shall not impair the effectiveness of such amendment against [AIRLINE].

(c) *Amendments Requiring Approval of All Signatory Airlines.* The provisions of this Agreement that, when viewed together with comparable provisions of other Airport Use Agreements, relate to or confer rights upon multiple Signatory Airlines, may be amended only by a written agreement signed by the Lessee and all Signatory Airlines (and, subject to Section 11.14(c), without need for approval by the Authority), where such amendment would (i) subject any Signatory Airline to an increase in the Total Annual Contribution or any new fees, rental or charges not otherwise permitted under this Agreement, (ii) amend the definitions of each Airline MII, Airfield MII and Terminal MII, (iii) reduce the Term, (iv) amend this Agreement to alter the manner in which space is allocated at the Airport (other than as provided in Section 8.13) or (v) discriminate materially and adversely against the rights of a Signatory Airline without its approval. Solely for the purpose of this Section 12.6(c), no Airline shall be deemed to be a Signatory Airline (x) so long as an Airline Default with respect to such Airline has occurred and is continuing and the Lessee has provided notice to all the Signatory Airlines or (y) if a Signatory Airline is no longer operating at the Airport (except if such Signatory Airline's cessation of operations results from a temporary suspension by the FAA).

Section 12.7. Applicable Law. This Agreement shall be deemed to have been made in, and shall be construed in accordance with, the Laws of the Commonwealth without regard to conflict of laws principles.

Section 12.8. Authorization to Operate; Consent to Service of Process and Jurisdiction.

(a) The Lessee and [AIRLINE] each warrants that it is a duly organized and validly existing corporation or other business entity under the laws of the state shown on the signature page hereof. The Lessee and [AIRLINE] each warrants that it is, and throughout the term of this Agreement it will continue to be, duly qualified to do business in the Commonwealth.

(b) All judicial proceedings brought against [AIRLINE] or the Lessee with respect to this Agreement may be brought in any court of competent jurisdiction having situs within the boundaries of the Commonwealth (including the United States District Court for the District of Puerto Rico) and by execution and delivery of this Agreement, [AIRLINE] and the Lessee each accepts, for itself and in connection with its properties, generally and unconditionally, the nonexclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any final judgment rendered thereby from which no appeal has been taken or is available. The Lessee and [AIRLINE] each irrevocably designates and appoints the representative designated on the

signature page hereto under the heading "**Agent for Service of Process**" as its agent for service of process, such service being hereby acknowledged by such representative to be effective and binding service in every respect. The agent may be changed only upon the giving of notice by [AIRLINE] to the other Parties of the name and address of a new Agent for Service of Process that works within the geographical boundaries of the Commonwealth and is employed by the Lessee or [AIRLINE], as the case may be. [AIRLINE] and the Lessee each irrevocably waives any objection (including any objection of the laying of venue or based on the grounds of forum non conveniens) which it may now or hereafter have to the bringing of any action or proceeding with respect to this Agreement in the jurisdiction set forth above. Nothing herein shall affect the right to serve process in any other manner permitted by Law.

Section 12.9. Severability. If any provision of this Agreement shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or of any Law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part hereof.

Section 12.10. Representatives. The Lessee and [AIRLINE] shall each designate a representative who, except as otherwise provided hereunder, shall be authorized to act for the Lessee and [AIRLINE], respectively, with respect to any actions to be taken by either of them under the terms of this Agreement. Any Party hereto may change its designated representative by subsequent notice to the other Party.

Section 12.11. Actions by the Lessee and a Majority-in-Interest.

(a) Wherever in this Agreement the approval of the Lessee is required, such approval may be given by either the Lessee or a designee of the Lessee, except as otherwise expressly provided herein.

(b) Whenever the approval of or an action by an Airfield MII, Airline MII or Terminal MII is required hereunder, it shall be evidenced in writing and the Lessee notified thereof. The Lessee shall be entitled to rely, without further investigation, on any statement in writing of an Airfield MII, Airline MII or Terminal MII that (i) certifies that it constitutes the action of the Airfield MII, Airline MII or Terminal MII, as applicable, and (ii) describes in reasonable detail the nature and extent of such action and the matter approved or authorized by such action.

(c) Subject to the provisions of Section 12.6(c),

(i) all approvals, actions and decisions by an Airline MII with respect to matters hereunder requiring such approval, action or decision shall be binding upon all Signatory Airlines, including [AIRLINE], whether or not [AIRLINE] constitutes a part of the Airline MII that so acted or rendered its approval or decision;

(ii) all approvals, actions and decisions by an Airfield MII with respect to matters hereunder requiring such approval, action or decision shall be binding upon all Signatory Airlines, including [AIRLINE], that paid any portion of the Total Airfield Contribution that Term Year, whether or not [AIRLINE] constitutes a part of the Airfield MII that so acted or rendered its approval or decision; and

(iii) all approvals, actions and decisions by a Terminal MII with respect to matters hereunder requiring such approval, action or decision shall be binding upon all Signatory Airlines, including [AIRLINE], that paid any portion of the Total Terminal Contribution or Total Exclusive Use Rent that Term Year, whether or not [AIRLINE] constitutes a part of the Terminal MII that so acted or rendered its approval or decision.

Section 12.12. Successors and Assigns. All of the covenants, stipulations and agreements herein contained shall inure to the benefit of and be binding upon the successors and permitted assigns of the Parties hereto. [AIRLINE] may, without the consent of the Lessee, assign this Agreement and [AIRLINE]'s rights hereunder to or authorize the use of [AIRLINE]'s space at the Airport by a sister, parent, subsidiary or Affiliate of [AIRLINE] or to an entity with whom [AIRLINE] may merge or consolidate or to an entity that succeeds to all or substantially all of [AIRLINE]'s assets; *provided* that, notwithstanding any such assignment of this Agreement and [AIRLINE]s rights hereunder, [AIRLINE] shall remain fully liable for the payment of all fees and charges according to the provisions of this Agreement and fully responsible for the performance of all of its other obligations hereunder. To the extent that the Lease Agreement is assigned to the Leasehold Mortgagee or a New Agreement is entered into by the Authority and the Leasehold Mortgagee (or the designee or nominee of the Leasehold Mortgagee), the Lessee shall, without any need for the consent of the Signatory Airlines (including [AIRLINE]), assign this Agreement to the Leasehold Mortgagee or to such designee or nominee of the Leasehold Mortgagee that enters into the New Agreement with the Authority in accordance with the Lease Agreement and this Agreement, so long as the Leasehold Mortgagee (or the designee or nominee of the Leasehold Mortgagee) and the Lessee have provided to the Airlines a duly executed notice of assignment and assumption of obligations at least 15 days before the effective date of the assignment.

Section 12.13. Non-Discriminatory Management. In the course of operating and managing the Airport, the Lessee shall not undertake its activities in a manner that unreasonably favors one or more Signatory Airlines with respect to any other Signatory Airlines (it being understood, however, that the Lessee may administer an air carrier incentive program consistent with applicable Law, including FAA regulations). The Lessee shall comply with the Operating Standards in a manner that does not unreasonably grant a competitive advantage to any Signatory Airline. To the extent that the Lessee exceeds the Operating Standards, it shall do so in a manner that does not unreasonably provide a material benefit or cause a material detriment to a Signatory Airline under the circumstances then present at the Airport.

Section 12.14. Reversion to Authority and Attornment.

(a) Except as provided in Section 12.14(b), if the Lease Agreement is terminated while this Agreement is in effect, and the Airport is returned to the Authority under the terms of the Lease Agreement, the Authority shall operate and manage the Airport thereafter and charge

the Airlines for the use of the Airport in accordance with the provisions of this Agreement and provide the Airlines with the same rights and economic benefits afforded by this Agreement for the remainder of the stated Term of this Agreement, without regard to Section 2.5. If, notwithstanding that under the Law this Agreement may otherwise terminate upon such event, the Airlines shall attorn to the Authority, and the Authority shall accept such attornment, upon all of the terms and conditions of this Agreement. For the avoidance of doubt, such attornment shall also include the obligation by the Authority to complete the Initial Capital Projects at its own cost to the extent the same have not been completed by the Lessee. In no event shall any payment by the Authority to the Lessee in connection with a termination of the Lease Agreement while this Agreement is in effect result in additional charges to the Airlines.

(b) In the event the Lease Agreement terminates and the Airport reverts to the Authority, no Authority debt at the time of such reversion shall become the responsibility of or allow recourse to the Airport or the Signatory Airlines, and the Authority shall continue to operate the Airport in accordance with the terms of this Agreement.

(c) No changes or amendments to this Agreement or a new use agreement are binding on the Authority unless the Authority has consented to such amended or new use agreement.

Section 12.15. Certificate in Connection with Lessee Debt. [AIRLINE] agrees that in connection with debt incurred by the Lessee related to the Airport, upon not less than 15 days prior request by the Lessee, [AIRLINE] will deliver to the Lessee a statement in writing certifying as of the date of the certificate:

(a) That this Agreement is unmodified and in full force and effect (or if there have been modifications, a description of such modification and that the Agreement as modified is in full force and effect, or specifying any provisions that are no longer in full force and effect);

(b) That to the best of [AIRLINE]'s knowledge, the Lessee is not in material default under any provision of this Agreement, or, if in material default, the nature thereof in default; and

(c) Such further matters to the best of the knowledge of [AIRLINE] relating to this Agreement as may be reasonably requested by the Lessee.

Section 12.16. Confidentiality. The Parties shall, and shall cause their representatives to, keep confidential any information obtained from the other Parties or their representatives in connection with the negotiation and performance of this Agreement, except as is required by Law to be disclosed, but only to the extent necessary and only for the purposes required. Notwithstanding the foregoing, this Section 12.16 shall not apply to information that (a) is or becomes generally available to the public through no breach of such Party; (b) is or was received by such Party from third parties who are not participating in the negotiations; (c) is approved for release in writing by the owner of such confidential information; or (d) is or was independently developed by such Party.

Section 12.17. No Third Party Beneficiaries; Later Signatories.

(a) This Agreement is for the sole benefit of the Parties hereto and their permitted assigns and nothing herein expressed or implied shall give or be construed to give to any Person or entity other than the Parties hereto and their assigns any legal or equitable rights hereunder; *provided* that, if for any reason any Leasehold Mortgagee is deemed not to be a direct beneficiary hereof, such Leasehold Mortgagee shall be a third-party beneficiary for the purposes of exercising its respective rights under Section 10.5.

(b) Any Airline that becomes a Signatory Airline by executing an Airport Use Agreement with the Lessee after the Closing shall, without any further action, be considered a "Signatory Airline" for all purposes under this Agreement and for those purposes identified under the Implementation Agreement.

Section 12.18. Counterparts. This Agreement may be executed in one or more counterparts.

*** * * Signature Pages Follow * * ***

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

[LESSEE]

By: _____

Name: _____

Title: _____

Address for Notice:

_____

_____

_____

_____

Agent for Service of Process:

_____

[AIRLINE]

By: _____

Name: _____

Title: _____

Address for Notice:

_____

_____

_____

_____

Agent for Service of Process:

_____

[AUTHORITY]

By: _____

Name: _____

Title: _____

Address for Notice:

_____

_____

_____

_____

Agent for Service of Process:

_____

SCHEDULE A

OPERATING STANDARDS

[*See Attached*]

EXECUTION COPY

SCHEDULE A–OPERATING STANDARDS
Luis Muñoz Marín International Airport

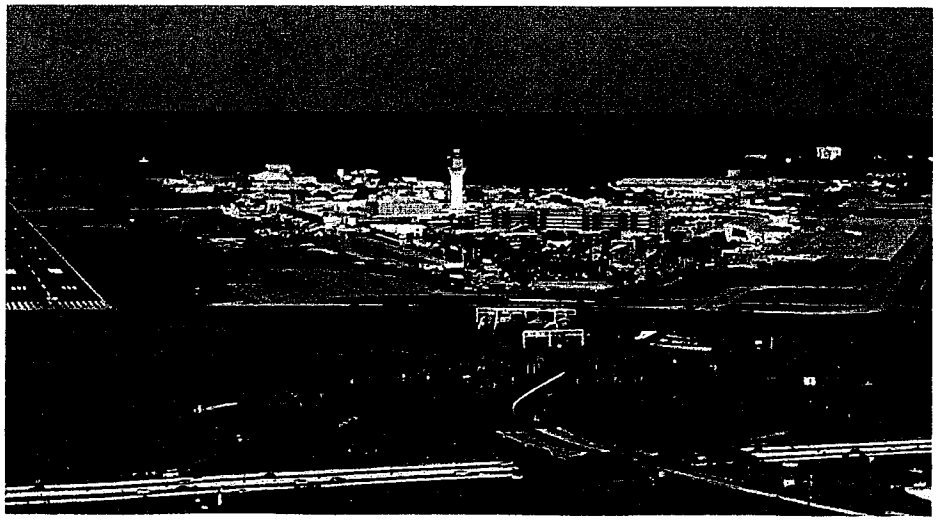
Prepared for

Puerto Rico Ports Authority and
Puerto Rico Public-Private Partnerships Authority
San Juan, Puerto Rico

July 24, 2012

PORTS AUTHORITY
COMMONWEALTH OF PUERTO RICO

PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY



700620345

EXECUTION COPY

SCHEDULE A–OPERATING STANDARDS

Luis Muñoz Marín International Airport

Prepared for

Puerto Rico Ports Authority and
Puerto Rico Public-Private Partnerships Authority
San Juan, Puerto Rico

July 24, 2012

CONTENTS

Page

SECTION 1 INTRODUCTION AND BACKGROUND 1

1.1 Purpose of the Operating Standards 1
1.2 Operating Standards Overview 1
1.2.1 Objectives 2
1.2.2 Organizational Structure of this Document 2
1.2.3 Airport Certification Manual and Airport Emergency Plan 4
1.2.4 Coordination with Other Agencies 4
1.2.5 Required Reports 4
1.3 Operating Standards Subject to Lease Agreement and Airport Use Agreement 5
1.4 Relationship to Documents Required by Law 5
1.5 Applicable Law 6
1.6 Plan Submission and Revisions; Compliance with Best Industry Practices 6

SECTION 2 FACILITIES STANDARDS PLAN 8

2.1 Background 8
2.2 Regulatory Compliance 8
2.3 Existing Plans 8
2.4 Requirements of the Plan 8
2.4.1 Objectives of FSP 9
2.4.2 Essential Staffing 9
2.4.3 Stakeholders 9
2.4.4 Scope of Plan 9
2.4.5 Performance Schedule 18
2.4.6 Reporting Requirements 18

SECTION 3 AIRFIELD OPERATING STANDARDS PLAN 20

3.1 Background 20
3.2 Regulatory Compliance 20
3.3 Existing Plans 20
3.4 Requirements of the Plan 20
3.4.1 Objectives of AOSP 21
3.4.2 Essential Staffing 21
3.4.3 Stakeholders 21

3.4.4 Scope of Plan 21
3.4.5 Performance Schedule 27
3.4.6 Reporting Requirements 27

SECTION 4 CAPITAL ASSET MANAGEMENT PLAN 29

4.1 Background 29
4.2 Regulatory Compliance 29
4.3 Existing Plans 29
4.4 Requirements of the Plan 29
4.4.1 Objectives of CAMP 29
4.4.2 Essential Staffing 30
4.4.3 Stakeholders 30
4.4.4 Scope of Plan 30
4.4.5 Performance Schedule 31
4.4.6 Reporting Requirements 31
4.4.7 Retention of Engineering Firm for the FCA 36

SECTION 5 ENVIRONMENTAL SUSTAINABILITY PLAN 37

5.1 Background 37
5.2 Regulatory Compliance 37
5.3 Existing Plans 37
5.4 Requirements of the Plan 37
5.4.1 Objectives of ESP 37
5.4.2 Essential Staffing 38
5.4.3 Stakeholders 38
5.4.4 Scope of Plan 38
5.4.5 Performance Schedule 40
5.4.6 Reporting Requirements 40

SECTION 6 SAFETY PLAN 41

6.1 Background 41
6.2 Regulatory Compliance 41
6.3 Existing Plans 41
6.4 Requirements of the Plan 41
6.4.1 Objectives of the Safety Plan 41
6.4.2 Essential Staffing 42
6.4.3 Stakeholders 42
6.4.4 Scope of plan 42
6.4.5 Performance Schedule 45
6.4.6 Reporting Requirements 46

SECTION 7 WILDLIFE HAZARD MANAGEMENT PLAN 47

7.1 Background 47
7.2 Regulatory Compliance 47
7.3 Existing Plans 47
7.4 Requirements of the Plan 47
7.4.1 Objectives of WHMP 48
7.4.2 Essential Staffing 48
7.4.3 Stakeholders 48
7.4.4 Scope of Plan 48
7.4.5 Performance Schedule 49
7.4.6 Reporting Requirements 49

SECTION 8 AIRPORT SECURITY PROGRAM 50

8.1 Background 50
8.2 Regulatory Compliance 50
8.3 Existing Plans 51
8.4 Requirements of the Plan 51
8.4.1 Objectives of ASP 51
8.4.2 Essential Staffing 51
8.4.3 Stakeholders 51
8.4.4 Scope of Plan 51
8.4.5 Performance Schedule 54
8.4.6 Reporting Requirements 54

SECTION 9 AIRPORT EMERGENCY PLAN 56

9.1 Background 56
9.2 Regulatory Compliance 56
9.3 Existing Plans 56
9.4 Requirements of the Plan 57
9.5 Objectives of the AEP 57
9.6 Essential Staffing 57
9.7 Stakeholders 59
9.8 Scope of Plan 59
9.8.1 General Information 59
9.8.2 Basic Plan 59
9.8.3 Functional Annex Requirements 60
9.8.4 Hazard Specific Annex Requirements 62
9.8.5 SOPs and Checklists 63
9.8.6 Performance Schedule 63
9.8.7 Reporting Requirements 63

SECTION 10 CUSTOMER SERVICE PLAN 64

10.1 Background 64
10.2 Regulatory Compliance 64
10.3 Community Relations Programs 64
10.3.1 Artwork 64
10.3.2 Chapel 65
10.3.3 Tourism 65
10.4 Existing Plans 65
10.5 Requirements of the Plan 65
10.5.1 Objectives of CSP 65
10.5.2 Essential Staffing 65
10.5.3 Stakeholders 66
10.5.4 Scope of Plan 66
10.5.5 Performance Schedule 68
10.5.6 Reporting Requirements 68

APPENDIX A AIRPORT CERTIFICATION MANUAL 69

APPENDIX B AIRPORT EMERGENCY PLAN 70

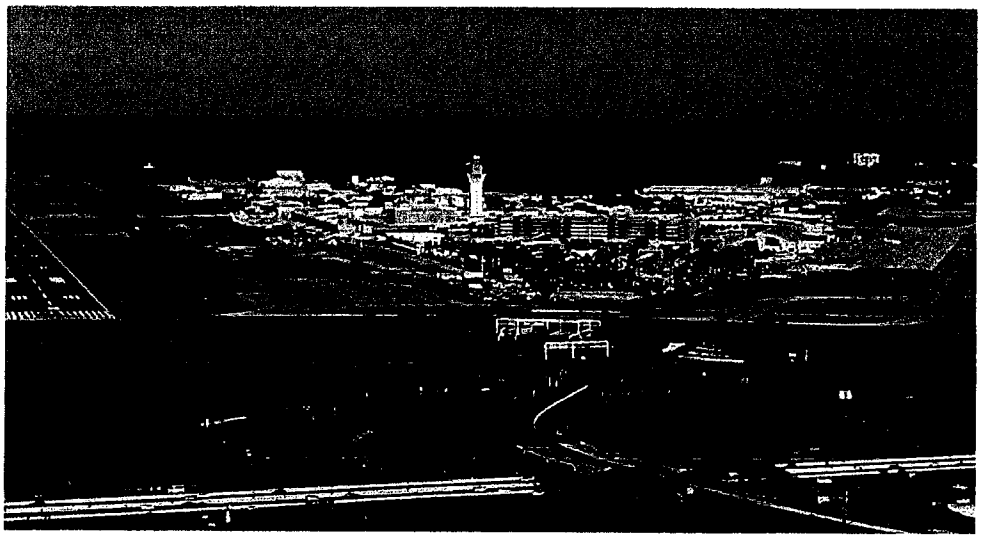
APPENDIX C AVAILABLE GUIDANCE AND STANDARDS 71

APPENDIX D FORM OF OPERATIONAL PERFORMANCE METRICS REPORT: 1

Section 1

INTRODUCTION AND BACKGROUND

This section of the Operating Standards describes the purpose of the Operating Standards, its approval mechanism, and an overview of the document's organizational structure.



1.1 PURPOSE OF THE OPERATING STANDARDS

The purpose of this document is to provide the minimum requirements the Lessee shall meet for the benefit of the Commonwealth of Puerto Rico, the Puerto Rico Ports Authority (the Authority), and the Airlines in the operation and maintenance of the Airport, how the achievement of those minimum standards will be determined, and the process for remedying any deficiencies of performance. As indicated in Section 3.4 of the Airport Use Agreement, this document:

> *[S]hall include requirements of safety, security, airfield operations, maintenance, ground access and other matters necessary and appropriate to assure that all aspects of the Airport are operated at the highest levels…The Lessee shall have in place procedures that are reasonably designed to achieve compliance with the Operating Standards.*

1.2 OPERATING STANDARDS OVERVIEW

This document provides guidance as to the development of an Operations Plan that will ensure that minimum operating standards are met or exceeded, ensuring the safe and continuous operation of the Airport.

1.2.1 Objectives

The Airport must be operated and maintained such that it meets or exceeds certain minimum standards. The Lessee shall comply with reasonable performance measures that are both quantitative and qualitative in nature, unless and except to the extent that acts or omissions of an Airline, the Authority, a Governmental Authority or a Force Majeure Event impede or prevent the Lessee from so complying. The Operating Standards shall be construed flexibly in light of their objectives. The quantitative measurements are based on operating statistics and physical inventories, while the qualitative measurements are based on user perceptions and expectations.

- Quantitative measurements will be collected and assessed by tracking a variety of airport operating and physical statistics.
- Qualitative measurements will be collected through surveys of airport users, visual observations, and by reporting procedures established by the Authority and the Lessee.

The performance measures identified in this report are separated into several categories intended to capture various aspects of the Airport's operating performance. They include trend data on air traffic demand and physical airport facilities, statistical performance metrics, quality of service measures, condition of airport facilities, regulatory compliance, community relations, and others. The Lessee is expected to collect all relevant data and to demonstrate compliance with all standards identified in this manual.

1.2.2 Organizational Structure of this Document

This document, coupled with the Airport Certification Manual (ACM) and Airport Emergency Plan (AEP), provides the Lessee with the minimum operating standards for the development and implementation of an Operations Plan for the Airport.

The Operations Plan must include specifications for the operation of all Airport facilities and systems, as well as reporting requirements for the same. The Operations Plan must address each of the following functional components of the Airport, as follows:

- Facilities Standards Plan (Section 2)
- Airfield Operating Standards Plan (Section 3)
- Capital Asset Management Plan (Section 4)
- Environmental Sustainability Plan (Section 5)
- Safety Plan and Safety Management Systems Plan (Section 6)

- Wildlife Hazard Management Plan (Section 7)
- Airport Security Program (Section 8)
- Airport Emergency Management Plan (Section 9)
- Customer Service Plan (Section 10)

This document also includes four appendices as follows:

- Airport Certification Manual (Appendix A)
- Airport Emergency Plan (Appendix B)
- Available Guidance and Standards (Appendix C)
- Form of Operational Performance Metrics Report (Appendix D)

Each individual component of the Operations Plan must address the following set of requirements:

- Objective of the plan – a straightforward statement of the objective of the plan
- Essential staffing – minimum staffing levels required and identification of key personnel, roles and responsibilities
- Stakeholder coordination – identification of the affected stakeholders and the Lessee's coordination plan
- Scope of plan – identification of the physical facilities or operating procedures that are covered by the plan and the efforts involved in executing the plan
- Performance schedule – the frequency/schedule for which various tasks must be executed for the requisite operation or procedure
- Reporting requirements – the scope of reporting and auditing that is required to ensure the plan requirements are being met or exceeded, as well as the specifications and methods for reporting.

Accordingly, this document provides an individual section including guidance as to the minimum requirements that must be addressed for each of these functional areas within the Operations Plan that the Lessee must develop.

1.2.3 Airport Certification Manual and Airport Emergency Plan

As a Part 139 certificated airport, the Airport has an approved Airport Certification Manual (ACM) in place. In addition, the Airport has an approved Airport Emergency Plan (AEP), as required by Part 139. The Lessee will maintain the Airport in compliance with Federal Aviation Regulation Part 139, the ACM, and the AEP. The Operations Plan, at a minimum, shall define the procedures that the Lessee should execute to meet the requirements of the ACM and AEP.

As a condition of Closing under the Lease Agreement, the FAA shall have approved the ACM and AEP, which shall apply to the Airport as of the Time of Closing and shall replace the existing Appendix A and Appendix B (it being understood that such appendices shall continue to be updated as revised documents are approved during the Term).

1.2.4 Coordination with Other Agencies

At a minimum, the Lessee must coordinate as appropriate with the following entities:

- Puerto Rico Ports Authority (the Authority)
- Federal Aviation Administration (FAA)
- Transportation Security Administration (TSA)
- Airport Security Coordinator (ASC)
- Customs and Border Protection (CBP)
- Passenger and cargo airlines
- General aviation tenants
- Airport concessionaires
- Other ancillary supporting third party companies
- United States Environmental Protection Agency (USEPA)
- United States Department of Agriculture (USDA)
- Local law enforcement

1.2.5 Required Reports

This document requires a number of reports to be generated on a regular basis. An Lessee Annual Report shall summarize the findings of each of the reports with the exception of the Security Assessment Report. The Lessee Annual Report will

summarize year over year traffic numbers, safety incidents, projects or other improvements undertaken or completed throughout the year, and the capital improvement program. The individual reports that comprise part of the Lessee Annual Report include:

- Operational Performance Report (see Section 2)
- Facilities Conditions Assessment (see Section 4)
- Air Traffic Summary (see Section 4)
- Capital Improvement Program (see Section 4)
- Sustainability Report (see Section 5)
- Safety Assessment Report (see Section 6)
- Emergency Report, if applicable, (see Section 9)
- Level of Service Report (see Section 10)

The Airport Lessee shall also prepare a Security Assessment Report; however, this need not be summarized in the Annual Report. In addition, the Sustainability Report, Safety Assessment Report, Emergency Report, and Level of Service Report need not be stand-alone documents. These can be produced as sections of the Lessee Annual Report. Outlines for each of these reports are provided in Appendix D.

1.3 OPERATING STANDARDS SUBJECT TO LEASE AGREEMENT AND AIRPORT USE AGREEMENT

The interpretation of these Operating Standards and the Airport Lessee's compliance with these Operating Standards (including any goals contained herein and any provisions where objective performance is described in absolute terms (i.e., "all", "every", "in all instances", "completely", etc.)) shall be subject to the provisions set forth in Section 6.1 of the Lease Agreement and Section 3.4 of the Airport Use Agreement. Furthermore the Operating Standards shall be subject to Section 8.5 of the Airport Use Agreement.

1.4 RELATIONSHIP TO DOCUMENTS REQUIRED BY LAW

To the extent the Lessee's compliance with any provision of these Operating Standards can be demonstrated by reference to any other document required by Law to be maintained by the Lessee, such as the Airport Certification Manual, the Airport Emergency Plan or the TSA-approved Airport Security Program, the Lessee's compliance with the relevant provisions of these Operating Standards may be demonstrated by cross-referencing any other such documents and providing such documents to the Authority and each of the Signatory Airlines, to the extent

permitted by applicable law, and provided further that neither the Airlines nor the Authority object to the process of cross-referencing and providing such documents to the Authority and Signatory Airlines.

To the extent that any term or provision of these Operating Standards conflicts with any term or provision otherwise specified in the Federal Aviation Regulations ("FARs"), FAA Orders, directives, Advisory Circulars, and other FAA guidance and the Airport Certification Manual (including any subsequently-issued amendments thereto as issued by the FAA or the TSA-approved Airport Security Program (including any subsequently issued requirements thereunder as issued by the TSA)), then such term or provision of the Operating Standards shall be construed flexibility in light of their objectives, and the Airport Certification Manual, the TSA-approved Airport Security Program, FARs, FAA Orders, directives, and mandatory FAA Advisory Circulars as applicable, shall govern and shall supersede any such conflicting term or provision of these Operating Standards.

Lessee's obligation to comply with the FAA's guidance or Advisory Circulars extends only to FAA guidance and Advisory Circulars for which the FAA has made compliance mandatory on airport operators. To the extent that any FAA guidance or Advisory Circular is not mandatory, the Lessee is not obligated to comply with it (by virtue of such FAA guidance or Advisory Circular), but may do so in its discretion.

To the extent that these Operating Standards refer to any particular law, regulation, ordinance, order, directive, FAA guidance or Advisory Circular, the reference is to the then-current version of the same, as it may have been amended, revised, replaced or succeeded from time to time.

1.5 APPLICABLE LAW

The provisions of the Operating Standards and of the Operations Plan established under them shall comply with all applicable laws, rules, regulations, ordinances, orders and directives. For convenience, these are referred to as "Legal Requirements" throughout this document.

1.6 PLAN SUBMISSION AND REVISIONS; COMPLIANCE WITH BEST INDUSTRY PRACTICES

The Operations Plan, each of its component sections and any modifications thereto must comply in all material aspects with best industry practices in effect at Comparable Public Airports and shall be developed by the Lessee in consultation with the Authority and the Signatory Airlines. The Operations Plan and each of its component sections shall be revised at such times as described herein; *provided however*, that (i) the initial Capital Asset Management Plan shall be submitted by the Lessee for approval to the Authority in accordance with Section 4.1, (ii) revisions to

the Capital Asset Management Plan shall be submitted by the Lessee annually for approval to the Authority in accordance with Section 4.4.5 and (iii) any payments for capital improvements by the Airlines shall be subject to Section 6.3 of the Airport Use Agreement.

Contemporaneously with the submission of the Lessee Annual Report, the Lessee shall submit any proposed modification to the Operating Standards to the Authority and the Airlines. Any changes to the Operating Standards and these documents are subject to the requisite approvals (if any) required under the Use Agreement and the Lease Agreement.

The Lessee is responsible for becoming familiar with future standards and regulations that may be applicable during the term of the concession, including best practices that apply to the design, operation, upkeep, and maintenance of the Airport. The Operations Plan, each of its component sections and any modifications thereto must comply in all material aspects with best industry practices in effect at Comparable Public Airports.

1.7 GENERAL STAFFING REQUIREMENTS

The staff levels required shall be determined by the needs of the Lessee to fulfill its maintenance, operation, and contractual obligations as well as statutory and regulatory requirements under the Use Agreement, applicable Law, the Operating Standards and the Operating Plan then in effect. The Lessee must also comply with the staffing and training requirements set forth in CFR Part 139.

The Airport is a 24-hours-per-day, 365-days-per-year operation. For this reason, the Lessee shall recognize the need to have variable work shifts, employees, supervisors, and personnel so as to maintain constant operations consistent with the levels of operations at the Airport at such times (with the understanding that the Lessee may make reasonable judgments as to when increased or decreased staffing levels are appropriate). The Lessee shall create work shifts that ensure the continual operation of the Airport. Staff requirements shall be based upon the actual and anticipated needs of the Airport.

Section 2

FACILITIES STANDARDS PLAN

2.1 BACKGROUND

The Facilities Standards Plan (FSP) shall provide assurance to the Authority and the airlines that the Lessee is executing appropriate and timely actions that maintain the safe and continuous operation of the Airport. The FSP shall be developed and executed by the Lessee, and submitted to the Authority for approval. The FSP shall address both the *operation* and *maintenance* of all airport facilities except for those located on the airfield.

2.2 REGULATORY COMPLIANCE

The FSP shall identify and comply with all Legal Requirements. The Lessee must ensure that employees and representatives responsible for the operation of airport facilities comply with the provisions of the FSP and all Legal Requirements.

Title 14 Code of Federal Regulations, Parts 139.307, 139.327, 139.333, 139.339, and 139.343 prescribe the specific issues that a FSP must address. The Lessee shall ensure that its employees and representatives conducting airport maintenance procedures on its behalf comply with the provisions of the FSP and all Legal Requirements.

Appendix C contains a list of standards and regulations with which the Lessee must comply, at a minimum. The list is not intended to include all applicable standards and regulations – it is the responsibility of the Lessee to identify and comply with all existing standards and regulations as well as future best practices applicable to airport operations.

2.3 EXISTING PLANS

The Lessee shall utilize any available existing plans and descriptions of Airport facilities, systems, and procedures provided to it in the development of the FSP. The Lessee shall ensure that the FSP complies with the relevant standards within the ACM and AEP which, in addition to the requirements described herein, shall be considered minimum standards. The FSP shall also be developed in a manner consistent with the LMM Rules and Regulations, Resolution 82-13, dated October 21, 1982.

2.4 REQUIREMENTS OF THE PLAN

The FSP shall identify the plan's objectives, essential staffing, stakeholders, scope, performance schedule, and reporting requirements as described below.

2.4.1 Objectives of FSP

The objective of the facilities section of the Operations Plan is to establish policies and procedures to ensure the organized, efficient, continuous, and safe *operation* of all Airport facilities and associated systems. The FSP shall also define the responsibilities, procedures, minimum requirements, and best practices for the *maintenance* of all major Airport facilities and systems. The maintenance section of the Operations Plan should also provide guidance regarding the training of essential staff responsible for the maintenance of critical facilities.

2.4.2 Essential Staffing

An organizational chart shall be included in the FSP which identifies the essential staff responsible for each of the facilities covered under the FSP. The organizational chart should identify the titles, roles, and duties for each of the individuals responsible for the operation and administration of the various facilities.

The organizational chart shall be supplemented by a summary of the levels of staffing that would be provided for each of the facilities operations. The levels of staffing shall be identified for each season of operation, as the requirements should vary throughout the year in accordance with the work effort.

Current contact information shall be included for each essential staff member.

2.4.3 Stakeholders

The FSP shall identify all stakeholders (both public and private) that may be affected by the performance of the FSP and define any necessary applicable coordination with individual stakeholders. Stakeholders would include, but not be limited to: FAA, TSA, CBP, local law enforcement, ASC, airline tenants, general aviation tenants, third party landlords and their tenants, and other entities that operate on the Airport.

2.4.4 Scope of Plan

The FSP shall identify and address the operation and maintenance of all current and planned Airport facilities. This plan shall address all facilities besides those within the aircraft movement area on the airfield. The facilities that must be addressed within the FSP include the following primary Airport functional areas:

- Access roadway system, terminal curb front, and all on-Airport roadways;
- Vehicle parking facilities;
- Transportation parking and storage facilities
- Passenger terminals and concourses;

- Other on-Airport facilities (cargo buildings and facilities, maintenance buildings, central utility plant, law enforcement facilities, fueling facilities, and other on-Airport buildings).

The Plan must address Performance standards for operations, including quantitative and qualitative standards for performance and methods for remediation of sub-standard performance. The Lessee shall, a minimum, include the relevant standards for performance and descriptions of facilities, systems and activities contained in Appendix D (Form of Operational Performance Metrics Report) as requirements under this section.

Note that airfield facilities, systems, and procedures shall be addressed by the Lessee within the Airfield Operations Plan component of the Operations Plan (see Section 3). Operations of all other facilities on the Airport and their respective systems, components, and procedures shall be defined within the FSP.

Given the Airport is operational on a 24 hour basis throughout the entire year, the Lessee must define the management and operation of all major facilities such that planned and unforeseen interruption of normal operations is minimized to the maximum extent possible.

The FSP must also document:

- The inventory of all major facilities and systems, including identification of the type of facility (e.g. office space, aircraft hangar, et cetera);
- The staff (or third party) dedicated to the operation of each major facility and system;
- The staff (or third party) dedicated to the maintenance of each major facility and system;
- The routine maintenance program for all major facilities and systems, thereby ensuring the condition of said facilities will permit the continuous operation of the Airport;
- The schedule for major maintenance as an input to the Capital Asset Management Plan.

Operation and Maintenance of Facilities

The Lessee shall provide descriptions of the procedures required for the operation and maintenance of each Airport facility and system. At a minimum, the FSP shall include the following for each facility:

- An exhibit of the location and key functional components of the facility;

- A brief narrative description of the facility and its components;
- The immediate-, near-, and long-term needs of the facility in terms of its capital requirements;
- The minimal and optimal resources required to operate the facility in terms of staffing and equipment;
- The identification of the essential staff that is responsible for the supervision and organization of the facility;
- The routine maintenance plan for the facility in accordance with manufacturers' preventive maintenance requirements, where applicable (e.g. passenger loading bridges).

For routine operation and maintenance activities, the Lessee may, from time to time, temporarily or permanently close roadways, doorways, and other areas at the Airport including within the passenger terminal buildings; *provided* that, if time permits, the Signatory Airlines shall be consulted with regard to such closings in order to minimize the disruption of services being provided.

The following procedures and facilities shall also be addressed within the FSP. The performance standards included in Appendix D (Form of Operational Performance Metrics Report) shall be included in the development of the FSP.

- Custodial procedures - define the duties of each type of staff member (or third party entity), including the frequency of each duty and the areas for which each party is responsible.
- Airport concessions - subject to existing contracts as of the Closing, develop, in consultation with the Authority and the Airlines, an appropriate concessions program that includes national and local brands and a diverse selection of products and services. The concessions program shall offer a variety of products and services and quality, and shall incorporate the surveying of Airport users for ongoing evaluation of the program. The concessions program shall also provide for an appropriate allocation of pre-security and post-security concessions based on available operational data, facility space and facility constraints.
- General terminal operations - define the duties of Lessee personnel responsible for operation of the systems supporting the ticketing lobby, departure holdrooms, public circulation areas, baggage claim, and restrooms. The delineation of duties of the Lessee staff versus tenant staff should be clearly defined in tenant leases.
- Terminal Facility Utilization, including gate scheduling procedures, is described separately in Schedule F of the Airport Use Agreement.

- Cargo facility utilization including the primary hours of operation, automobile, truck, and aircraft parking requirements.

- Airport parking and ground transportation – provide the appropriate share of hourly, short-term, and long-term parking to accommodate demand.

- Ground transportation facility utilization – taxi, bus, and rental car facilities.

- General administration – the Lessee shall provide an organizational chart of the staff responsible for administration and operation of the Airport. Further, the Lessee should identify which, if any, Airport operations may be performed or handled by third party vendors, including but not limited to: custodial services, professional consulting services, and other general Airport support services.

- Landscaping and aesthetic goals. The Lessee shall prepare and submit to the Authority for approval a landscaping plan for the entire Airport campus. The landscaping plan should indicate areas for future landscape improvements, including the public entrance to the Airport and other areas of high visibility to the traveling public. The landscaping plan should address specific objectives, one of which would be to improve the overall aesthetics of the Airport campus from its existing condition. Specifically, the landscaping plan shall provide detail including minimum standards for landscaping of all facilities, landscaping maintenance plans for existing and proposed facilities, materials to be used, erosion control measures, landscape buffers, et cetera. The landscaping plan shall require that all proposed facilities include a provision of landscaping to reflect aesthetic values consistent with the objectives set forth in the landscaping plan. In addition, any facility that undergoes redevelopment or rehabilitation shall also be subject to the landscaping plan's minimum standards.

Operation and Maintenance of Systems

The Lessee shall provide descriptions of the various systems required for the operation of each Airport facility. At a minimum, the FSP shall include a description of the following systems for each facility, as appropriate:

- Mechanical, electrical and plumbing;

- Communications and information technology;

- Life safety systems (e.g. emergency communications, fire protection, security, backup systems);

- Civil engineering systems, including pavement drainage, traffic signals, pavement maintenance standards;

- Architectural systems (e.g. signage and way finding, structural);
- Public and private utility corridors, including sewer and water systems;
- Landscape systems (e.g. drainage, landscaping, and erosion control). The Lessee shall require erosion control measures that will be used during construction to minimize sediment run-off from the site. Proactive mitigation measures will be defined as part of the landscaping plan.

With regard to landscaping, the Lessee must maintain a log of the specific materials used (i.e. mulch, fertilizer) and their rate of application. All plants used shall be nursery grown. Prior to any excavation for landscaping (i.e. tree stump removal), the Lessee shall ascertain the locations of all underground structures and utilities and require that the personnel take precautions so as not to damage the infrastructure. Further, the Lessee shall specify the procedures to be followed in the event that utility infrastructure or other obstructions are encountered during excavation.

The maintenance plan for each of the systems shall also be addressed by this plan. Table 2-1 lists the basic functional areas of the Airport that the maintenance plan must address. The maintenance plan shall address scheduled preventive maintenance.

Table 2-1
FACILITIES MAINTENANCE PLAN FUNCTIONAL AREAS

Functional Area	Major Facilities and Systems
Passenger terminal and concourses	Architectural elements and systems
	Signage (both internal and external)
	Flooring
	Roof
	Landscaping and trash removal
	Environmental
	Civil and structural systems (including apron, vehicle parking lot, terminal curbfront, access roadway pavements)
	Mechanical systems, including HVAC
	Electrical systems, including controls and other automated systems, including emergency lighting and electrical systems
	Plumbing systems
	Life safety, fire protection and other emergency systems
	Passenger conveyance systems (including transport carts, escalators, elevators, and moving walkways)
	Passenger loading bridges
	Utility systems
	Communications systems
	Security systems
	Ground power systems for aircraft
	Preconditioned air systems for aircraft
	Potable water for aircraft

Functional Area	Major Facilities and Systems
On-Airport utility plant	Environmental
	Structural systems
	Mechanical systems
	Electrical systems, including controls and other automated systems
	Plumbing systems
	Life safety, fire protection and other emergency systems
	Utility systems
	Communications systems
Landside, roadway, and parking facilities	Ground access elements
	Utility systems
	Stormwater sewer systems
	On-Airport pavement, roads, and parking lots
	Landscaping and trash removal
	Commercial vehicle staging areas
	Cell phone lots
	Roadway signage
	Communications systems
	Bridges and structures
	Roadway and parking facility lighting
	Public and employee parking, public and employee on-airport transportation

Functional Area	Major Facilities and Systems
Other on-Airport facilities	Ground access elements
	Aircraft and vehicle fueling systems and associated storage facilities
	Cargo facilities, buildings, and aircraft parking apron
	Pavement
	Landscaping
	Architectural elements and systems
	Structural systems
	Mechanical systems
	Electrical systems, including controls and other automated systems
	Plumbing systems
	Life safety, fire protection and other emergency systems
	Passenger conveyance systems (including transport carts, escalators, elevators, and moving walkways)
	Utility systems
	Triturators
	Communications systems
	Security systems

Additional Detail on Critical Systems

The continuous operation of the Airport requires that certain critical systems must have detailed plans for their operational integrity. Chief among these systems are the life safety systems. Additional detail regarding the life safety systems standards is provided in this section.

With regard to life safety systems, the FSP must address the following individual components:

- Emergency communications, including the emergency intercom, telephones, radios, and other mobile communication devices;
- Fire protection and suppression, including: sprinkler systems; heat, smoke, and carbon dioxide detectors; and fire alarms;
- First response medical stations, including: first aid supplies and personnel; and automated external defibrillators;
- Security systems (also addressed within the Security Plan section of the Operations Plan), including: Airport and airfield access control and fencing; passenger security screening; video surveillance, emergency personnel identification, and random security procedures.

For each of the above, the FSP shall indicate: the operational procedures and policies that would be routinely executed to ensure that these systems are capable of operating without interruption, tested regularly for functionality and proper performance; and upgraded or improved as necessary.

With regard to the energy distribution systems, the FSP must address the procedures and policies employed by the Lessee to ensure that the energy distribution systems remain fully operational at all times.

The Plan must also address the Lessee's plan for enhancing reliability, providing redundancy in depth, arranging for backup equipment, staff, power, and others and any other action required in order to safeguard continuous operations. The FSP must address the following individual components:

- Electrical supply, including emergency lighting, backup generators.
- Mechanical systems, including: (i) heating, ventilation, and air conditioning (HVAC) systems; and (ii) plumbing systems.
- Computer systems necessary for routine operations, including appropriate redundancy, data back-up procedures, and power supply backups.

As with the life safety systems, these systems should be routinely tested for functionality and proper performance, and upgraded or improved as necessary.

2.4.5 Performance Schedule

From time to time the FSP section of the Operations Plan shall be revised by the Lessee to reflect a good faith effort to update the FSP as appropriate to maintain an accurate assessment of current Airport facilities.

2.4.6 Reporting Requirements

The Lessee shall report on the performance of various facilities on an annual basis in the form of an Operational Performance Report (OPR). The Lessee shall report on the quantifiable performance measures contained in the Form of Operational Performance Metrics Report, attached as Appendix D.

Passenger terminal facilities shall be evaluated in terms of:

- Area per passenger for certain functions (departure holdrooms, security queue);
- Passenger wait times (security screening, baggage retrieval, ticketing lobby);
- Passengers within the peak hour in the average day of the peak month;
- Target level of service and actual level of service.

The International Air Transport Association (IATA) defines levels of service for various facilities in their *Airport Development Reference Manual*, 9th edition, dated January 2004. The levels of service A through F are defined as follows:

- A — An Excellent level of service. Conditions of free flow, no delays and excellent levels of comfort.
- B — High level of service. Conditions of stable flow, very few delays and high levels of comfort.
- C — Good level of service. Conditions of stable flow, acceptable delays and good levels of comfort.
- D — Adequate level of service. Conditions of unstable flow, acceptable delays for short periods of time and adequate levels of comfort.
- E — Inadequate level of service. Conditions of unstable flow, unacceptable delays and inadequate levels of comfort.

- F – Unacceptable level of service. Conditions of cross-flows, system breakdowns and unacceptable delays; and unacceptable levels of comfort.

For those areas where the level of service can be quantified, the Lessee shall provide a level of service consistent with IATA level of service C or better. Some of the facilities or measures that can be quantified include: ticketing lobby check-in queue; walking distances; circulation areas; passport control; departure holdrooms; baggage claim; terminal curb front; and airport access roads.

Airport parking facilities shall be evaluated in terms of:

- Average day of the peak month occupancy of short-term, long-term and other parking facilities;
- Peak hour occupancy of short-term parking facilities;
- Holiday occupancy of short-term, long-term and other parking facilities (for ultimate spatial requirements).

The OPR shall also provide:

- Comparison of past performance to current performance;
- Comparison of current performance to established minimum standards;
- Recommendations on how to resolve deficiencies or service level concerns
- Documentation of operational or procedural changes made to improve performance of various facilities.
- Recommendations as to those facilities that require capital improvements to expand, modernize or otherwise reconfigure the facility for improved efficiency.

The OPR will be used in concert with the Facilities Conditions Assessment (FCA) as described in Section 4 to develop the Capital Improvement Program. An outline for the OPR is provided in Appendix D.

Section 3

AIRFIELD OPERATING STANDARDS PLAN

3.1 BACKGROUND

The Airfield Operating Standards Plan (AOSP) provides guidance for the management of airfield facilities and systems operations in a manner that minimizes deterioration and unforeseen breakdowns of the facilities or the activities necessary for safe and uninterrupted operation of the facilities. The AOSP shall address both the *operation* and *maintenance* of all airfield facilities and systems.

3.2 REGULATORY COMPLIANCE

The Lessee is responsible for identifying and complying with all existing Legal Requirements as well as future best practices applicable to the AOSP. The Lessee must ensure that employees and representatives responsible for the operation of airfield facilities and system operations comply with the provisions of the AOSP and all Legal Requirements.

Appendix C contains a list of standards and regulations with which the Lessee shall comply, at a minimum. The list is not intended to include all applicable standards and regulations – it is the responsibility of the Lessee to identify and comply with all existing standards and regulations as well as future best practices applicable to airport operations.

3.3 EXISTING PLANS

Guidance presented in this section is not intended to replace measures identified in any existing airfield operating or maintenance plans currently in-force at the Airport. The Lessee shall utilize any available existing plans and descriptions of Airport facilities, systems, and procedures provided to it in the development of the AOSP. The Lessee must ensure that the AOSP complies with the relevant standards within ACM and AEP which, in addition to the requirements described herein, shall be considered minimum standards.

3.4 REQUIREMENTS OF THE PLAN

The AOSP is intended to address the Lessee's efforts to manage its airfield facilities operations, and must reflect the need for maintenance; advance planning for upgrading or replacement of systems; positioning and maintaining backup or auxiliary equipment; performing timely replacements of unreliable equipment; and anticipating staffing needs to support facilities operations in order that the facilities will continually support all airfield operations. The AOSP shall also be developed in

a manner consistent with the LMM Rules and Regulations, Resolution 82-13, dated October 21, 1982.

3.4.1 Objectives of AOSP

The objective of the AOSP is to ensure that the Lessee establishes and implements predetermined processes and procedures in order to sustain the safe and continuous operation of the airfield and associated facilities at the Airport.

3.4.2 Essential Staffing

An organizational chart shall be included in the AOSP which identifies the essential staff responsible for each of the facilities covered under the AOSP. The organizational chart shall identify the titles, roles, and duties for each of the individuals responsible for the operation and administration of the various airfield facilities.

The organizational chart shall be supplemented by a summary of the levels of staffing that would be provided for each of the facilities operations. The levels of staffing shall be identified for each season of operation, as the requirements should vary throughout the year in accordance with the work effort.

Current contact information should be included for each essential staff member.

3.4.3 Stakeholders

The AOSP shall identify all stakeholders (both public and private) that may be affected by the performance of the AOSP and define any necessary applicable coordination with individual stakeholders. Stakeholders would include, but not be limited to: FAA, TSA, ASC, local law enforcement, Puerto Rico Air National Guard, airline tenants, general aviation tenants, local utility companies, and other entities that operate on the airfield.

3.4.4 Scope of Plan

This AOSP is intended to address the Lessee's efforts to manage its facilities operations and must reflect the need for maintenance; advance planning for upgrading or replacement of systems; positioning and maintaining backup or auxiliary equipment; performing timely replacements of unreliable equipment; and anticipating staffing needs to support facilities operations to ensure that the facilities will continually support all airfield operations.

The Lessee shall, at a minimum, include the relevant standards for performance and descriptions of facilities, systems and activities contained in Appendix D (Form of Operational Performance Metrics Report) under this section.

For the avoidance of doubt, the Operating Standards shall apply to ramp areas used by Cargo operators, whether or not such areas are leased to third parties.

Identification of Airfield Facilities

The AOSP shall identify and address the operation of all current and future airfield facilities as well as all facilities constructed in the future by using the identifications established in the Facilities Conditions Assessment (FCA) as specified in the Capital Asset Management Plan.

Operations and Maintenance of Airfield Facilities

The Lessee shall provide a detailed description of the activities occurring in and systems required for the operation of each airfield facility. The Lessee shall, at a minimum, include a description of the following for each facility:

- An exhibit of the location and key functional components of the facility;
- A brief narrative description of the facility and its components;
- The immediate-, near-, and long-term needs of the facility in terms of its capital requirements;
- The minimal and optimal resources required to operate the facility in terms of staffing and equipment;
- The identification of the essential staff or parties that are responsible for the supervision, organization, and maintenance of the facility;
- The routine maintenance plan for the facility.

The performance standards included in Appendix D (Form of Operational Performance Metrics Report) shall be included in the development of the AOSP.

The description of the operational requirements for each facility shall also include descriptions of the maintenance routines. In the conduct of routine airfield operations and maintenance, the Lessee may require the closure of certain facilities. In the case of closure of airfield facilities, the Lessee shall provide advance notice in accordance with the following:

- Upon not less than 120 days prior notice to the Signatory Airlines, the Lessee may, from time to time, temporarily or permanently, close Taxiways, Runways and ramp areas at the Airport; *provided* that in an emergency situation, no such prior notice of closure shall be required.
- Except in an emergency situation, not less than 14 days prior to the closure of any Taxiway, Runway or ramp area at the Airport, the Lessee shall confirm to the Signatory Airlines in writing the dates of such closure.

Operations and Maintenance of Airfield Systems

The AOSP must address, describe, and outline the methods and procedures that the Lessee will employ in the operation and maintenance of airfield facility systems. The AOSP must include, at a minimum, the following concerning the various systems within each facility, and any relevant special considerations in developing the plan for that system:

- Airfield condition and navigation systems, including airfield pavements, navigational aids, pavement marking, runway and taxiway lighting, obstruction lighting, airfield signage, safety, stormwater management, and landscaping;
- Aircraft fueling storage and distribution system;
- Ground equipment fueling facilities;
- Life safety systems, including aircraft rescue and firefighting, fire protection, emergency systems, emergency communications systems, and security and access control systems;
- Electrical systems, including communications systems, lighting, and back up;
- Other utility systems;
- Architectural systems;
- Signage and graphical communications systems.
- Identification of improvements to enhance the capability of the airport to respond to natural or manmade disasters.

The description of the operational requirements for each system shall also include descriptions of the maintenance routines. Table 3-1 lists the basic functional areas of the airfield that the maintenance plan must address.

Table 3-1
AIRFIELD MAINTENANCE PLAN FUNCTIONAL AREAS

Major Facilities and Systems
Airfield condition and navigation systems, including airfield lighting and signage not maintained by FAA
Life safety systems
Electrical systems, including lighting, communications and backup equipment
Mechanical systems
Utility systems
Communications systems
Security systems
Airfield pavements, including runways, taxiways, aprons, and vehicle service roads
Landscaping
Aircraft and vehicle fueling systems and associated storage facilities
Ground equipment fueling facilities
Ramp handling equipment
Airfield drainage systems, including the stormwater sewer system
Trees/landscaping

Additional Detail on Critical Systems

The Lessee shall, at a minimum, describe a plan for the continuous operation of the following critical systems:

Life Safety Systems. These systems provide the safety, communication, and life preserving components that must be operated for the Airport to function as intended. The AOSP shall specify the operational procedures and policies that would be routinely executed to ensure that these systems are capable of operating without interruption, tested regularly for functionality and proper performance, and upgraded or improved as necessary.

Communication systems. These systems must be operated and maintained to ensure their continual operation. The system may include: (1) intercoms; (2) telephones; (3) communication radios; and (4) wireless and mobile communications.

Security and access control systems. These systems must be operated and maintained in accordance with the security plan (see Section 8). The system may include the following components: (1) access control; (2) video surveillance and closed-circuit television technology; and (3) video analytics and alarms. The operational plan for these systems should be developed in coordination with the ASC, airport security personnel, the TSA, local law enforcement, and Airport fire fighting personnel. The plan should outline procedures for random security checks, checkpoint procedures, and security surveillance. This operational plan will also address training requirements; the Airport credentials process for Airport employees, airline employees, tenant employees; and response requirements and a penalty program.

Energy distribution systems. The AOSP must address the procedures and policies employed by the Lessee to ensure that the energy distribution systems remain fully operational at all times. The AOSP must also address the Lessee's plan for providing redundant systems, including arranging for backup equipment and staff in the event of unforeseen interruptions to the energy distribution system. This section of the AOSP must address each component of the electrical supply, including (1) substations; (2) electrical panels; (3) circuit panels; and (4) backup equipment and generators. It must also address aircraft and ground equipment fueling and storage facilities. The operational plan for the energy distribution system should be coordinated with the local utility companies.

Operational Management of Airfield Procedures

The AOSP must address and describe how the Lessee will perform the airfield procedures and their utilization of Airport facilities and systems. In the description of each of the airfield procedures and their utilization of various facilities and systems, the AOSP shall include:

- An exhibit of the location(s) where the activity occurs;
- A brief narrative description of the activity;
- The required equipment necessary to execute the activity, including the purpose, ownership status, and condition of the equipment;
- Procedures for maintaining the equipment, including vehicles, machinery and tools;
- A method for accounting for any equipment needs;
- Staffing and training to execute the activity, including the list of essential staff, work schedules and shifts, job descriptions and responsibilities, and training schedules;
- Procedures for handling and disposing of hazardous or toxic materials, and the cleanup of any hazardous material spills;
- Standards for incident response and reporting;
- Standards for Occupational Safety and Health Administration (OSHA) compliance, health and safety, and training.

Description of Airfield Procedures

The Lessee shall address the airfield procedures listed below, at a minimum within the AOSP. The majority of airfield procedures involve the routine maintenance of the airfield's facilities and systems.

- Operations on the airfield and associated training requirements: this will describe the regulations regarding ground vehicle and pedestrian movement in the Air Operations Area (AOA) and other aircraft movement areas, including the terminal apron to prevent incursions and promote overall safety. It should also include procedures for expeditious removal of foreign object debris (FOD);
- Operations on the terminal apron and associated training requirements: the operation of ground service equipment and baggage handling to promote overall safety;
- Inspection of airfield facilities and systems by airport personnel: this will specify the regimen for inspection of facilities and systems in terms of timing and scope;

- Aircraft fueling and fuel storage: this will specify the procedures and best practices to be followed during aircraft fueling and the transport and storage of aircraft fuel, including fuel spill cleanup procedures;
- Wildlife hazard management: the procedures related to the management of wildlife hazards are addressed in detail within Section 7 of this document;
- Pavement friction testing and rubber removal;
- Routine and random security patrols;
- Coordination/management of relations with airline operators and other stakeholders.

3.4.5 Performance Schedule

From time to time the AOSP section of the Operations Plan shall be revised by the Lessee to reflect a good faith effort to update the AOSP as appropriate to maintain an accurate assessment of current airfield facilities and systems. Particular attention should be given to any new requirements or guidance issued by the FAA regarding airfield operations.

3.4.6 Reporting Requirements

The Lessee shall report on the performance of airfield facilities on an annual basis within the Operational Performance Report (OPR) as described in Section 2. The Lessee shall provide the quantifiable performance measures contained in the Form of Operational Performance Metrics Report, attached as Appendix D. The performance measures must address the following, at a minimum:

- Number of aircraft operations (yearly, monthly, peak hour);
- Number of aircraft operations by types of aircraft;
- Number of based aircraft;
- Peak hour operations/departures by commercial service aircraft;
- Operational delay statistics for departures and arrivals, including cause of delay;
- Aircraft diversions or other notable events, such as disabled aircraft;
- Identification of runway closures, including duration and cause;
- Summary of major airfield maintenance conducted, with special attention for any unforeseen maintenance.

The OPR shall also provide:

- Comparison of past performance to current performance;
- Comparison of current performance to established minimum standards;
- Documentation of operational or procedural changes made to improve performance of airfield facilities;
- Recommendations as to those facilities that require capital improvements to expand, modernize or otherwise reconfigure the facility for improved efficiency (i.e. taxiway improvements) or enhancements in response to disaster planning efforts.

The OPR will be used in concert with the Facilities Conditions Assessment (FCA) as described in Section 4 to develop the Capital Improvement Program.

Section 4

CAPITAL ASSET MANAGEMENT PLAN

4.1 BACKGROUND

The Capital Asset Management Plan (CAMP) section of the Operations Plan shall provide assurance to the Authority and the airlines that the Lessee is planning and implementing appropriate and timely actions that demonstrate fiscal responsibility and maintain and preserve the Airport assets while accommodating growth in aviation demand. The CAMP shall be developed and executed by the Lessee and submitted to the Authority for approval.

4.2 REGULATORY COMPLIANCE

The CAMP shall comply with all Legal Requirements. The Lessee must ensure that employees and representatives responsible for the operation of airport facilities comply with the provisions of the CAMP and all Legal Requirements.

Appendix C contains a list of standards and regulations with which the Lessee shall comply, at a minimum. The list is not intended to include all applicable standards and regulations – it is the responsibility of the Lessee to identify and comply with all existing standards and regulations as well as future best practices applicable to airport operations.

4.3 EXISTING PLANS

The Lessee shall utilize any available existing plans and descriptions of Airport facilities, systems, and procedures provided to it in the development of the CAMP. The Lessee must ensure that the CAMP complies with the relevant standards within the ACM and AEP which, in addition to the requirements described herein, shall be considered minimum standards.

4.4 REQUIREMENTS OF THE PLAN

The CAMP shall identify the plan's objectives, essential staffing, stakeholders, scope, performance schedule, and reporting requirements as described below.

4.4.1 Objectives of CAMP

The objective of the CAMP section of the Operations Plan is to preserve and provide for continuous improvement of all Airport facilities and systems by evaluating their conditions and planning their maintenance, rehabilitation, replacement, and/or modernization. The CAMP shall also provide guidance as to the priority of capital improvement projects and maintenance, with the most critical airport assets receiving the greatest attention.

4.4.2 Essential Staffing

An organizational chart shall be included in the CAMP which identifies the essential staff responsible for each of the facilities covered under the CAMP. The organizational chart should identify the titles, roles, and duties for each of the individuals responsible for the operation and administration of the various airfield facilities.

The organizational chart shall be supplemented by a summary of the levels of staffing that would be provided for each of the facilities operation. The levels of staffing should be identified for each season of operation, as the requirements should vary throughout the year in accordance with the work effort.

Current contact information shall be included for each essential staff member.

4.4.3 Stakeholders

The CAMP shall identify all stakeholders (both public and private) that may be affected by the performance of the CAMP and define any necessary applicable coordination with individual stakeholders. Stakeholders would include, but not be limited to: FAA, TSA, CBP, airline tenants, general aviation tenants, and other entities that operate on the Airport.

4.4.4 Scope of Plan

The CAMP shall identify and address all major capital assets on the Airport. The facility assets shall be described for the following primary airport functional areas:

- Airfield;
- Passenger terminals and concourses;
- Landside and roadway system;
- Other on-Airport facilities (maintenance buildings, central utility plant, other on-Airport buildings);
- Vehicle Parking facilities.

The CAMP shall outline asset management actions that are based on regularly scheduled conditions assessments, self-inspection routines, preventative and coordinated maintenance, capital improvements, expansion, modernization, and rehabilitation projects. The CAMP shall define the process for conducting regular condition assessments, reporting of results, and accounting for emerging trends at the Airport that could affect asset management.

4.4.5 Performance Schedule

The initial CAMP shall be submitted by the Lessee for approval to the Authority in accordance with Section 4.1. Revisions to the CAMP shall be submitted by the Lessee annually for approval to the Authority, and any payments for capital improvements by the Airlines shall be subject to Section 6.3 of the Airport Use Agreement.

4.4.6 Reporting Requirements

The CAMP shall specify the following reports to be prepared on an annual basis as described below in greater detail: Facilities Conditions Assessment (FCA) and Capital Improvement Program (CIP). In addition, as described below, the CAMP shall require the preparation of an Air Traffic Summary (ATS) on a monthly basis.

Facilities Conditions Assessment (FCA). The CAMP should outline the process for engaging a licensed professional engineering firm to prepare an annual FCA. All major facilities and systems shall be evaluated in the FCA. The FCA shall include, but not be limited to the following:

- Review of the prior year's FCA findings;
- Assessment of all on-Airport buildings relative to current codes and regulations, including those leased to third party landlords, from a safety and operational perspective: all health and safety issues must be identified for resolution by the Lessee as soon as possible;
- Assessment of all major equipment assets (e.g. tools and vehicles);
- Assessment of building mechanical, electrical, communication, and plumbing systems: this work should be carried out by a licensed engineering firm that specializes in building systems (see Section 4.4.7 for further information regarding the details regarding the retention of the licensed engineering firm);
- Field inspection of critical on-Airport utilities, including storm sewer, sanitary sewer, electrical, water, and communication;
- Field inspection of above and below ground storage tanks and maintenance recommendations;
- Field inspection of airfield pavements, including runways, taxiways, aircraft aprons, and vehicle service roads;
- Recommendations to the Lessee in terms of capital improvements that should be carried out immediately due to safety concerns, including, where appropriate, a reference to the applicable regulation regarding such improvements;

- Recommendations to the Lessee in terms of near-, intermediate- and long-term capital improvements.

The FCA shall be governed by a manual to be developed by the Lessee. The manual shall specify: the scope of the assessment, safety requirements for execution of the assessment, and the reporting standards for the deliverable. The findings of the FCA shall be communicated to the Authority and parties to the Airport Use Agreement.

The FCA shall classify the condition of the facilities assessed using the following categories:

- Excellent – no operational deficiencies, minimum standards exceeded;
- Good – minor operational deficiencies, minimum standards exceeded or met;
- Fair – minor operational deficiencies, most minimum standards met, some capital improvements or corrective actions should be considered, intermediate-term improvements should be identified;
- Poor – significant operational deficiencies, facility is failing to meet minimum standards, capital improvements or corrective actions must be taken in near-term;
- Critical – major operational deficiencies, urgent corrective action must be undertaken, and/ or safety issues are present. This category may also include improvements mandated by new laws or regulations.

The Lessee shall use all commercially reasonably efforts to maintain each facility or system in "Good" condition or better in the appropriate rating system used for inspection of that facility or system.

At a minimum, the inspection component of the FCA shall include the following categories of facilities and their respective major systems and elements as outlined in Table 4-1:

- Airfield
- Terminal and concourses
- Landside and other on-airport facilities

Table 4-1
FUNCTIONAL AREAS FOR INSPECTION

Functional Area	Major Systems and Elements
Airfield	Electrical systems, including airfield lighting, controls and other automated systems
	Mechanical systems
	Utility systems
	Communications systems
	Security systems
	Pavement
	Landscaping
	Aircraft and vehicle fueling systems and associated storage facilities
	Triturators
Terminal and concourses	Architectural elements and systems
	Signage
	Flooring
	Roofing
	Landscaping
	Environmental systems
	Structural systems
	Mechanical systems
	Electrical systems, including controls and other automated systems
	Plumbing systems
	Life safety systems: fire protection and other emergency systems

Functional Area	Major Systems and Elements
Terminal and concourses *(continued)*	Passenger conveyance systems
	Utility systems
	Communications systems
	Security systems
Cargo facilities	Automobile and truck parking areas
	Aircraft parking apron
	Buildings
Landside, roadway, and parking facilities	Ground access elements
	Utility systems
	Pavement
	Landscaping
	Commercial vehicle staging areas
	Cell phone lots
	Signage
	Communications systems
	Bridges and structures
	Roadway and parking facility lighting
	Vehicle parking lots

Air Traffic Summary (ATS). The Lessee shall supply the engineering firm engaged to conduct the FCA with a summary of the current year's capital improvements, as well as the ATS to inform the firm of emerging trends that could affect capital expenditures. The ATS shall provide monthly details regarding passenger enplanements, passenger deplanements, international passengers, domestic passengers, connecting passengers, origin-destination passengers, and passenger load factors. The ATS shall also include a monthly accounting of commercial aircraft operations (both passenger and cargo aircraft), general aviation aircraft operations, military aircraft operations, and landed weight for each. The ATS shall

also report enplaned and deplaned cargo tonnage. The ATS shall provide year-over-year and month-over-month comparisons for each of the data accounted therein.

Capital Improvement Program (CIP). The FCA and ATS shall form the basis of the CIP. The CIP shall outline the near-, intermediate-, and long-term projects planned to address the findings of the FCA and any other planning studies (e.g. master plan) conducted by the Lessees. The CIP should prioritize the projects, identify projects that are eligible for FAA funding, and identify the environmental requirements necessary for project implementation. The CIP shall be submitted to the Authority on an annual basis for their approval.

- For all facilities assessed within the FCA as fair, poor, or critical, a corrective action plan must be identified within the CIP. The improvements recommended as part of the action plan shall be prioritized, using the following categories:
- Critical – capital improvements shall be executed immediately or as soon as practical;
- High – capital improvements shall be executed in the near-term;
- Low – capital improvements may be warranted in the near-term to realize operational efficiencies, but may be elective to some extent.

The CIP shall provide a brief description of the planned capital improvements for the near-term (0-5 years), including the project justification. It shall also include a probable cost estimate for each of the planned capital improvements for all projects for the near- and intermediate-terms (0-10 years); including identification of probable funding sources. For the long-term, potential capital improvement projects (as they are identified) shall be listed along with order of magnitude cost estimates and ranked in terms of their priority.

The CIP shall include the following:

- Executive summary;
- Introduction and background;
- Summary of the methodology used to prioritize the capital improvements and identification of the studies or work done to identify the capital improvements;
- Recommendations for planned capital improvements for the next five years with the greatest detail regarding projects to be completed in the first year of the CIP.

4.4.7 Retention of Engineering Firm for the FCA

The Lessee must retain an independent and Licensed Professional Consulting Engineering Firm (Engineering Firm), not associated, owned or partnered with the Lessee, to perform the services associated with the conduct of the FCA. The Lessee shall engage firms that have experience with the kinds of structures, systems, and conditions consistent with the Airport's facilities. The Engineering Firm retained by the Lessee shall be registered and licensed with the Commonwealth of Puerto Rico, for Professional Engineering, Structural Engineering, and/or Architecture, for the appropriate Airport facilities.

The Lessee must submit the qualifications and experience of the Engineering Firm tasked to the Airport on an annual basis to the Authority. The Authority will retain the right to dismiss firms that do not meet the necessary requirements.

The same Engineering Firm can be retained for a maximum four-year duration at which time the Lessee must conduct a competitive based selection process to identify the Engineering Firm to be retained for the following term. The purpose of these requirements is to develop a fair, impartial, independent, and objective assessment of the condition of the Airport.

The Lessee and the Engineering Firm collectively shall be responsible for equipment, staffing, traffic control, outside testing services and supervision for all inspections associated with the conduct of the FCA. All inspection procedures and frequencies shall be in accordance with the policies of the Lessee and coordinated with stakeholders so as to result in the least operational disruption as reasonably possible. The Lessee and the Engineering Firm shall consistently inspect and regularly assess the current condition of all Airport structures and systems to ensure the continuous and uninterrupted operation of the Airport.

Section 5

ENVIRONMENTAL SUSTAINABILITY PLAN

5.1 BACKGROUND

Airports Council International-North America defines airport sustainability as *"a holistic approach to managing an airport so as to ensure the integrity of the Economic viability, Operational efficiency, Natural resource conservation, and Social responsibility (EONS) of the airport."*

Planning for sustainability generally means meeting the needs of the present without compromising the ability of future generations to meet their own needs.

5.2 REGULATORY COMPLIANCE

The Environmental Sustainability Plan (ESP) shall identify all Legal Requirements relevant to sustainability planning. Further, the Lessee will adopt the standards set forth by the United States Green Building Council (USGBC); Leadership in Energy and Environmental Design (LEED) as guiding criteria for achieving sustainable design in the development and remodeling of airport facilities. The Lessee must ensure that employees and representatives responsible for the sustainability planning comply with the provisions of the FSP and all Legal Requirements.

Appendix C contains a list of standards and regulations with which the Lessee shall comply, at a minimum. The list is not intended to include all applicable standards and regulations – it is the responsibility of the Lessee to identify and comply with all existing standards and regulations as well as future best practices applicable to Airport operations.

5.3 EXISTING PLANS

The Lessee shall utilize any available existing plans and descriptions of environmental sustainability standards in the development of the ESP section of the Operations Plan.

5.4 REQUIREMENTS OF THE PLAN

The ESP shall identify the plan's objectives, essential staffing, stakeholders, scope, performance timeframe, and reporting requirements as described below.

5.4.1 Objectives of ESP

The objective of the ESP section of the Operations Plan is to define responsibilities, procedures, and minimum requirements for the staff dedicated to sustainability,

thereby reducing the Airport's environmental footprint. The ESP shall also provide guidance regarding staff training targeted at sustainability.

5.4.2 Essential Staffing

An organizational chart shall be included in the ESP which identifies the essential staff responsible for each of the facilities covered under the ESP. The organizational chart shall identify the titles, roles, and duties for each of the individuals responsible for the operation and administration of the various airfield facilities.

The organizational chart shall be supplemented by a summary of the levels of staffing that would be provided for each of the facilities operations. The levels of staffing shall be identified for each season of operation, as the requirements should vary throughout the year in accordance with the work effort.

Current contact information shall be included for each essential staff member.

5.4.3 Stakeholders

The ESP shall identify all stakeholders (both public and private) that may be affected by the performance of the ESP and define any necessary applicable coordination with individual stakeholders. Stakeholders in the ESP, may include, but not be limited to the following:

- Airlines;
- Other Airport tenants and third party landlords;
- Passengers;
- Vendors;
- Federal/ State/ Regional/ Local government representatives;
- FAA, TSA, & U.S. Department of Transportation (USDOT);
- United States Environmental Protection Agency (USEPA);
- Non-governmental/ public interest organizations;
- Local businesses and community leaders.

5.4.4 Scope of Plan

Airport development and operations can become more sustainable by incorporating the following considerations into everyday practices: economic sustainability, operational efficiency, natural resource conservation, and social improvement.

Consistent with those considerations, the ESP will cover the following topics:

- Goal definition;
- Sustainability assessment;
- Program evaluation;
- Development / redevelopment;
- Staff training;
- Airport recycling plan.

Goal definition: This section of the ESP shall identify the Lessee's sustainability policies, including goals and objectives associated with the ESP. Goals and objectives for the landside and airside operations may include (but are not limited to): reducing emissions and noise exposure, water conservation, sustainable land use planning, disposal of hazardous materials, minimizing vehicular traffic, sustainable construction practices, maximizing renewable energy, sustainable waste disposal, and encouraging public participation. The goals definition should be informed by a baseline assessment of the existing condition. Potential goals include:

- "Net zero" waste management;
- Facility and building related goals;
- Use of green building materials and reuse and recycling of building materials;
- Landscaping and erosion control;
- Alternative energy and fuel sources;
- Ground handling, vehicle, and equipment related goals.

Sustainability assessment: This section of the ESP shall document current Airport operations, Airport sustainability practices, and environmental practices related to waste, recycling, energy use and conservation, water recycling, and materials procurement. The assessment must document all Lessee and tenant practices relevant to sustainability planning, including (but not limited to) aircraft movements, ground transportation vehicle movements, and maintenance activities.

Program evaluation: This section of the ESP shall define requirements for reviewing and evaluating all new Airport programs and projects. These requirements will ensure all four Sustainability Elements (EONS) are addressed in a balanced, holistic and measurable approach.

Development / redevelopment. The ESP shall identify criteria for reviewing tenant development/redevelopment projects and methods for providing incentives to encourage sustainable design features. This section will also include standards for all new leases, agreements, and contracts that support the Airport's sustainability goals.

Staff training. This section of the ESP shall identify the training program for the employees responsible for sustainability management. The goal of the training is to establish a work environment that supports innovation, productivity, pride, and a personal commitment to sustainability.

Recycling Plan. This section of the ESP shall provide the details of a recycling plan for waste disposal campus-wide. The plan should be developed consistent with the guidelines provided in "Developing and Implementing an Airport Recycling Program," authored by U.S. Environmental Protection Agency. At a minimum, the plan should provide for recycling of paper, plastic, glass, corrugated cardboard, and aluminum. The plan should include the placement of recycle bins for the collection of waste throughout the passenger terminal area, especially in high-traffic areas. The plan may also provide for the recycling of construction waste (e.g. concrete, wood), wooden pallets, tires, and electronics. The recycling plan should also provide the goals of the program, and a system for the annual monitoring of its performance, including the quantification of the generation of waste. Finally, the plan may also identify goals with regard to the procurement of recycled-content products.

5.4.5 Performance Schedule

From time to time the ESP shall be revised by the Lessee to reflect a good faith effort to make improvements in areas where sustainability goals have not been met to the standards of the Lessee, as identified in the annual reporting described in the following section.

5.4.6 Reporting Requirements

Reporting on sustainability performance allows the Lessee to measure and therefore manage Airport performance. Reporting on environmental, economic, and social sustainability performance annually demonstrates a commitment to accountability and ongoing improvement.

The Lessee shall prepare a Sustainability Report as part of the overall Annual Report. This report shall document the Airport's environmental goals and achievements, and measure progress against environmental goals and historical performance.

Section 6

SAFETY AND SAFETY MANAGEMENT SYSTEMS PLAN

6.1 BACKGROUND

The Safety Plan section of the Operations Plan shall provide the Authority the assurance that the Lessee will conduct all operations in a safe manner, protecting both employees and the general public. The Safety Plan should be developed and executed by the Lessee and submitted to the Authority for its approval.

6.2 REGULATORY COMPLIANCE

The Safety Plan shall identify and comply with all Legal Requirements. The Lessee must ensure that employees and representatives responsible for the operation of airport facilities comply with the provisions of the Safety Plan and all Legal Requirements.

Appendix C contains a list of standards and regulations with which the Lessee shall comply, at a minimum. The list is not intended to include all applicable standards and regulations – it is the responsibility of the Lessee to identify and comply with all existing standards and regulations as well as future best practices applicable to airport safety.

6.3 EXISTING PLANS

The Lessee shall utilize any available existing plans and descriptions of Airport facilities, systems, and procedures provided to it in the development of the Safety Plan. The Lessee must ensure that the Safety Plan complies with the relevant standards within the ACM and AEP which, in addition to the requirements described herein, should be considered the minimum standard.

6.4 REQUIREMENTS OF THE PLAN

The Safety Plan shall identify the plan's objectives, essential staffing, stakeholders, scope, performance schedule, and reporting requirements as described below.

6.4.1 Objectives of the Safety Plan

The objective of the Safety Plan is to ensure that the Lessee's practices prevent unsafe conditions for the general public and all airport employees and to provide the framework for identifying and mitigating safety issues as they arise.

The Safety Plan shall be modified or revised by the Lessee as appropriate to address specific issues, needs, or concerns related to the Airport that develop over time and as required by relevant authorities with jurisdiction.

6.4.2 Essential Staffing

An organizational chart shall be included in the Safety Plan which identifies the essential staff responsible for various components of its execution. The organizational chart shall identify the titles, roles, and duties for each of the individuals responsible for the operation and administration of the airfield, passenger terminal, and other major Airport facilities.

The organizational chart shall be supplemented by a summary of the levels of staffing that would be provided for each component of the Safety Plan. Current contact information shall be included for each essential staff member. In addition, the Safety Plan shall clearly designate the non-Lessee personnel that will be coordinated with in execution of the plan.

6.4.3 Stakeholders

The Safety Plan shall identify all stakeholders (both public and private) that may be affected by the performance of the Safety Plan and define any necessary applicable coordination with individual stakeholders. Stakeholders would include, but not be limited to: Lessee employees, FAA, TSA, airline tenants, general aviation tenants, general public, and other entities that operate on the Airport (e.g. ground service personnel).

6.4.4 Scope of plan

At a minimum, the Safety Plan shall provide:

- Guidance as to the necessary safety training that various Airport employees shall receive, including first aid training;
- A plan for implementation of a Safety Management System (SMS) addressing the safety of both the general public and Airport employees;
- Best practices for Airport employees to increase awareness of potential safety issues before they arise;
- Development and implementation of appropriate Letters of Agreement or other means of establishing appropriate safety practices and policies;
- A policy manual for Airport construction zones and other potentially hazardous areas, including guidance as to the use of information signage, physical barriers, traffic control infrastructure and other equipment to maintain a safe environment for the general public;
- A manual for self-inspection of facilities for safety issues in accordance with FAA Advisory Circular 150/5200-18C.

The Safety Plan shall also provide a graphical depiction of the areas that will be subject to execution of the plan.

Staff Training and Education

The Lessee shall conduct training to establish a safety culture and educate employees regarding safety issues. The training shall address the requirements and workplace standards of the OSHA.

The Safety Plan shall include the following at a minimum:

- Training that incorporates findings from the execution of the SMS;
- General training that covers OSHA standards and overall safety awareness for all Lessee employees, including executives;
- Training specific to the responsibilities of the employee, including identification of equipment required to execute specific tasks safely, safe driving of vehicles, and safe operation of equipment;
- Provision of safety training for new employees and the provision of recurrent safety training for all employees along with a typical schedule for such training;
- Provision of a lessons learned/case histories component;
- Establishment of procedures aimed at ensuring employees understand the safety policies and adhere to safe work practices;

The training shall also provide background regarding anticipated work activities and hazards, and the protocol that shall be followed should an incident occur.

Safety Management System

The Lessee shall prepare a comprehensive SMS in accordance with FAA Advisory Circular 150/5200-37 as the centerpiece of the Safety Plan. An SMS is critical to detect and correct safety problems before they happen. FAA defines an SMS as,

> *the formal top-down business-like approach to managing safety risk. It includes systematic procedures, practices, and policies for the management of safety (including safety risk management, safety policy, safety assurance, and safety promotion).*

In accordance with FAA Advisory Circular 150/5200-37, the SMS shall be defined in the Safety Plan and include the following elements: (1) safety policy and objectives; (2) safety risk management; (3) safety assurance; and (4) safety promotion. A brief synopsis of each is provided below.

Safety policy and objectives. The SMS shall include a formally expressed statement of the Lessee's safety policy. It shall indicate the Lessee management's commitment to the implementation of the SMS, continuous safety improvement, and the provision of the necessary resources. Further, the safety policy shall provide

encouragement of employees to report safety issues without fear of reprisal. The safety policy and objectives shall be prepared in accordance with Chapter 2 of FAA Advisory Circular 150/5200-37.

Safety risk management. The safety risk management (SRM) process identifies the hazards, determines potential risks, and designs appropriate risk mitigation strategies. The Safety Plan shall define the Lessee's plan to execute the SMS through the implementation of SRM principles. The SRM should be conducted in five phases: (1) describe the system being addressed; (2) identify potential hazards; (3) determine the risk; (4) assess and analyze the risk; and (5) treat the risk through mitigation and tracking. The SRM shall be prepared in accordance with Chapter 3 of FAA Advisory Circular 150/5200-37.

Safety assurance. Safety assurance includes self-auditing, external auditing, and safety oversight. Safety auditing provides a system for assessment of the Lessee's ability to meet its safety objectives. The safety audit shall be conducted to provide feedback to essential staff and managers regarding the safety of various operations conducted on the Airport. Further information regarding safety assurance can be found in Chapter 2 of FAA Advisory Circular 150/5200-37.

Safety promotion. Safety promotion includes safety training, safety communication, safety competency and continuous improvement. The Lessee shall define, as part of it safety promotion initiatives, workplace best practices to increase awareness of safety issues. Further information regarding safety assurance can be found in Chapter 2 of FAA Advisory Circular 150/5200-37.

Self-Inspection Program

The Lessee shall describe the self-inspection program as part of the Safety Plan in accordance with FAA Advisory Circular 150/5200-18C. The FAA recommends that the self-inspection program include:

- Regularly scheduled inspection of physical facilities which must be conducted daily at the airport in accordance with the ACM. If the Airport serves air carriers after dark, there should also be a nighttime inspection of lighting;
- Continuous surveillance inspection of certain Airport activities, such as fueling operations, construction, and airfield maintenance;
- Periodic condition inspection program for such things as surveying approach slopes, obstructions, et cetera; and
- Special condition inspections during unusual conditions or situations, such as changing weather or days with an unusually high number of aircraft operations.

Each of these types of inspections and their scope is described in detail within FAA Advisory Circular 150/5200-18C. The self-inspection program also shall indicate the procedure for reporting and correcting any deficiencies.

Additional Safety Plan Requirements

The Safety Plan shall address the following:

- Personal safety procedures for all major tasks for which Lessee employees are responsible, including identification of the protective equipment (e.g. hard hats, reflective vest, hearing protection, respiratory protection, and protective clothing/footwear);

- Work zone safety procedures, including identification of the minimum requirements for work zones (e.g. barricades to prevent incursion by public Airport patrons). The procedures shall identify necessary safety equipment that should be available for work zones, such as traffic cones, barricades, and signage;

- Medical treatment information, including identification of the location of medical treatment facilities at the Airport and procedures to follow in the event medical treatment is needed. Training in first aid shall also be required of all field Lessee employees;

- Safety incident protocol, including the steps that Lessee employees should follow in the event of an incident. The protocol shall include: (1) emergency contact information for immediate response, (2) forms for documenting incidents to provide a record of safety incidents to measure against and feedback for training purposes, and (3) information as to the Lessee staff that should be responsible for collecting said documentation;

- Hazardous or toxic materials protocols, including protocol for both spill prevention and spill cleanup. Further, the procedures and equipment necessary for the safe storage and handling of hazardous material should be specified. It shall also provide decontamination procedures for both Lessee employees and their equipment. The protocol should make reference to the Airport Emergency Plan as appropriate.

6.4.5 Performance Schedule

From time to time the Safety Plan shall be revised by the Lessee to reflect a good faith effort to make improvements in any areas which have been subject to safety incidents throughout the applicable time frame. The revisions shall be made in an attempt to prevent the same type of incident from recurring.

6.4.6 Reporting Requirements

The Lessee shall prepare a summary of safety performance on an annual basis for inclusion in the Annual Report. The reporting shall indicate the rate of safety incidents relative to historical data as well as identify any deficiencies that need to be corrected and projects undertaken during the year to correct any safety issues. Finally, the reporting shall summarize the findings from the self-inspection program.

Section 7

WILDLIFE HAZARD MANAGEMENT PLAN

7.1 BACKGROUND

In recognition of the increased risk of serious aircraft damage or the loss of human life that can result from a wildlife strike, greater emphasis is being placed on preparing airport Wildlife Hazard Management Plans (WHMP) that effectively deal with the problem.

7.2 REGULATORY COMPLIANCE

The WHMP shall identify all Legal Requirements. FAA Advisory Circular (AC) 150/5200-33, Hazardous Wildlife Attractants on or Near Airports, contains standards and procedures for wildlife hazard management at airports. The Lessee must ensure that employees and representatives responsible for the wildlife hazard management comply with these requirements.

Title 14 Code of Federal Regulations, Part 139.337, Wildlife Hazard Management, prescribes the specific issues that a wildlife hazard management plan must address for FAA approval and inclusion in the ACM.

Appendix C contains a list of standards and regulations with which the Lessee shall comply, at a minimum. The list is not intended to include all applicable standards and regulations – it is the responsibility of the Lessee to identify and comply with all existing standards and regulations as well as future best practices applicable to airport operations.

7.3 EXISTING PLANS

The Lessee shall utilize any available existing plans and descriptions of Airport facilities, systems, and procedures provided to it in the development of the WHMP. This document shall also comply with all measures specified within the existing Airport Safety Plan. The Lessee must ensure that the WHMP complies with the relevant standards within ACM and AEP which, in addition to the requirements described herein, should be considered the minimum standard.

7.4 REQUIREMENTS OF THE PLAN

The first step in preparing the Airport WHMP is to conduct a Wildlife Hazard Assessment. The Wildlife Hazard Assessment, conducted by a wildlife damage management biologist, provides the scientific basis for the development, implementation, and refinement of a WHMP.

When complete, the Wildlife Hazard Assessment is submitted to the FAA for evaluation and a determination of whether a WHMP needs to be developed for the Airport. In reaching this decision, the FAA will consider the Wildlife Hazard Assessment, the aeronautical activity at the Airport, the views of the certificate holder and Airport users, and any other pertinent information (14 CFR 139.337 (d)(1-6)).

At a minimum, the Lessee shall develop and implement a plan to deal with any hazardous wildlife attractants or situations identified in the Wildlife Hazard Assessment.

7.4.1 Objectives of WHMP

The objective of the WHMP is to promote aviation safety for passengers and flight crews by reducing wildlife hazards and associated risks to aircraft and Airport operations caused by wildlife activities on and in the vicinity of the Airport.

7.4.2 Essential Staffing

An organizational chart shall be included in the WHMP which identifies the essential staff responsible for each of the facilities covered under the WHMP. The organizational chart shall identify the titles, roles, and duties for each of the individuals responsible for the operation and administration of the various airfield facilities.

The organizational chart shall be supplemented by a summary of the levels of staffing that would be provided for each of the facilities operation. The levels of staffing shall be identified for each season of operation, as the requirements should vary throughout the year in accordance with the work effort.

Current contact information shall be included for each essential staff member.

7.4.3 Stakeholders

The WHMP shall identify all stakeholders (both public and private) that may be affected by the performance of the WHMP and define any necessary applicable coordination with individual stakeholders. Stakeholders include: airline and general aviation pilots, United States Department of Agriculture, and FAA.

7.4.4 Scope of Plan

The WHMP shall include, at a minimum, the following information:

- The persons who have authority and responsibility for implementing the plan;
- Priorities for needed habitat modification and changes in land use identified in the ecological study with target dates for completion;

- Habitat/population management recommendations;
- Requirements for and, where applicable, copies of local, state and Federal wildlife control permits;
- Identification of resources to be provided by the certificate holder for implementation of the plan;
- Procedures to be followed during air carrier operations;
- Assignment of personnel responsibilities for implementing the procedures;
- Conduct of physical inspections of the movement areas and other areas critical to wildlife hazard management sufficiently in advance of air carrier operations to allow time for wildlife controls to be effective;
- Wildlife control measures, both lethal and non-lethal;
- Communication, coordination and training for wildlife control personnel and any air traffic control tower in operation at the Airport;
- Coordination with off-Airport businesses to prevent the proliferation of wildlife attractants in the vicinity of the Airport.

Periodic evaluation and review of the wildlife hazard management plan for:

- Effectiveness in dealing with the wildlife hazard
- An understanding of the current data trends, including the number of bird strikes and other wildlife hazard events that occur on or near the Airport;
- Indications that the existence of the wildlife hazard, as previously described in the ecological study, should be reevaluated;
- A training program to provide Airport personnel with the knowledge and skills needed to carry out the wildlife hazard management plan.

7.4.5 Performance Schedule

From time to time the WHMP shall be revised by the Lessee to reflect a good faith effort to update the WHMP as appropriate to maintain an accurate assessment of wildlife hazards on or near the Airport.

7.4.6 Reporting Requirements

The Lessee shall notify the FAA in writing of known or reasonably foreseeable land use practices on or near the Airport that either attracts or may attract hazardous wildlife.

Section 8

AIRPORT SECURITY PROGRAM

8.1 BACKGROUND

An Airport Security Program (ASP) identifies the roles and security responsibilities of the Lessee, law enforcement participation, and other Airport users in terms of what each must do, how they must do it, and what resources must be committed to security, including the qualifications of security and law enforcement personnel.

8.2 REGULATORY COMPLIANCE

The ASP shall identify and comply with all Legal Requirements. Specifically, the measures contained in the ASP must comply with 49 Code of Federal Regulations (49 CFR), Transportation Security Regulations, section 1542.101(a). This regulation is applicable to operators within the United States regularly serving operations of an aircraft operator or foreign air carrier 49 CFR, sections 1544.101(a) or 1546.101(a). The Lessee must ensure that employees and representatives conducting security procedures on its behalf comply with the provisions of the ASP and all Legal Requirements.

As a condition of Closing under the Lease Agreement, the TSA shall have approved the ASP of the Lessee, which shall apply to the Airport as of the Time of Closing.

The Lessee will maintain the Airport in compliance with the TSA-approved ASP and will prepare and comply with revisions as directed by the TSA. The requirements included in the TSA-approved ASP are incorporated by reference. In the event of an inconsistency between the requirements within this document and the TSA-approved ASP or any applicable Legal Requirements, the TSA-approved ASP or such applicable Legal Requirements shall take precedence.

In the future, under the Lease Agreement, the Lessee may be required to revise the TSA-approved ASP and seek approval of such revisions from the TSA. In order to meet the requirements of the TSA in reviewing and approving the ASP, the ASP shall be maintained as a separate document.

Appendix C contains a list of standards and regulations with which the Lessee shall comply, at a minimum. The list is not intended to include all applicable standards and regulations – it is the responsibility of the Lessee to identify and comply with all existing standards and regulations as well as future best practices applicable to airport operations.

8.3 EXISTING PLANS

The Lessee must ensure that the ASP complies with the relevant standards within the ACM and AEP which, in addition the requirements described herein, should be considered the minimum standard.

8.4 REQUIREMENTS OF THE PLAN

The Lessee shall establish a comprehensive ASP that provides for the safety and security of persons and property on the Airport against acts of criminal violence, aircraft piracy, and the introduction of an unauthorized weapon, explosive, or incendiary onto an aircraft.

8.4.1 Objectives of ASP

The objective of the ASP is to ensure that the Lessee establishes minimum requirements to ensure public safety and security.

8.4.2 Essential Staffing

The Lessee shall designate a responsible person for the coordination of all security procedures and communications and provide point-of-contact information to the Airport Security Coordinator (ASC) including the name of its primary and secondary contacts and a 24-hour telephone number for both individuals.

An organizational chart shall be included in the ASP which identifies the essential staff responsible for each of the facilities covered under the ASP. The organizational chart shall identify the titles, roles, and duties for each of the individuals responsible for the operation and administration of the various airfield facilities.

The organizational chart shall be supplemented by a summary of the levels of staffing that would be provided for each of the facilities operation. The levels of staffing shall be identified for each season of operation, as the requirements should vary throughout the year in accordance with the work effort. Current contact information shall be included for each essential staff member.

8.4.3 Stakeholders

The ASP shall identify all stakeholders (both public and private) that may be affected by the performance of the ASP and define any necessary applicable coordination with individual stakeholders. Stakeholders on the ASP, will include, but not be limited to: TSA, FAA, ASC, local law enforcement, Airport police, and airline tenants.

8.4.4 Scope of Plan

In the formulation and operation of the ASP, the Lessee must coordinate with the requirements developed under the other relevant sections of the Operations Plan,

including the Safety Plan, Emergency Management Plan, and overall Operations Plan. The ASP shall be submitted to the TSA for review and approval.

The items listed below are provided solely as a general overview and are not intended to be a complete listing of the applicable Federal requirements. The Lessee will be required to review the existing approved ASP and make all applicable changes to the existing document reflecting anticipated changes to operating procedures based upon the Lease Agreement and assumption of responsibilities. All requested changes will require TSA review and approval prior to official inclusion in the revised ASP preceding formal implementation.

The Lessee shall develop and maintain a security plan which shall include, at a minimum, the following elements:

i. Procedures for security facilities, vehicles, equipment, and aircraft during hours of operation.
ii. Employees background checks required by the ASP and security awareness training including procedures to report suspicious personnel or situations to the proper law enforcement agencies.
iii. Customer, visitor and baggage identification.
iv. Procedures for preventing tampering with facilities, vehicles, equipment and aircraft.
v. Procedures for handling threats by phone and in person.
vi. Procedures for controlling access to Lessee-controlled premises and ensuring that vehicles, equipment, and personnel allowed to access through Lessee's access point(s) are authorized and properly identified or under escort or other approved method of control, as established by the ASC.
vii. Procedures for securing unattended facilities, vehicles, equipment and aircraft.
viii. Procedures for prohibiting passengers or baggage from being left unattended in or near aircraft, within the public-restricted areas of the Air Operations Area (AOA), or within the Security Identification Display Area (SIDA).
ix. Procedures for transient flight crew members and passengers including:
    a. Ensuring proper escort or other method of control approved by the ASC.
    b. Crewmember contact information and verification procedures.
    c. Verification of pilot certificate and government issued photo IDs for flight crew members.
x. Vendor procedures including:
    a. Positive identification of all vendors having access to Lessee-controlled premises.
    b. Security check-in procedures for all vendors.

c. Procedures for ensuring all vendors are aware of security requirements for the Lessee-controlled premises.

The Lessee shall maintain fencing, doors, gates, lighting and locks in good condition at all times. The Lessee shall be required to keep an active log of keys, access cards, and other media issued that allows access to the Lessee-controlled premises or identities of authorized persons. The log shall be made available to the ASC upon request, and any lost or stolen access/identification media shall be reported to the ASC immediately.

Facilities

The ASP shall identify all the facilities covered by the ASP, including the access roadways, passenger terminal, airfield access checkpoints, terminal concourses, aircraft apron, CBP, SIDA, and other applicable areas. An exhibit(s) should be prepared that identifies the facilities and the location of operations that are to occur under the provisions of the ASP. Any facilities dedicated to the execution of security operations shall be described and inventoried.

The ASP shall outline the daily operational security functions and provide an overview of the approach to security operations. It shall further identify the roles of the various parties responsible for execution of the security operations. At a minimum, it shall contain information on the security policies and procedures set forth by the Lessee and the standards for operations in each facility.

The ASP shall identify the following for maintaining security in each facility and areas of responsibility in the Airport:

- Physical areas of the Airport to be secured and monitored;
- The party with primary responsibility for the security of said areas;
- Frequency of security monitoring and patrols;
- The methods of securing an area using staff, checkpoints, guards, barriers, or other means;
- Lessee staff responsible for supervision of security personnel;
- Schedule for security coverage.

The Lessee understands that each Airline or Airlines shall continue to control its or their own security access points.

Equipment

The equipment required to execute the security operations shall be identified and described in the ASP. The following shall be provided for each significant type of equipment: its purpose and function, the party that owns and operates it, and the condition and quantity.

The equipment specified by the ASP shall include, but not be limited to: video camera and closed circuit television surveillance systems, alarm systems, access control systems, security vehicles, and communication systems. Non-functioning or under-performing equipment should be identified and reported within the Security Assessment Report, as described in Section 8.4.6 below.

Prevention of Trespass

The Lessee shall use reasonable efforts to prevent unauthorized persons from gaining access to restricted flight and public aircraft operational areas through its facilities. If required, the Lessee shall provide proper fencing of size and quality acceptable to the Authority that shall deter trespassing upon the operational areas of the Airport.

8.4.5 Performance Schedule

From time to time the ASP shall be revised to reflect a good faith effort to update the ASP as appropriate to maintain an accurate assessment of Airport security.

8.4.6 Reporting Requirements

In addition to reporting required under the AEP and the ACM, the Lessee shall specify a system for documenting security incidents. The specifications of the system shall dictate:

- The Lessee personnel and other parties responsible for recording any security incidents;
- The Lessee personnel and other parties that would be privy to the review of the documentation;
- Descriptions of the various types of security incidents, including their severity;
- Documentation regarding the maintenance and inspection of the system and its components;
- The particular data that is required for documentation for a given incident (e.g. response time, date, parties involved, et cetera);
- Definitions of the different types of security incidents and their severity.

The Lessee shall prepare a Security Assessment Report that will aggregate the security incidents for an appropriate time period to be conveyed to the Authority and other appropriate parties (e.g. airport police). The Lessee shall specify any proposed changes to the ASP to prevent or mitigate future incidents. The parties responsible for the approval of the ASP shall provide the Lessee commentary regarding the proposed changes in addition to approval.

Section 9

AIRPORT EMERGENCY MANAGEMENT PLAN

9.1 BACKGROUND

Natural disasters (e.g. hurricanes), manmade disasters, and terrorist attacks require airport operators to focus on improving Airport emergency management. The Airport Emergency Plan shall address essential emergency response actions planned to ensure the safety of and emergency services for all Airport stakeholders and employees.

9.2 REGULATORY COMPLIANCE

The AEP must meet the requirements outlined in Title 14 Code of Federal Regulations (CFR) §139.325, Airport Emergency Plan and all other applicable Legal Requirements. Because the Airport is a certificated airport under Part 139, the use of the guidelines and standards in Advisory Circular (AC) 150/5200-31C is mandatory. Accordingly, the AEP shall be prepared in conformance with AC 150/5200-31C. The Lessee must ensure that employees and representatives responsible for the emergency management comply with the provisions of the Airport Emergency Plan and all Legal Requirements.

9.3 EXISTING PLANS

The existing Airport Emergency Plan dated December 1, 2004 shall be updated as appropriate to conform with current FAA guidance documents. In addition, lessons-learned should be gathered from previous emergency drills and exercises and debriefs following actual emergencies to further establish requirements. Finally, the AEP shall involve review of the following documents to ensure that the AEP is comprehensive:

- Airport Security Plan;
- Airline Emergency Plan(s);
- Airport Tenant Emergency Plan(s);
- Local/regional/federal Emergency Operations Plan(s);
- Local/regional Emergency Services Plans;
- Local Industry OSHA/EPA Compliance Plans;
- Air Carrier Aviation Disaster Family Assistance Act Plans;
- Existing Mutual Aid Agreements/ Memoranda of Understanding;
- Local emergency response agreements;

- Private sector organization agreements;
- Military installation agreements.

9.4 REQUIREMENTS OF THE PLAN

As defined by FAA AC 150/5200-31C and airport emergency is:

> *any occasion or instance, natural or man-made that warrants action to save lives and protects property and public health. The AEP should address those emergencies that occur on or directly impact, an airport or adjacent property that:*
>
> > *Is within the authority and responsibility of the airport to respond; or*
> >
> > *May present a threat to the airport because of the proximity of the emergency to the airport; or*
> >
> > *Where the airport has responsibilities under local/regional emergency plans and by mutual aid agreements.*

The Lessee shall revise the existing AEP to ensure that it conforms to the latest version of FAA AC 150/5200-31C, dated June 2009. The AEP shall provide the Lessee with the minimum standards relating to planning for emergencies.

9.5 OBJECTIVES OF THE AEP

The objective of the AEP is to ensure that the Lessee has planned for potential manmade or natural disasters and to ensure that the Lessee has established appropriate protocols, procedures, responsibilities, and minimum requirements to mitigate for, prepare for, respond to, and recover from an emergency event. The objectives of the AEP shall be developed consistent with Comprehensive Emergency Management (CEM) principles set forth in FAA AC 150/5200-31C.

9.6 ESSENTIAL STAFFING

An organizational chart shall be included in the AEP which identifies the essential staff responsible for each of the facilities covered under the AEP. The organizational chart shall identify the titles, roles, and duties for each of the individuals responsible for the operation and administration of the various airfield facilities.

The organizational chart shall be supplemented by a summary of the levels of staffing that would be provided for each of the facilities operations. The levels of staffing shall be identified for each season of operation, as the requirements should vary throughout the year in accordance with the work effort.

Current contact information shall be included for each essential staff member.

Table 3-1, from FAA AC 150/5200-31C is included below. This table indicates the parties that shall be a part of the CEM process. The Lessee shall coordinate with the entities listed below in preparing their AEP and updating the existing AEP.

AEP Planning Team Members		
1 Air carriers	13 Emergency Medical Services	25 National Weather Service
2 Air Traffic Control	14 EPA	26 NTSB
3 Aircraft operators	15 EOD	27 Police/Security
4 Airport Authority/Mgmt.	16 FAA	28 Post Office
5 Airport employees	17 Firefighting & Rescue	29 Public Information/Media
6 Airport tenants	18 Government authorities (e.g. local community emergency planners, TSA and FEMA, as appropriate)	30 Public Works & Engineering
7 Animal Care/Control	19 HAZMAT Response Team	31 Public Utilities
8 Clergy	20 Health & Medical	32 Red Cross
9 Coast Guard/Harbor Patrol	21 Hospitals	33 Resource Support
10 Communications Services	22 Mental Health Agencies	34 Search & Rescue
11 Coroner	23 Military/National Guard	35 State Aviation Authority
12 Emergency Mgmt Agency	24 Mutual Aid Agencies	36. Civil Air Patrol
		37 Morgue

The Lessee's Airport Manager, Airport Authority Chair, or other appropriate executive(s) should also be a part of the team. Preparation for a disaster requires team leaders to understand the hazards analysis process and its associated results, and their respective roles during emergencies. Team leaders shall also review information describing past disasters similar to those which could occur on the Airport, as well as readiness assessments and exercise critiques, and potential liability issues.

9.7 STAKEHOLDERS

The AEP shall identify all stakeholders (both public and private) that may be affected by the performance of the AEP and define any necessary applicable coordination with individual stakeholders. Stakeholders in the AEP, will include, but not be limited to potential team members listed in Section 9.6.

9.8 SCOPE OF PLAN

The following is a high-level outline of the Lessee's responsibilities that shall be included and addressed in the revised AEP. The outline is not all-inclusive and only identifies the minimum requirements for the AEP. The AEP must also include provisions for annual and periodic updates, training, and supervision of staff and adherence to all policies and procedures.

9.8.1 General Information

The AEP shall consist of the following four major components:

- Basic plan – provides an overview of the Lessee's emergency response organization and policies;
- Functional annexes – individual plans organized around the performance of operations-oriented tasks;
- Asset inventory – facilities, assets, equipment and supplies, including advance identification of certain supplies not readily available to support the mission or response to an emergency;
- Hazard-specific sections – provides detailed information applicable to the performance of particular functions in support of a particular hazard;
- Standard Operating Procedures (SOPs) and Checklists – provides detailed instructions for Lessee personnel to follow in their execution of responsibilities assigned in the AEP.

Additional information on each of these sections is provided in the following sections.

9.8.2 Basic Plan

The Basic Plan provides an overview of the Lessee's approach to emergency operations, defines related policies, describes response organization, and assigns tasks. Its primary objective is to meet the informational needs for the Lessee's executives.

As described in FAA AC 150/5200-31C, section 5-2, the Basic Plan must include the following introductory information:

- Promulgation document;

- Signature page;
- Dated title page;
- Record of changes;
- Record of distribution; and
- Table of contents.

As described in FAA AC 150/5200-31C, paragraph 5-2, the Basic Plan must include the following information:

- **Purpose.** A statement of the purpose of the AEP, with a brief synopsis of the entire document (including the functional annexes and hazard-specific sections;
- **Situation and assumptions.** A section documenting the hazards the AEP addresses, the characteristics of the Airport that may affect response activities, and how they affect them; and the information used in the preparation of the AEP that should be treated as assumption rather than fact;
- **Operations.** This section should describe the Airport's overall approach to an emergency situation (i.e. what should happen, when and at whose direction);
- **Organization and Assignment of Responsibilities**. This section identifies all individuals and organizations that may be involved responding to an emergency incident;
- **Administration and Logistics.** This section addresses the general support considerations, including the availability of services and support for all types of emergencies. It should also identify general policies for management of resources; references to mutual aid agreements; authorities for and policies regarding augmenting Lessee staff; and general policies on financial record keeping, reporting, and tracking resources;
- **Plan Development and Maintenance.** This section includes: identification of the schedule for review of each part of the AEP; identification of training, drills, and exercises; and identification of the personnel responsible for reviewing the AEP and planning the training.

9.8.3 Functional Annex Requirements

In preparation of the functional annex requirements, the Lessee shall perform an airport hazards analysis. The findings of the assessment will, in part, dictate the level of planning for various emergencies. Functional annexes are plans organized

around the performance of broad tasks, including: command and control, communications, health and medical, etc.

Since functional annexes are operations oriented, their target audiences are those who perform the tasks. They should not repeat general information contained in the Basic Plan. At a minimum, the AEP shall include a functional annex that addresses how the Airport shall perform each of the following functions:

- Command and control;
- Communications;
- Alert notification and warning;
- Emergency public information;
- Protective actions;
- Law enforcement/security;
- Fire fighting and rescue;
- Health and medical services;
- Resource management; and
- Airport operations and maintenance.

In addition, the following functions shall be addressed as required depending on the findings of the airport hazards analysis:

- Initial and follow-on damage assessment;
- Search and rescue;
- Incident mitigation and recovery;
- Mass care; and
- Chemical, biological, radiological, nuclear, and high yield explosive (CBRNE) protection.

Each functional annex shall:

- Focus on the specific operations, including what the function is and who or what agency has the responsibility for the execution of the function;

- Emphasize specific responsibilities, tasks, and operational actions pertaining to the function being performed;
- Address the activities to be performed by individuals with responsibilities under the function and the schedule for such activities;
- Identify the actions that will ensure effective response and aid in the event of an emergency;
- Define and describe the policies, processes, roles and responsibilities inherent to the various functions for mitigation/preparedness prior to an emergency, response during an emergency, and recovery from an emergency;
- Identify clear lines of authority, incident command structure, and appropriate communications.

Further detail regarding the functional annex requirements is specified in Chapter 6 of FAA AC 150/5200-31C.

9.8.4 Hazard Specific Annex Requirements

The need for a hazard-specific annex will be determined as a result of the airport hazards analysis (see Appendix 1 of FAA AC 150/5200-31C) conducted to inform the development of the functional annexes. Hazard-specific annexes must follow the same structure and similar content as the Basic Operations Plan and the Functional Annexes. FAA AC 150/5200-31C requires that the following specific hazards be addressed within the AEP:

- Aircraft incidents and accidents;
- Bomb incidents, including designated parking areas for the aircraft involved;
- Structural fires;
- Fires or other emergencies at fuel farms or fuel storage areas;
- Natural disasters (e.g. hurricanes, heavy rains and flooding);
- Hazardous materials/dangerous goods incidents;
- Sabotage, hijack incidents or other unlawful interference with operations;
- Failure of power for movement area lighting;
- Water rescue situations.

The content of a hazard-specific section of the AEP shall focus on the special planning needs associated with the particular hazard being addressed. Further detail regarding the hazard-specific annex requirements is specified in Chapter 7 of FAA AC 150/5200-31C.

9.8.5 SOPs and Checklists

SOPs and Checklists provide detailed instructions that an individual or organization needs to fulfill responsibilities and perform tasks assigned in the AEP. Most SOPs and Checklists are hazard-specific and are attached to each Section. For example, the airport law enforcement agency may have a general SOP for Traffic and Access Control or for Terminal Evacuation with supporting individual checklists for the Shift Supervisor, Ramp Patrol, etc. Additionally, these documents shall provide enough detail to cover the basic response and recovery functions necessary to get the job done, but still be general enough to be flexible since no two emergencies are the same.

9.8.6 Performance Schedule

From time to time the AEP shall be revised by the Lessee to reflect a good faith effort to update the AEP as appropriate to maintain an accurate assessment of emergency operations at the Airport.

9.8.7 Reporting Requirements

The Lessee shall prepare a summary of emergency incidents, training, drills, and exercises performed on an annual basis for inclusion in the Lessee's Annual Report. The reporting shall identify any deficiencies that need to be corrected and projects undertaken during the year to correct any issues that arise from training, drills or other activities.

Section 10

CUSTOMER SERVICE PLAN

10.1 BACKGROUND

The Customer Service Plan (CSP) section of the Operations Plan shall provide assurance to the Authority and the airlines that the Lessee is planning and implementing appropriate measures to ensure high levels of customer service. The CSP shall be developed and executed by the Lessee, and submitted to the Authority for approval.

10.2 REGULATORY COMPLIANCE

The Operations Plan shall identify all Legal Requirements relevant to customer service. The Lessee must ensure that employees and representatives responsible for customer service comply with the provisions of the CSP and all Legal Requirements.

Appendix C contains a list of standards and regulations with which the Lessee shall comply, at a minimum. The list is not intended to include all applicable standards and regulations – it is the responsibility of the Lessee to identify and comply with all existing standards and regulations as well as future best practices applicable to airport operations.

10.3 COMMUNITY RELATIONS PROGRAMS

The Authority, on behalf of itself or another governmental entity, reserves the right to operate its own community relations programs in addition to any community relations program conducted by the Lessee.

10.3.1 Artwork

The Airport currently has several different art exhibits and sculptures on display throughout the terminal and concourse areas. Some are fixed displays, while others are rotated on a periodic basis.

The Lessee shall, throughout the Term, maintain all permanent art exhibits and sculptures existing at the Airport as of the Bid Date in a manner at least consistent with that followed by the Authority as of the Bid Date. No such art exhibits or sculptures shall be removed or altered during the Term without the approval of the Authority, which shall be granted in cases of reasonable relocation, and which may be reasonably withheld, conditioned, or delayed in the Authority's discretion in the case of permanent removal. Notwithstanding the foregoing, the Lessee shall have the right to remove or alter such art exhibits or sculptures if required by Law or if necessary (either temporarily or permanently) in conjunction with construction work required or permitted under the Lease Agreement.

10.3.2 Chapel

The Lessee shall, at all times during the Term and at no cost to the airlines or the public, provide a chapel at the Airport Facility substantially similar to the chapel provided at the Airport Facility as of the Bid Date.

10.3.3 Tourism

The Lessee shall, at all times during, the Term provide the Compañía de Turismo de Puerto Rico with space to conduct its activities at the Airport Facility substantially similar to the space it is provided as of the Bid Date, under no less favorable terms as provided in the current agreement AP-04-05-4-203 between the Authority and Compañía de Turismo de Puerto Rico, which agreement will be assumed by the Lessee pursuant to the Lease Agreement.

10.4 EXISTING PLANS

The Lessee shall utilize any available existing plans and descriptions of customer service standards provided to it in the development of the CSP section of the Operations Plan.

10.5 REQUIREMENTS OF THE PLAN

The CSP shall identify the plan's objectives, essential staffing, stakeholders, scope, performance schedule, and reporting requirements as described below.

10.5.1 Objectives of CSP

The objective of the customer service section of the Operations Plan is to define the responsibilities, procedures, and minimum requirements for the staff dedicated to customer service; and shall also provide guidance regarding staff training relating to customer service. Further, the customer service section of the Operations Plan shall define a system for: (1) identifying customer concerns; (2) documenting and tracking concerns; and (3) establishing the action plan to mitigate and correct concerns.

10.5.2 Essential Staffing

An organizational chart shall be included in the CSP which identifies the essential staff responsible for each of the facilities covered under the CSP. The organizational chart shall identify the titles, roles, and duties for each of the individuals responsible for the operation and administration of the various airfield facilities.

The organizational chart shall be supplemented by a summary of the levels of staffing that would be provided for each of the facilities operations. The levels of staffing shall be identified for each season of operation, as the requirements should vary throughout the year in accordance with the work effort.

Current contact information shall be included for each essential staff member.

10.5.3 Stakeholders

The CSP shall identify all stakeholders (both public and private) that may be affected by the performance of the CSP and define any necessary applicable coordination with individual stakeholders. Stakeholders on the CSP will include, but not be limited to, the following: airline customer service representatives, airport customer service personnel, airline passengers, and other members of the general public.

10.5.4 Scope of Plan

The CSP shall address the following topics:

- Staff training and recurrent training;
- Customer concern system;
- Passenger assistance protocols;
- Information services;
- Airport web site;
- Minimum standards;
- Level of Service Report.

Staff training. This CSP section of the Operations Plan shall identify the training program for the employees responsible for customer service. The goal of the training shall be to ensure that all employees that interact with Airport patrons will provide courteous, efficient, and helpful service. This training will provide a protocol for interactions with customers to guide Airport customer service representatives to ensure high levels of customer satisfaction.

Customer concern system. This CSP section of the Operations Plan shall identify the system used to identify, track, mitigate, and resolve customer concerns. The system shall be capable of identifying the priority of the concerns and the timeframe for their resolution. The system shall also identify the procedure for follow-up communication to the customer in the event a formal complaint or concern arises. If the customer concern resolution involves physical improvements or procedural modifications, these shall be documented in revisions to the Operations Plan. Physical improvements recommended shall be addressed in the Capital Asset Management Plan; procedural modifications shall be folded in the Facilities Standards Plan.

Passenger assistance protocols. This CSP section of the Operations Plan shall identify the protocol for provision of passenger assistance. This assistance includes provisions for: (1) the transportation for the elderly and disabled patrons to and

from their aircraft, as necessary; (2) overnight kits in the event of an emergency or extreme aircraft delays requiring overnight stay in the passenger terminal; (3) lost and found; and (4) customer paging.

Information services. This CSP section of the Operations Plan shall identify the minimum requirements for the provision of information to airport patrons. Information services include: provision of an airport website (as defined below) and on-site information kiosks. On-site information kiosks would be located in the passenger terminal both pre- and post-security. At a minimum, these kiosks shall provide information regarding: (1) regional transportation options; (2) local and regional lodging; (3) maps of the airport facilities and surrounding region; (4) dates for major public events in the city of San Juan; (5) information on San Juan venues (e.g. convention center, tourist attractions, museums, et cetera), (6) current weather information, (7) information regarding airport concessions, and (8) facts about the Airport. To the extent possible, customer service representatives with multilingual expertise shall be provided.

Airport website. This CSP section of the Operations Plan shall identify the minimum requirements for the public Airport website. The website shall follow international standards for public websites and include at a minimum: (1) passenger terminal map; (2) Airport map showing main access roadways; (3) directions to and from the Airport; (4) contact information for the airport and airlines customer service departments; (5) a customer service page; (6) a site map for web site navigation; and (7) information regarding Airport security for passenger awareness.

Minimum standards. For each function of the Airport, the Lessee shall define the minimum level of service that must be met for compliance with the Operations Plan. For example, the Lessee shall target a level of service C or better for the departure holdrooms. This level of service C shall be consistent with the appropriate International Air Transport Association (IATA) definitions.

Level of Service Report. A Level of Service Report shall be prepared annually as described in the reporting requirements section below. The findings of the level of service report shall be folded into the Capital Asset Management Plan to ensure that facilities that are operating below a minimum level of service as defined by the Lessee are earmarked for improvements.

10.5.5 Performance Schedule

From time to time the customer services section of the Operations Plan should be revised by the Lessee to reflect a good faith effort to make improvements in areas where customer service has not met the standards of the Lessee, as identified in the annual reporting described in the following section.

10.5.6 Reporting Requirements

The Lessee shall prepare a Level of Service Report on an annual basis. This report shall document the findings of an annual survey of passengers regarding: airport access, automobile parking, terminal curb front, passenger check-in, passenger security screening, terminal concessions, departure holdrooms, baggage claim, and airport way finding. The Level of Service Report shall indicate whether the function is providing excellent, good, fair, or poor levels of service. The Level of Service Report shall report the percentage of responses for each of the categories. Functions that receive a grade of poor from 20% or more respondents must be addressed. The goal of the Lessee shall be to receive excellent or good feedback on each facility from at least 80% of respondents.

The Authority and the Lessee may agree to modify the Level of Service Report goals of excellent or good feedback on each facility from at least 80% of respondents to take into account periods of Airport construction and other events that may affect users of the Airport. It is acknowledged that the Level of Service Report goals are intended to be a target and that, in the event that target is not reached in a given year, it will not provide an independent basis for declaring a Lessee Default under the Lease Agreement but, rather, the Lessee's compliance shall be subject to the provisions set forth in Section 6.1 of the Lease Agreement.

For each of the areas surveyed, the Lessee shall establish a history of customer feedback by reporting the historical results adjacent to the current year's results. The survey must also capture feedback regarding passenger comfort level, convenience, quality of service, and overall traveling experience at the Airport. For those areas with reported poor levels of service, the Lessee shall develop an action plan to address the concerns, either through a combination of training for staff, physical improvements, procedural changes, or further study.

APPENDIX A

AIRPORT CERTIFICATION MANUAL

To be inserted in final document.

APPENDIX B

AIRPORT EMERGENCY PLAN

To be inserted in final document.

APPENDIX C

AVAILABLE GUIDANCE AND STANDARDS

Airport Operation Guidance Documents	
Number	**Title**
General Reference: (Airfield, Security, Safety, Emergency)	
150/5000-15A	Announcement of Availability of Airport-Related Research and Development Products
150/5070-6B	Airport Master Plans
150/5100-14D	Procurement of Professional Services
150/5190-4A	A Model Zoning Ordinance to Limit Height of Objects Around Airports
150/5190-7	Minimum Standards for Commercial Aeronautical Activities
150/5200-12C	First Responders_ Responsibility for Protecting Evidence at the Scene of an Aircraft Accident/Incident
150/5200-18C	Airport Safety Self-Inspection
150/5200-28D	Notices to Airmen (NOTAMS) for Airport Operators
150/5200-29A	Announcement Of Availability Of Airport Self-Inspection DVD
150/5200-30C	Airport Winter Safety And Operations
150/5200-31C	Airport Emergency Plan (Consolidated AC includes Change 2)
150/5200-32A	Reporting Wildlife Aircraft Strikes
150/5200-33B	Hazardous Wildlife Attractants On or Near Airports
150/5200-34A	Construction or Establishment of Landfills near Public Airports
150/5200-35A	Submitting the Airport Master Record in Order to Activate a New Airport
150/5200-36	Qualifications for Wildlife Biologist Conducting Wildlife Hazard Assessments and Training Curriculums for Airport Personnel Involved in Controlling Wildlife Hazards on Airports
150/5200-37	Introduction to Safety Management Systems (SMS) for Airport Operators
150/5210-13C	Airport Water Rescue Plans and Equipment

Airport Operation Guidance Documents	
Number	**Title**
General Reference: (Airfield, Security, Safety, Emergency) *(continued)*	
150/5210-14B	Aircraft Rescue Fire Fighting Equipment, Tools and Clothing
150/5210-15A	Aircraft Rescue and Firefighting Station Building Design
150/5210-17B	Programs for Training of Aircraft Rescue and Firefighting Personnel
150/5210-18A	Systems for Interactive Training Of Airport Personnel
150/5210-19A	Driver's Enhanced Vision System (DEVS)
150/5210-20	Ground Vehicle Operations on Airports
150/5210-22	Airport Certification Manual (ACM)
150/5210-23	ARFF Vehicle and High Reach Extendable Turret (HRET) Operation, Training and Qualifications
150/5210-24	Airport Foreign Object Debris (FOD) Management
150/5210-5D	Painting, Marking, and Lighting of Vehicles Used on an Airport
150/5210-6D	Aircraft Fire and Rescue Facilities and Extinguishing Agents
150/5210-7D	Aircraft Rescue and Fire Fighting Communications
150/5220-10D	Guide Specification for Aircraft Rescue and Fire Fighting Vehicles
150/5220-17B	Aircraft Rescue and Fire Fighting (ARFF) Training Facilities
150/5220-21B	Guide Specification for Devices Used to Board Airline Passengers with Mobility Impairments
150/5220-22A	Engineered Materials Arresting Systems (EMAS) for Aircraft Overruns
150/5220-25	Airport Avian Radar Systems
150/5220-4B	Water Supply Systems for Aircraft Fire and Rescue Protection
150/5220-9A	Aircraft Arresting Systems
150/5230-4A	Aircraft Fuel Storage, Handling, and Dispensing on Airports
150/5300-13	Airport Design

Airport Operation Guidance Documents	
Number	**Title**
General Reference: (Airfield, Security, Safety, Emergency) *(continued)*	
150/5300-16A	General Guidance and Specifications for Aeronautical Surveys: Establishment of Geodetic Control and Submission to the National Geodetic Survey
150/5300-17B	General Guidance And Specifications For Aeronautical Survey Airport Imagery Acquisition And Submission To The National Geodetic Survey
150/5300-18B	General Guidance And Specifications For Submission Of Aeronautical Surveys To NGS: Field Data Collection And Geographic Information System (GIS) Standards
150/5320-6E	Airport Pavement Design and Evaluation
150/5340-18F	Standards for Airport Sign Systems
150/5340-1K	Standards for Airport Markings
150/5370-2E	Operational Safety on Airports During Construction
70/7460-2K	Proposed Construction or Alteration of Objects That May Affect the Navigable Airspace
Wildlife Hazard Management	
Certalert No. 09-10	Wildlife Hazard Assessments in Accordance with Part 139 Requirements
Certalert No. 98-05	Grasses Attractive To Hazardous Wildlife
Certalert No. 04-09	Relationship Between FAA And Wildlife Services
Certalert No. 04-16	Deer Hazard to Aircraft and Deer Fencing
Certalert No. 06-07	Requests by State Wildlife Agencies to Facilitate and Encourage Habitat for State-Listed Threatened and Endangered Species and Species of Special Concern on Airports
150/5200-32A	Reporting Wildlife Aircraft Strikes
150/5200-33B	Hazardous Wildlife Attractants On Or Near Airports
150/5200-34A	Construction or Establishment of Landfills Near Public Airports
150/5200-36	Qualifications for Wildlife Biologist Conducting Wildlife Hazard Assessments and Training Curriculums for Airport Personnel Involved in Controlling Wildlife Hazards on Airport

Airport Operation Guidance Documents	
Number	**Title**
Environmental Management and Public Relations	
150/5020-1	Noise Control and Compatibility Planning for Airports
150/5050-4	Citizen Participation in Airport Planning
150/5050-8	Environmental Management Systems for Airport Operators
Additional Reference Documents	
ICAO Annex 14 - Aerodromes	
IATA Airport Development Reference Manual, 9th Edition	
Federal Regulations and Orders	
49 CFR Parts 1540 and 1542, Airport Security	
FAR Part 139, Certification of Airports	
FAR Part 150, Noise Compatibility Program	
FAR Part 161, Noise Compatibility Program	
FAR Part 77, Objects Affecting Navigable Airspace	
FAA Order 405, Standards for Aeronautical Surveys	
FAA Order 5100.38C, Airport Improvement Program Handbook	
FAA Order 1050.1E, Environmental Impacts: Policies and Procedures	
FAA Order 5050.4B, National Environmental Policy Act (NEPA)	
23 CFR Part 772, Procedures for Abatement of Highway Traffic Noise and Construction Noise	
29 CFR Part 1926 (Originally CFR Part 1518) Safety and Health Regulations for Construction of the Williams Steiger Occupational Safety and Health Act of 1970 (Federal, OSHA)	
29 Code of Federal Regulations (CFR) Parts 1910 and 1926	
29 CFR Part 1926, Construction Safety and Health Regulations	
29 CFR 1926.62, Lead Exposure in Construction	
Federal Regulations and FAA Orders *(continued)*	

Airport Operation Guidance Documents	
Number	**Title**
40 CFR Part 280, Technical Standards and Corrective Action Requirements for Owners and Operators of Underground Storage Tanks (USTs)	
40 CFR 763 Asbestos	
49 U.S.C. Section 44718	
Americans with Disabilities Act of 1990	
Atomic Energy Act (42 U.S.C. Sec. 2011, et seq.)	
Aviation and Transportation Security Act of 2001	
Clean Air Act (42 U.S.C. ' 7401 et seq.) 42 U.S.C. 87401	
Clean Water Act (33 U.S.C. ' 1251 et seq.)	
Comprehensive Environmental Response and Compensation and Liability Act (42 U.S.C. ' 9601 et seq.)	
Council of Environmental Quality regulations on compliance with the National Environmental Policy Act of 1969, as amended	
Determining Conformity of Federal Actions to State or Federal Implementation Plans, 40 C.F.R. Part 93	
Emergency Planning and Community Right-to-Know Act (42 U.S.C. ' 11001 et seq.)	
Executive Order No. 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations," 59 Fed. Reg. 7629, Feb. 16, 1994	
Federal Insecticide Fungicide and Rodenticide Act (7 U.S.C. Sec 136, et seq.)	
Federal requirements for the use of ULSD fuel for both on-road (2007) and off-road (2010) vehicles	
Federal Trade Commission's "Guide for the Use of Environmental Marketing Claims," 16 CFR 260.7(e)	
Federal Transit Act, 40 C.F.R. Part 51, Subpart T Hazardous Material Transportation Act (49 U.S.C. ' 1801 et seq.)	
National Emission Standards for Hazardous Air Pollutants (NESHAP), under Section 112 of the Clean Air Act	
Occupational Safety and Health Act of 1970 (29 U.S.C. ' 651 et seq.)	
OSHA's lead-in-construction rule, contained in 29 CFR 1926.62 33 U.S.C. 8651	
Federal Regulations and FAA Orders (continued)	

Airport Operation Guidance Documents	
Number	**Title**
Resource Conservation and Recovery Act of 1976 (42 U.S.C. ' 6901 et seq.)	
Safe Drinking Water Act (42 U.S.C. ' 300f)	
Toxic Substances Control Act of 1976 (15 U.S.C. ' 2601 et seq.) 8261	
U.S. DOT regulations, "Environmental Impact and Related Procedures," 23 C.F.R. Part 771 and 49 C.F.R. Part 622	
U.S. DOT statutory requirements on environmental matters at 49 U.S.C. § 5324(b)	
U.S. EPA regulations, Conformity to State or Federal Implementation Plans of Transportation Plans, Programs, and Projects Developed, Funded or Approved Under Title 23 U.S.C.	
Worker's Compensation Act	
Asbestos Hazard Emergence Response Act, 15 U.S.C. 82641	

APPENDIX D

FORM OF OPERATIONAL PERFORMANCE METRICS REPORT: LUIS MUÑOZ MARÍN INTERNATIONAL AIRPORT

This appendix provides outlines for the various reports required by these Operating Standards. The reports may include material beyond that listed, but they should at a minimum address the items listed in the following tables.

Operational Performance Report		
Category	**Metric**	**Standard**
Airfield		
Airfield / Airport operations	Visual airfield inspections	Once per 8 hour shift
	Visual terminal / landside inspections	Once per 8 hour shift
	Fueling inspections	Observation during fueling operation
	Field condition reports—standard day	Once per 8 hour shift
	Pavement friction testing—standard day	Weekly
	Airfield lighting and signs maintenance	Daily in accordance with ACM; airfield lighting must be routinely checked for continuous operation; immediate repairs required
Runways	Unscheduled runway closures	Less than the historical mean for the last five years
	Incursions by vehicles or pedestrians	Zero
	Pavement rubber removal	See FAA Advisory Circular 150/5320-12C

Operational Performance Report		
Category	**Metric**	**Standard**
Passenger terminal complex		
Check-in queue	Area per passenger	IATA level of service C, at a minimum *(a)*
Waiting/circulation area	Area per passenger	IATA level of service C, at a minimum
Passport control	Area per passenger	IATA level of service C, at a minimum
Baggage claim area	Area per passenger	IATA level of service C, at a minimum
Maximum queue time	Minutes	See IATA Table F9.7 *(a)*
Public restrooms	Cleanliness – average number of cleanings per day per restroom	16 cleanings per day, 1 attendant per bathroom
	Supervisor inspections of restrooms per 8 hour shift	2 inspections per restroom per shift
Aircraft apron	Lead-in line markings	Twice per year
	Stop line markings	Twice per year
	Safety envelope markings	Twice per year
	Ramp lighting	Weekly inspection, repair lights within 24 hours notice
	Lightning protection	Monthly inspection, repair within 24 hours notice
Loading bridges	Doors	5 minute response time, 1 hour repair
	Overall functionality	Response time: 5 minutes; Repair: 2 hours, when possible
	Ground power	Response time: 15 minutes; Repair: 2 days

Operational Performance Report		
Category	**Metric**	**Standard**
	Potable water	Response time: 15 minutes; Repair: 2 hours
	Pre-conditioned air	Response time: 15 minutes; Repair: 2 days
Baggage handling system	Outbound baggage; Inbound baggage; Baggage claim devices	Response time: 5 minutes; Repair: 2 hours
Passenger conveyance systems	Elevators/escalators/moving walkways	Response time: 30 minutes; Repair: 4 hours
USDA Booths	Hours of operation	4 hours prior to first departure of the day through the time of the last scheduled departure of the day
Federal Inspection Services	Hours of operation	From the first scheduled arrival time to the last scheduled arrival
Flight information displays	Overall functionality	Response time: 2 hours; Repair: 2 hours
Paging systems	Gate paging system	Response time: 5 minutes; Repair: 2 hours
	Terminal-wide paging system	Response time: 5 minutes; Repair: 2 hours
Terminal building climate	Temperature between 70 and 74 degrees Fahrenheit	Response time: 30 minutes; Repair time: 3 days
Terminal building power	Emergency generators	Inspection: bi-weekly
Terminal building janitorial	Clean floors of public walkways, departure holdrooms, passenger loading bridges, and all public areas	Daily; respond to spill incidents as required

Operational Performance Report		
Category	**Metric**	**Standard**
Terminal building waste removal	Empty waste receptacles; replace liners	As needed on a daily basis

Operational Performance Report		
Category	**Metric**	**Standard**
Ground transportation and parking		
Vehicle departures curb	Percentage of double-parked vehicles	10%
Vehicle arrivals curb	Percentage of double-parked vehicles	10%
Taxicabs	Maximum wait time (minutes)	5
Parking lot shuttles	Maximum wait time (minutes)	10
Hourly vehicle parking	Maximum number of hours per year the lot is full or closed	1%
Daily vehicle parking	Maximum number of hours per year the lot is full or closed	10%
Economy vehicle parking	Maximum number of hours per year the lot is full or closed	0%
(a) International Air Transport Association Airport Development Reference Manual, 9th Edition.		

Facilities Condition Assessment	
Assessed facilities should be classified using the following categories: Excellent – no operational deficiencies, minimum standards exceeded; Good – minor operational deficiencies, minimum standards exceeded or met; Fair – minor operational deficiencies, most minimum standards met, some capital improvements or corrective actions should be considered, intermediate-term improvements should be identified; Poor – significant operational deficiencies, facility is failing to meet minimum standards, capital improvements or corrective actions must be taken in near-term; Critical – major operational deficiencies, urgent corrective action must be undertaken, and/or safety issues are present. This category may also include improvements mandated by new laws or regulations.	
Buildings	Inspect all on-Airport buildings from a safety and operational perspective: all safety issues must be identified for resolution by the Lessee as soon as possible.
Building systems	Inspect all on-Airport building systems from a safety and operational perspective. Building systems include mechanical, electrical, communication, and plumbing systems. This work should be carried out by a licensed engineering firm that specializes in building systems (see Section 4.4.7 for further information regarding the details regarding the retention of the licensed engineering firm).
Equipment	Inspect all Airport equipment (e.g. maintenance equipment) from a safety and operational perspective: all safety issues must be identified for resolution by the Lessee as soon as possible.
Utilities	Inspect critical on-Airport utilities, including storm sewer, sanitary sewer, electrical, water, and communication.
Airfield pavements	Field inspection of airfield pavements, including runways, taxiways, aircraft aprons, and vehicle service roads.
Capital improvement recommendations (immediate)	Recommendations to the Lessee in terms of capital improvements that should be carried out immediately due to safety concerns.
Capital improvement recommendations (future)	Recommendations to the Lessee in terms of near-, intermediate- and long-term capital improvements.

Air Traffic Summary	
The Air Traffic Summary (ATS) would provide monthly detail and month-over-month / year-over-year comparisons for each of the data listed below.	
Aircraft Operations	
Annual Operations	All commercial operations (both passenger and cargo)
	All general aviation operations
	All military operations
	All operations
Peak Month Operations	All commercial operations (both passenger and cargo)
	All general aviation operations
	All military operations
	All operations
Peak Month Average Day Ops (Peak Month/31 days)	All commercial operations (both passenger and cargo)
	All general aviation operations
	All military operations
	All operations
Peak Hour Operations	All commercial operations (both passenger and cargo)
	All general aviation operations
	All military operations
	All operations
Commercial Fleet Mix	Wide body jet (%)
	Narrow body jet (%)
	Regional jet (%)
	Turboprop (%)
General Aviation Fleet Mix	Jet (%)
	Turboprop (%)
Non-stop Markets	Number of domestic markets
	Number of int'l markets
Commercial Activity	
Passenger load factor	The number of revenue passengers expressed as a percentage

	of available seats, which represents the proportion of airline output that is actually consumed.
Annual Passengers	Domestic passengers
	International passengers
	O&D passengers
	Connecting passengers
	Total passengers
Peak Month Passengers	Domestic passengers
	International passengers
	O&D passengers
	Connecting passengers
	Total passengers
Peak Month Average Day Passengers	Domestic passengers
	International passengers
	O&D passengers
	Connecting passengers
	Total passengers
Peak Hour Passengers	Domestic passengers
	International passengers
	Departing passengers (1)
	Arriving passengers (1)
	All passengers
Cargo activity	Enplaned cargo tonnage
	Deplaned cargo tonnage
	Total cargo tonnage
Airport Users (Tenants)	
Passenger Airlines	US-based airlines
	Foreign-based airlines
Cargo Airlines	All-cargo airlines
General Aviation (GA)	Based aircraft (GA)
	Fixed Base Operators

Capital Improvement Program	
The Capital Improvement Program (CIP) should outline the near-, intermediate-, and long-term projects planned to address the findings of the Facilities Condition Assessment (FCA) and any other planning studies (e.g. master plan) conducted by the Lessee, and should be submitted to the Authority on an annual basis for their approval.	
Executive summary, introduction, and background	Description and summary of CIP contents.
Methodology	Summary of the methodology used to prioritize the capital improvements and identification of the studies or work done to identify the capital improvements.
Corrective action plan	For all facilities assessed within the FCA as fair, poor, or critical, a corrective action plan must be identified within the CIP. The improvements recommended as part of the action plan should be prioritized, using the following categories: Critical – capital improvements should be executed immediately or as soon as practical; High – capital improvements should be executed in the near-term; Low – capital improvements may be warranted in the near-term to realize operational efficiencies, but may be elective to some extent.
Near-term capital improvement project descriptions	Recommendations for planned capital improvements for the next five years with the greatest detail regarding projects to be completed in the first year of the CIP.
Cost estimates	Probable cost estimate for each of the planned capital improvements for all projects for the near- and intermediate-terms (0-10 years); including identification of probable funding sources. For the long-term, potential capital improvement projects (as they are identified) should be listed along with order of magnitude cost estimates.

Sustainability Report	
The Sustainability Report* shall document the Airport's environmental goals and achievements, and measure progress against environmental goals and historical performance.	
Introduction	This section should describe the Airport's sustainability policy and sustainability program.
Sustainability goals and achievements	Descriptions of the Airport's goals and achievements, which may include, but are not limited to, the following categories:
• Climate change	• Goals and achievements related to reducing contributions to climate change.
• Energy conservation	• Goals and achievements related to reducing energy use - including use of renewable resources.
• Water conservation	• Goals and achievements related to reducing consumption of water resources.
• Natural resources management	• Goals and achievements related to the protection of natural habitats and wildlife populations.
• Solid waste reduction / recycling	• Goals and achievements related to minimizing solid waste and recycling collected waste products.
• Air quality	• Goals and achievements related to the Airport's efforts to minimize emissions.
• Noise	• Goals and achievements related to reducing aircraft noise impacts in areas surrounding the Airport.
• Hazardous materials	• Goals and achievements related to the reduction of hazardous materials use by the Airport and tenants.
• Historical performance	• Comparison of current and historical sustainability achievements.
*The Sustainability Report may be included as a subsection of an Annual Report prepared by the Lessee.	

Safety Report	
The Safety Report* shall document the Airport's safety performance on an annual basis.	
Introduction	Description of the Airport's safety policy and historical performance.
Safety incidents	Identification of safety incidents relative to historical data.
Safety risks	Safety deficiencies to be corrected in the upcoming period.
Self-inspection summary	Results of self-inspection program conducted in accordance with FAA Advisory Circular 150/5200-18C.
*The Safety Report may be included as a subsection of an Annual Report prepared by the Lessee.	

Security Assessment Report	
The Security Assessment Report* shall document the Airport's security performance on an annual basis.	
Introduction	Summary of the Airport Security Plan.
Security incidents	Summary of all security incidents occurring during the reporting period.
Proposed program changes	Identification of potential changes to the Airport Security Program to prevent or mitigate future incidents.
*The Security Assessment Report may be included as a subsection of an Annual Report prepared by the Lessee.	

Emergency Report	
The Emergency Report* shall document the Airport's actual and simulated emergency response performance on an annual basis.	
Introduction	Summary of the Airport's Emergency Plan. This section should also include significant historical emergency incidents.
Emergency incidents	Emergency incidents occurring during the reporting period.
Training	Summary of emergency incidents, training, drills, and exercises performed during the reporting period.
Deficiencies	Deficiencies noted during emergency incidents, training, drills, and exercises.
Corrective measures	Correction of deficiencies noted, and emergency related projects to be undertaken during the next reporting period.
*The Emergency Report may be included as a subsection of an Annual Report prepared by the Lessee.	

Level of Service Report	
A Level of Service Report* should be prepared annually and address the following functional areas and summarize the results of the customer service survey.	
Airport functional area	**Component**
Airport access / parking	Signage and way finding to and from Airport
	Economy parking availability
	Short-term parking availability
	Terminal curb front congestion
	Way finding to / from rental car facilities
Passenger ticketing	General appearance and cleanliness
	Customer service from airport employees
	Wait times and congestion
	Overall ticketing lobby experience
	Signage and way finding
Passenger security screening	Customer service from security personnel
	Wait time and congestion
Departure holdrooms	General appearance and cleanliness
	Access to flight information
	Availability of seating
	Space available and passenger circulation
	Availability of concessions

Airport functional area	Component
Terminal concessions	General appearance and cleanliness
	Adequacy of food and beverage options
	Adequacy of retail options
	Adequacy of news and gift options
	Customer service by Lessee employees
Terminal restrooms	General appearance and cleanliness
	Adequacy pre-security and post-security
	Walking distance to restrooms (accessibility)
Baggage claim	General appearance and cleanliness
	Information regarding baggage claim device
	Wait time for retrieval of luggage
	Space available and passenger circulation
	Way finding from gate to baggage claim area
	Way finding from baggage claim area to ground transportation
	Availability of concessions
*Report may be included as a subsection of an Annual Report prepared by the Lessee.	

SCHEDULE B

PLAT OF AIRPORT

[*See Attached*]

LEGEND:
BOUNDARY LIMIT
NOT IN CONTRACT
NOTES:
BOUNDARY LINES IN THESE DRAWINGS WAS PROVIDED BY OTHERS
URS CARNEY, LLP, OR URS CORPORATION CANNOT GUARANTEE THE
ACCURACY OF THESE DATA.
WHICH IS PROVIDED FOR INFORMATION PURPOSE ONLY.
URS
LYMAN OBLIGATION MAPS

SCHEDULE C

LIST OF EXISTING AGREEMENTS ASSUMED BY THE LESSEE

Cargo Facilities Leases

1. Lease Agreement AP-04-05-4-083, dated September 9, 2004, between the Authority and Cargo Services Corporation.

2. Lease Agreement AP-86-87-4-024, dated November 17, 1986, between the Authority and Cargo Services Corporation.

American Airlines Leases and Concession Agreement

1. Cargo Lease Agreement AP-09-10-4-065, dated October 5, 2009, between the Authority and American Airlines, Inc.

2. Equipment Facilities Lease Agreement AP-75-76-4-176, dated June 14, 1976, between the Authority and American Airlines, Inc. (with an understanding that the Authority and American Airlines will enter into an amended and restated version of such agreement with substantially the same terms prior to the Closing).

3. Concession Agreement AP-83-84-4-132, dated as of April 23, 1984, as amended by AP-84-85-4-083 E-2 / AP-83-84-4-132 on June 30, 2004, by and between the Authority and Airport Aviation Services, Inc.

American Eagle Airlines Leases

1. Hangar Lease by and between the Authority and American Eagle Airlines, Inc.

Fuel Farm Agreements

1. Lease Agreement AP-96-97-4-066, dated October 28, 1996, between the Authority and The Pipelines of Puerto Rico, Inc.

SCHEDULE D

LIST OF TERMINATED AGREEMENTS

1. Lease Agreement AP-75-76-4-176, dated as of June 14, 1976, as amended by AP-75-76-4-176 A-1 dated August 10, 1981, as amended further by AP-75-76-4-176 A-2 dated June 21, 1991, and as amended further by AP-75-76-4-176 A-3 on December 24, 199[X], by and between the Authority and American Airlines.

2. Lease Agreement AP-07-08-4-084, dated as of October 1, 2007, by and between the Authority and Aerotransporte Antillana.

3. Lease Agreement AP-10-11-4-002, dated as of August 6, 2010, by and between the Authority and Air America, Inc.

4. Lease Agreement AP-05-06-4-048, dated as of October 24, 2005, by and between the Authority and Air America, Inc.

5. Lease Agreement AP-05-06-4-050, dated as of October 24, 2005, by and between the Authority and Air Charter Inc, d/b/a Air Flamenco.

6. Lease Agreement AP-07-08-4-142, dated as of March 4, 2008, by and between the Authority and AirTran Airways, Inc.

7. Lease Agreement AP-05-06-4-130, dated as of May 3, 2006, by and between the Authority and Caribair, Inc.

8. Lease Agreement AP-06-07-4-141, dated as of June 26, 2007, by and between the Authority and Charter Flights Caribbean, Inc.

9. Lease Agreement AP-08-09-4-149, dated as of February 4, 2009, by and between Compania Panamena de Aviacion, S.A.

10. Lease Agreement AP-99-00-4-021, dated as of September 1, 1999, by and between the Authority and Continental Airlines, Inc.

11. Lease Agreement AP-55-58-02, dated as of May 20, 1955, as amended by AP-55-117-04 on May 24, 1955, as amended further by AP-62-63-219 on April 5, 1963, as amended further by AP-65-66-60 on August 8, 1965, as amended further by AP-55-58-02 A-4 on October 13, 1978, and amended further by AP-55-58-02 A-5 on October 19, 1989, by and between the Authority and Delta Air Lines, Inc.

12. Lease Agreement AP-90-91-4-120, dated as of January 24, 1991, by and between the Authority and Delta Air Lines, Inc.

13. Lease Agreement AP-01-02-4-083, dated as of March 13, 2002, by and between the Authority and Hyannis Air Service d/b/a Cap Air.

14. Lease Agreement AP-10-11-4-015, dated as of July 21, 2010, by and between the Authority and Hyannis Air Service d/b/a Cape Air.

15. Lease Agreement AP-03-04-4-172, dated as of March 9, 2004, by and between the Authority and Iberia L.A.E.

16. Lease Agreement AP-95-96-4-187, dated as of May 8, 1996, by and between the Authority and Isa Nena Air Service, Inc.

17. Lease Agreement AP-09-10-4-092, dated as of February 19, 2010, by and between the Authority and Island Airlines, LLC.

18. Lease Agreement AP-01-02-4-102, dated as of May 2, 2002, as amended by AP-01-02-4-102 on March 8, 2004, by and between the Authority and JetBlue Airways Corporation.

19. Lease Agreement AP-04-05-4-190, dated as of December 31, 2004, by and between the Authority and Jet Center, Inc.

20. Lease Agreement AP-89-90-4-163, dated as of May 7, 1990, as amended by AP-89-90-4-163 A-1 on August 15, 1990, and as amended further by AP-89-90-4-163 A-2 on May 16, 1991, by and between the Authority and Liat Caribbean Airlines.

21. Lease Agreement AP-07-08-4-091, dated as of October 22, 2007, as amended by AP-07-08-4-091 E-1 on December 19, 2007, by and between the Authority and Lineas Aereas Puertorriquenas, Inc.

22. Lease Agreement AP-09-10-4-012, dated as of July 1, 2009, by and between the Authority and Pan Am World Airways Dominicana C. por A.

23. Lease Agreement AP-06-07-4-100, dated as of January 23, 2007, by and between the Authority and Rome International Inc.

24. Lease Agreement AP-09-10-4-143, dated as of June 29, 2010, by and between the Authority and Rome International, Inc.

25. Lease Agreement AP-01-02-4-061, dated as of December 27, 2001, by and between the Authority and Spirit Airlines, Inc.

26. Lease Agreement AP-97-98-4-147, dated as of April 16, 1996, by and between the Authority and United Airlines.

27. Lease Agreement AP-02-03-4-052, dated as October 9, 2002, by and between the Authority and Vieques Air Link.

28. Operating Agreement AP-08-09-0-118, dated as of November 5, 2008, as amended by AP-08-09-0-118 dated June 30, 2010, by and between the Authority and Air Canada.

29. Operating Agreement AP-07-08-0-156, dated as of March 24, 2008, as amended by AP-07-08-0-156 E-1 on July 1, 2010, by and between the Authority and AirTran Airways, Inc.

30. Operating Agreement AP-08-09-0-062, dated as of August 18, 2008, by and between the Authority and Copa Airlines.

31. Operating Agreement AP-07-08-0-161, dated as of March 25, 2008, by and between the Authority and Delta Air Lines.

32. Operating Agreement AP-09-10-0-130, dated as of June 4, 2010, as amended by AP-09-10-0-130 E-1 on July 1, 2010, by and between the Authority and Executive Airlines, Inc.

33. Operating Agreement AP-07-08-0-153, dated as of March 20, 2008, as amended by AP-07-08-0-153 on July 1, 2010, by and between the Authority and Federal Express Corporation.

34. Operating Agreement AP-07-08-0-154, dated as of March 20, 2008, as amended by AP-07-08-0-154 E-1 on July 1, 2010, by and between the Authority and Iberia L.A.E.

35. Operating Agreement AP-07-08-0-149, dated as of March 19, 2008, as amended by AP-07-08-0-149 E-1 on July 1, 2010, by and between the Authority and JetBlue Airways Corporation.

36. Operating Agreement AP-07-08-0-151, dated as of March 20, 2008, by and between the Authority and Martinair Holland N.V.

37. Operating Agreement Extension AP-10-11-0-002, dated as of July 1, 2010, by and between the Authority and Spirit Airlines.

38. Operating Agreement AP-07-08-0-155, dated as of March 24, 2008, as amended by AP-07-08-0-155 E-1 on July 1, 2010, by and between the Authority and Spirit Airlines.

39. Operating Agreement AP-07-08-0-160, dated as of March 25, 2008, as amended by AP-07-08-0-160 E-1 on July 1, 2010, by and between the Authority and United Parcel Service Co.

40. Operating Agreement AP-10-11-4-077, dated as of December 21, 2010, by and between the Authority and Seaborne Virgin Islands, Inc.

41. Operating Agreement AP-07-08-0-157, dated as of July 1, 2010, by and between the Authority and US Airways, Inc.

42. Operating Agreement AP-11-12-4-145, dated as of June 5, 2012, by and between the Authority and JetBlue Airways Corporation.

SCHEDULE E

STATEMENT OF ESTIMATED ANNUAL CONTRIBUTION FOR THE FIRST TERM YEAR

Airline:	[AIRLINE]
Term Year:	[____, 2012 to December 31, 2012]
CPI Factor:	1.000
Total Annual Contribution (All Airlines):	$62,000,000

Airline's Annual Contribution

Landing Contribution

Estimated MAGTOW:	[•] (1,000 lb. units)
Estimated Landing Rate:	$[•] (per 1,000 lb. unit)
Estimated Landing Contribution:	$[•]

Parking

Estimated Parking Rates:	$[*Insert table of parking rates*]
Estimated Parking Fees:	$[•]

Non-Seasonal Exclusive Use Rent

Non-Seasonal Exclusive Use Space:	[•] (sq. ft.)
Non-Seasonal Exclusive Use Rate:	$[•] (per sq. ft.)
Non-Seasonal Exclusive Use Rent:	$[•]

Seasonal Exclusive Use Rent

Seasonal Exclusive Use Space:	[•] (sq. ft.)
Seasonal Exclusive Use Rate:	$[•] (per sq. ft.)
Seasonal Exclusive Use Rent:	$[•]

Domestic Terminal Contribution

Estimated Revenue Landings:	[•] (1,000 lb. units)
Estimated Domestic Terminal Rate:	$[•] (per 1,000 lb. unit)
Estimated Domestic Terminal Contribution:	$[•]

International Terminal Contribution

Estimated Revenue Landings:	[•] (1,000 lb. units)
Estimated Domestic Terminal Rate:	$[•] (per 1,000 lb. unit)
Estimated Domestic Terminal Contribution:	$[•]

Local Terminal Contribution

Estimated Revenue Landings:	[•] (1,000 lb. units)
Estimated Domestic Terminal Rate:	$[•] (per 1,000 lb. unit)
Estimated Domestic Terminal Contribution:	$[•]

Estimated Airline's Annual Contribution: **$[●]**

SCHEDULE F

Terminal Facility Utilization

[*See Attached*]

SCHEDULE F

TERMINAL FACILITY UTILIZATION

F.1 INTRODUCTION

In accordance with Section 3.3 of this Agreement, this Schedule F specifies the policies and procedures for: (1) the allocation and assignment, and reallocation and reassignment, of Exclusive Use Space and/or termination of rights to Exclusive Use Space within the passenger terminal building; (2) the allocation or assignment of Common Use Space, including aircraft gates; and (3) the allocation and assignment, and reallocation and reassignment of Common Use Assigned Gates.

F.2 STATEMENT OF INTENT

The Lessee's objectives shall be to: (1) provide the Signatory Airlines with predictability and stability regarding the use of operational space at the Airport, and (2) offer all airlines desiring to serve the Airport access to the Airport and adequate space in the terminal building. The Lessee shall pursue the objective of achieving a reasonable balance in the overall utilization of the terminal building and associated aircraft aprons, with a particular focus on convenience to passengers and the integrity of the airlines' operations.

F.3 SPACE AT THE AIRPORT

Space at the Airport shall consist of Exclusive Use Space, Common Use Space and other Lessee Controlled Facilities as shown in Schedule G. Common Use Assigned Gates are part of the Common Use Space, subject to the provisions of this Schedule F.

Exclusive Use Space – In accordance with Section 3.3(b), the Lessee has allocated certain terminal space at the Airport (in accordance with Schedule G of this Agreement, subject to modifications in accordance with this Schedule) other than gates (and terminal areas associated with such gates) for exclusive use by Signatory Airlines for exclusive use ticket counters and offices, clubs and other operations and functions as are incidental or reasonably necessary to the conduct of the Airlines' Air Transportation Business and for such other purposes as the Lessee shall approve. The allocation of Exclusive Use Space is not a lease and does not convey any interest in any real or personal property whatsoever, however, subject to the terms of this Schedule F and this Agreement, Signatory Airlines shall have a contractual right to the exclusive use, control and quiet enjoyment of their Exclusive Use Space.

Common Use Space – Subject to the provisions of this Agreement and the Lease Agreement, the Lessee shall retain under its exclusive possession and control all Airport facilities, except space under lease or included as Exclusive Use Space, for common use by the Airlines in accordance with the Agreement. All gates and hold rooms, passenger circulation areas, baggage makeup areas, baggage claim areas, and Federal Inspection Services areas (FIS), at the Airport shall be operated on a common use basis; *provided, however*, that, subject to the provisions and conditions set forth in this schedule, certain gates may be Common Use Assigned Gates.

Common Use Assigned Gates – has the meaning ascribed in Section F.6 of this Schedule F.

F.4 EXCLUSIVE USE SPACE ACCOMMODATION

The purpose of this section is to specify the procedures for the reallocation or reassignment of Exclusive Use Space and/or termination of rights to Exclusive Use Space within the passenger terminal building.

Signatory Airlines shall have the right to install proprietary equipment in their respective Exclusive Use Space, in accordance with Section 3.3(b) of the Use Agreement.

F.4.1 Consolidation of Operation

A. If the Lessee has an objective material operational need to improve the utilization of the terminal building or to implement a capital improvement and it reasonably determines that a Signatory Airline is under-utilizing its Exclusive Use Space and is able to consolidate such Signatory Airline's operation without sacrificing its operational integrity (or that of its Affiliates and Alliance Partners), the Lessee may, upon consultation with the Signatory Airline and after 60 days notice to the Airline, recapture a portion of the Exclusive Use Space and require the Signatory Airline to consolidate its operations into its remaining Exclusive Use Space; *provided however,* that the Signatory Airline shall have the right to dispute the basis for such recapture in accordance with Article 10 of this Agreement.

B. For purposes of this Section F.4.1, under-utilization shall be reasonably determined by the Lessee, taking into account (i) the space utilization by all airlines at the Airport over the prior 365 days, (ii) the Signatory Airline's space requirements to accommodate normal operating procedures of the Signatory Airline (or its Affiliates and Alliance Partners), (iii) planned use by the Signatory Airline (or its Affiliates and Alliance Partners) for such premises in the next 365 days and normal seasonal variations, and (iv) any

related labor agreement. The Lessee shall report its findings to the Signatory Airline and provide copies of all supporting documentation.

C. Through notice to the Lessee, the Signatory Airline may request the Lessee to reconsider its determination of under-utilization within 30 days of receipt of the Lessee's notice to consolidate without prejudice to the Signatory Airline's rights under Article 10 of this Agreement. In such event, the Signatory Airline shall provide documentation to show future plans for service and other information requested by the Lessee. The Lessee shall make a reasonable determination which it believes best meets its goals for the Airport.

D. If the Lessee elects to proceed with the consolidation of space after such reconsideration, the Lessee shall give the Signatory Airline notice within 10 days of such decision, *provided* that the Signatory Airline is not exercising its dispute resolution rights in accordance with Article 10 of this Agreement.

E. If there is not an event of default with respect to the Signatory Airline as defined in Article 9 of this Agreement, the Lessee shall pay all reasonable costs (if any) associated with the relocation of the Signatory Airline's equipment, fixtures, furniture, signage, and shall reimburse the Signatory Airline for the original cost, net of depreciation to the date of reimbursement (the "undepreciated value"), of the Signatory Airline's improvements that cannot be relocated pursuant to the provisions of this Section; *provided* that in lieu of reimbursing the undepreciated value of the Signatory Airline's improvements, the Lessee may replace such improvements with like improvements in the consolidated space. If the Signatory Airline is in default pursuant to and has received notice in accordance with Article 9 of this Agreement, the Signatory Airline shall consolidate into its remaining Exclusive Use Space at its sole cost and expense provided that the Signatory Airline is not disputing the default in accordance with Article 10 of this Agreement.

F.4.2 Relinquishment of Abandoned Exclusive Use Space

A. If the Lessee reasonably determines that a Signatory Airline has abandoned or constructively abandoned all or a portion of its Exclusive Use Space, the Lessee may, but is not obligated to, upon 30 days' notice to the Signatory Airline, delete from the Signatory Airline's Exclusive Use Space hereunder, such abandoned or constructively abandoned space; *provided* that the Signatory Airline is not disputing the abandonment in accordance with Article 10 of this Agreement. For purposes of this Section F.4.2, abandoned or

constructively abandoned space shall be reasonably determined by the Lessee taking into account planned use by the Signatory Airline for such premises in the following 365 days and normal seasonal variations. A Signatory Airline may request the Lessee to reconsider its determination of abandonment by giving notice to the Lessee without prejudice to the Signatory Airline's right under Article 10 of this Agreement. In such event, the Signatory Airline shall provide documentation to show future plans for service, events of *force majeure*, if any, and other information requested by the Lessee. The Lessee shall make the determination that it believes best meets its overall goals for the Airport.

F.4.3 Reassignment of Exclusive Use Space

A. In order to optimize the use of Airport facilities, the Lessee reserves the right to reassign any or all of a Signatory Airline's Exclusive Use Space after notice, preceded by a consultation period of no less than 60 days and provided that the Signatory Airline has not disputed such reassignment in accordance with Article 10 of this Agreement. Prior to the consultation period, the Lessee shall identify in writing in its initial notice to the Signatory Airline the proposed assigned new space which shall be reasonably comparable in size, quality, finish, and location. The Signatory Airline's payments under the Agreement for Exclusive Use Space shall not increase as a result of any relocation unless the Signatory Airline requests additional space. In making a reassignment determination, the Lessee shall take into consideration the best interest of the traveling public and the operations of the Airport, and will be guided by all pertinent factors, including:

   i. the Signatory Airline's (including Affiliates and Alliance Partners) historical and then-present space utilization over the prior 365 days;
   ii. the known planned use for such premises, and
   iii. the Signatory Airline's operational space adjacencies.

A Signatory Airline's relocation of any of its Exclusive Use Space resulting from such reassignment shall be at the Lessee's sole expense. The Signatory Airline shall be reimbursed for its reasonable out-of-pocket expenses incurred as part of the relocation and for the undepreciated value of its improvements that cannot be relocated; *provided* that in lieu of reimbursing the undepreciated value of Signatory Airline's improvements, the Lessee may replace such improvements with like improvements in the new space.

F.4.4 Seasonal Exclusive Use Space

Signatory Airlines may request the allocation of Exclusive Use Space on a seasonal basis. Such Seasonal Exclusive Use Space may be used for the same purposes and on the same terms as other Exclusive Use Space. The cost for such space is set forth in Article 4 of this Agreement. An allocation of Seasonal Exclusive Use Space must be for a minimum of 30 consecutive days and may not exceed a maximum of 120 consecutive days. The allocation of Seasonal Exclusive Use Space may not displace or unreasonably interfere with the allocation of Non-Seasonal Exclusive Use Space.

F.5 COMMON USE SPACE

The purpose of this section is to specify the procedures for the use of Common Use Space and facilities, excluding aircraft gates which are addressed in Sections F.6 and F.7. This space and facilities include: common use ticket offices, baggage makeup, baggage claim, FIS, and passenger circulation.

F.5.1 Accommodation in Certain Lessee-Controlled Facilities

A. Subject to this Agreement and the Lease Agreement, the Lessee will retain under its control and possession certain facilities in the terminal building, excluding the facilities described and shown on Schedule G this Agreement. It is the intent of the Lessee to use, at its discretion but subject to the terms of this Schedule F, any of the Lessee-Controlled facilities to accommodate:

i. airlines not requiring permanent facilities or airlines requesting temporary accommodation pending allocation of permanent facilities; and

ii. the needs of Signatory Airlines and Nonsignatory Airlines.

F.5.2 Baggage Claim

Common Use baggage claim usage will be allocated on a priority basis to Signatory Airlines with Common Use Assigned Gates within the landside terminal serving such gates. Usage of baggage claim devices will be provided whenever reasonably practicable as requested by the airline. At times, it will be necessary that baggage claim devices will be shared among the airlines, provided that the level of service is reasonable and no worse than Level of Service C, as defined by IATA, in accordance with the Operating Standards.

F.5.3 Baggage Makeup Space

All ticket counters shall be connected to baggage makeup devices. Common Use baggage makeup devices will be allocated on a priority basis to Signatory Airlines with ticket counters associated with those baggage makeup devices. Baggage makeup devices will be provided whenever reasonably practicable as requested by the airline.

F.6 COMMON USE ASSIGNED GATES AND ACCOMMODATION

This section provides the Lessee and airline scheduling and operating personnel guidance on the designation, accommodation, recapture, and reassignment of Common Use Assigned Gates. Common Use Assigned Gates shall mean those gates at the Airport that the Lessee designates as Common Use Assigned Gates for the priority use of a particular Airline in accordance with this Schedule F.

F.6.1 Lessee and Airline Gate Pools

All gates at the Airport shall be Common Use Gates. However, the Lessee shall designate certain gates as Common Use Assigned Gates in accordance with the provisions herein at a Signatory Airline's request. Nonsignatory Airlines shall not be provided with Common Use Assigned Gates. All aircraft gates will be assigned to one of two "pools", the Lessee Pool and the Airline Pool. The Airline Pool will include all gates designated as Common Use Assigned Gates; the Lessee Pool will include the remainder. The number of gates in each pool may be adjusted from time to time in accordance with this Schedule F.

Airline is deemed to have requested and Lessee has agreed to the following initial designation of Common Use Assigned Gates to the Airline, as shown in Figure A.

Figure A
AIRLINE POOL – COMMON USE ASSIGNED GATES

Gate Designation	Concourse	Airline
5	D	AA
6	D	AA
7	D	AA
8	D	AA
9	D	AA
11	D	OW
12	D	FL/WN
14	D	FL/WN
15	D	OW
16	D	FL/WN
17	D	OW

23	C	NK
34	B	UA/CO
36	B	UA/CO
37	B	US
38	B	US
39	B	DL
41	B	DL
A1	A	B6
A2	A	B6
A3	A	B6
A4	A	B6
A5	A	B6
A6	A	B6
A7	A	B6

Subject to the foregoing, the initial delineation of the two pools is also shown in Schedule G to this Agreement. The Airline Pool has 25 gates, including the Airline's Common Use Assigned Gates, and the Lessee Pool has the remaining 20 gates. The initial Lessee Pool is 44% of the total gate pool. The number of gates in the Lessee Pool may increase or decrease based on the designation of additional or recapture of Common Use Assigned Gates in accordance with Sections F.6.2 and F.6.4. In addition, the overall number of available gates may increase or decrease over the term of this agreement in the event of capital improvements to improve customer service or enhance operational efficiency consistent with the statement of intent articulated in Section F.2; provided that any decrease in the number of available gates or a material decrease in the number of ticket counters resulting from a capital improvement shall be considered a Modification subject to an Airline MII in accordance with Section 8.8 of this Agreement and provided further that the Lessee shall comply with the requirements regarding capital improvements set forth in Article 6 of this Agreement. If such capital improvement projects would affect the calculation of gate utilization ratios, then the Lessee shall submit a new proposed calculation of gate utilization ratios as part of the Airline MII approval process for the Modification.

For the purpose of this section, comparisons between the Airline Pool and Lessee Pool average gate utilization ratios will be for the specific type of gate. The gate types are: international and domestic. In addition, it is assumed that all international gates are capable of serving domestic operations, should the gates not be required for international operations. Template 1 provides a summary of calculations for gate utilization ratios.

F.6.2 Designation of Common Use Assigned Gates

In addition to the initial designation of Common Use Assigned Gates under F.6.1, the Lessee shall grant a requesting Signatory Airline a Common Use Assigned Gate if the following conditions are met for the type of gate:

A. The Lessee Pool average utilization is less than the Airline Pool average utilization with the requested gate(s) assumed to be in the Airline Pool, according to the calculation depicted in Template 1;

B. The airline requesting a Common Use Assigned Gate would have a utilization ratio on the requested gate greater than the average utilization of the Lessee Pool for that type of gate; *provided, however,* that the airline requesting a Common Use Assigned Gate would have a utilization ratio for all of such airline's existing Common Use Assigned Gates, including the proposed additional Common Use Assigned Gate, at least equal to 4.0 departures per day, per Common Use Assigned Gate. The calculation of average departures would be weighted in accordance with Table B shown in Template 1.

C. The airline requesting the Common Use Assigned Gate accepts that other airlines may use the Common Use Assigned Gates on occasion in conformance with the terms and conditions in Section F.6.3;

D. The airline requesting the Common Use Assigned Gate is willing to incur the costs of modifying the gate and its equipment for its use.

The calculation of weighted average gate utilization shall be done on a historical basis, over a period of 365 days.

Gates eligible for designation as a Common Use Assigned Gate will be provided from the Lessee Pool of Gates. The Signatory Airline shall be obligated to permit the occasional use of any of its Common Use Assigned Gates by other airlines to accommodate non-routine irregular operations. These operations by other airlines will be included in the average utilization for the gate when calculating the airline's historical utilization ratio.

The Airline shall have the right to install proprietary equipment at its Common Use Assigned Gates. Prior to installing any proprietary equipment, the Airline shall consult with the Lessee to consider whether there would be any issues regarding interference or incompatibility with the Lessee's systems.

F.6.3 Procedures for Accommodation at Common Use Assigned Gates

If there are no Common Use Gates of the type required available from the Lessee Pool, the Lessee may grant a requesting airline(s) the right to use in common all or a designated portion of a Signatory Airline's Common Use Assigned Gates and rights of ingress and egress subject to and in accordance with the following terms and conditions:

A. The Lessee on behalf of the requesting airline shall make a request of all Signatory Airlines with Common Use Assigned Gates for accommodation. For regular or continuous operations, the request shall be made to the airline representatives on the Airline Management Committee. Signatory Airlines shall make reasonable efforts to accommodate such request and shall respond to the requesting airline and the Lessee within 15 days. In cases of irregular or one-time operations or emergencies, the Lessee may accommodate a requesting airline without advance notification, in accordance with the priorities established in Section F.7.

B. For regular or continuous operations, if no Signatory Airline volunteers to accommodate the requesting airline's operational needs or requirements for Gate accommodation at reasonable and documented costs, the Lessee may, upon 30 days' notification to a Signatory Airline, grant the requesting airline the right of use in common with the Signatory Airline one or more of the Signatory Airline's Common Use Assigned Gates subject to the conditions contained herein. In making such a determination, the Lessee shall act reasonably and shall take into consideration the best interest of the traveling public and the operations of the Airport and the operational needs of the requesting airline, and will be guided by all pertinent factors, including:

    i. Signatory Airline's and its Affiliates' and Alliance Partners' flight schedules and needs, including connecting flights, and the flight schedules and needs of the requesting airline;
    ii. Signatory Airline's and its Affiliates' and Alliance Partners' combined historical and then present Gate utilization in the 365 days immediately prior to the request;
    iii. The known planned use for such premises in the 365 days immediately after the request;
    iv. The compatibility of such requesting airline's and its Affiliates' and Alliance Partners' proposed operations and work force, including ground-handling operations with the operations and work force of Signatory Airline and its Affiliates and Alliance Partners;

v. The Lessee's obligations to promote competition, air service and access by new entrants and limited incumbents; and
vi. The security of the Signatory Airline's and the requesting airline's operations.

The Lessee may request that planned uses and requirements of the requesting airline and the Signatory Airline be documented and submitted in writing to the Lessee, and that the Lessee treat such planned uses and requirements as confidential, proprietary information, to the extent allowable by law.

C. The use of a Signatory Airline's Common Use Assigned Gates (and associated terminal apron parking positions, appurtenant equipment, and ancillary support space which are reasonably necessary for the effective use of such Gates) by a requesting airline shall be scheduled so as not to interfere with the Signatory Airline's scheduled arrivals and departures and servicing activities or those of any Affiliate or Alliance Partner. In accommodating the requesting airline at a Signatory Airline's Common Use Assigned Gates, the Lessee shall provide the use of the Gate for a turn (arrival and departure) by the requesting airline when there is at least a two hour window between the Signatory Airline's scheduled operations provided that the use of the Gate by the requesting airline is for an arrival not earlier than one hour after the Signatory Airline's next scheduled departure, and for a departure not later than one hour before the Signatory Airline's next scheduled arrival.

D. A Signatory Airline and its Affiliates and Alliance Partners shall have priority over other users with respect to overnight parking on the Signatory Airline's assigned Common Use Assigned Gates, *provided* that the Signatory Airline and its Affiliates and Alliance Partners may be required to remove a parked aircraft from its Common Use Assigned Gate during regular hours of operations to accommodate use by others in accordance with the provisions of this section. Off-schedule operations of a Signatory Airline and its Affiliates and Alliance Partners at a Signatory Airline's Common Use Assigned Gates shall take precedence over the use by a requesting airline; *provided* that if a Signatory Airline's off-schedule operations interfere with the requesting airline's use of a Signatory Airline's Common Use Assigned Gates, the Signatory Airline shall work with, and shall make best efforts to accommodate, the requesting airline at another of the Signatory Airline's Common Use Assigned Gates, if any.

E. A requesting airline has the right to make improvements and alterations necessitated by any long-term accommodation, the scope of which shall be

subject to approval by the Signatory Airline and the Lessee. Approval shall not be unreasonably withheld or delayed.

F. Upon the termination of such use in common with a Signatory Airline, the requesting airline shall be responsible for returning all Gate and other facilities used by the requesting airline to the original condition, normal wear and tear excepted, unless the Signatory Airline and the Lessee release the requesting airline from this requirement.

G. A requesting airline shall indemnify the Signatory Airline for any damages caused to any Signatory Airline property or third party claims arising from the requesting airline's use of the Gates.

F.6.4 Recapture of Common Use Assigned Gates

The Lessee may wish from time to time to recapture Common Use Assigned Gates which the Lessee believes may be necessary for the goal of operational efficiency. In addition, the Lessee may believe that some capital improvements are necessary for the overall operational efficiency of the terminal building which may cause the Lessee to want to recapture Common Use Assigned Gates. In each of the immediately preceding cases, and for the Lessee to recapture any Common Use Assigned Gates in any event, the following conditions must be present for the Lessee to expand the Lessee Pool of gates:

A. The Lessee Pool average utilization for the type of gate required must be greater or equal to the Airline Pool average utilization with the proposed expanded Lessee Pool gate(s) assumed to be in the Lessee Pool, according to the calculation depicted in Template 1; and

B. The Lessee requires the gate(s) to accommodate current or foreseeable needs; and

C. The Lessee has notified the Airlines that it believes that the conditions set forth in A. and B. immediately above have been met and has had 15 days of good faith negotiations with the Airlines, after such notice, on alternative solutions to recapture, including:

i. Accommodation at Common Use Assigned Gates;
ii. Flight schedule modifications;
iii. Capital improvements.

And after consultation, the Lessee, in its sole discretion, determines that no reasonable or viable alternative exists to recapturing gates.

D. As with the designation of Common Use Assigned Gates, the calculation in Template 1 shall be done on a historical basis, over a period of 365 days.

E. The Lessee shall identify the gate(s) proposed for recapture by using the tests outlined in Template 1 applied to all Common Use Assigned Gates of each Signatory Airlines as a unit. If the test results in a "pass," for more than one Signatory Airline, the Lessee may propose to select an eligible gate(s) from the Signatory Airlines' Common Use Assigned Gates that resulted in a "pass" in inverse order of the applicable Signatory Airlines' utilization commencing with the Signatory Airlines with the lowest utilization to next Signatory Airline with the lowest utilization. Eligible gates within the applicable Signatory Airline's gates for recapture would include those gates with a utilization ratio less than that of the average utilization of the applicable Signatory Airline in inverse order of the utilization commencing with the gate with the lowest utilization to the next lowest utilization for the specific type of gate. In selecting from the eligible gates with equal utilization rates, if any, the Lessee may consider the following:

   i. The Signatory Airline's status with respect to default, in accordance with Article 9 of this Agreement and subject to the Signatory Airline's rights under Article 10 of this Agreement;
   ii. The Signatory Airline's historical gate utilization including its Affiliates and Alliance Partners in the 365 days immediately prior to the proposed recapture;
   iii. The Signatory Airline's operational space adjacencies;
   iv. Specialized fixtures required for the Signatory Airline's operations;
   v. The proximity of the gate relative to the Lessee's Pool of gates; and
   vi. The compatibility of any proposed operations and work force with the operations and work force of the Signatory Airline and its Affiliates and Alliance Partners.

F. The Lessee shall provide the Signatory Airline whose gate(s) it proposes to recapture with a cure period of 30 days (unless the Airline waives its right to the cure period) after notice to such Signatory Airline during which time the Signatory Airline may alter their schedule to maintain their Common Use Assigned Gate(s). At the end of the cure period, the Lessee shall recalculate the utilization ratios to determine if the Signatory Airline's gate meets the

recapture requirements and shall notify the Signatory Airline of such recalculation and if the gate is subject to recapture, provide reasonable advance notice to the Signatory Airline of the date for recapture.

A. If any such recapture occurs, the Signatory Airline shall be accommodated at one or more of the Lessee Pool gates without disruption to flight schedules, including priority consideration at the gate(s) recaptured. The Signatory Airline's costs shall not increase as a result of any recapture of Common Use Assigned Gates. A Signatory Airline's relocation of any of its proprietary equipment resulting from such reassignment shall be at the Lessee's sole expense. A Signatory Airline shall be reimbursed by the Lessee for its reasonable out-of-pocket expenses incurred as part of the relocation and for the undepreciated value of its improvements that cannot be relocated or if the Signatory Airline makes improvements in the new space, the reasonable costs of such improvements minus the undepreciated value of its improvements that cannot be relocated; *provided* that in lieu of reimbursing the undepreciated value of Signatory Airline's improvements, the Lessee may replace such improvements with like improvements in the new space.

F.6.5 Reassignment of Common Use Assigned Gates

This provision provides for the potential reassignment from one Common Use Assigned Gate to another at either the Airline's request or the Lessee's request.

In order to optimize the use of Airport facilities, the Lessee may propose to reassign any or all of a Signatory Airline's Common Use Assigned Gates after notice preceded by a consultation period of no less than 60 days. The Signatory Airline may in its sole discretion reject the reassignment proposal by the Lessee. Prior to the consultation period, the Lessee shall identify in writing in its initial notice to the Signatory Airline the proposed assigned new space which shall be reasonably comparable in size, quality, finish, and location and which must have the same capability to handle aircraft types as the existing space. In making a reassignment determination, the Lessee shall take into consideration the best interest of the traveling public and the operations of the Airport, and will be guided by all pertinent factors, excluding the optimization of non-aeronautical revenue, including:

i. the Signatory Airline's (including Affiliates and Alliance Partners) historical and then present space utilization in the 365 days immediately prior to such notice;
ii. the known planned use for such premises, and
iii. the Signatory Airline's operational space adjacencies.

Signatory Airline's relocation of any of its Common Use Assigned Gates resulting from such reassignment shall be at the Lessee's sole expense. The Signatory Airline shall be reimbursed for its reasonable out-of-pocket expenses incurred as part of the relocation and for the undepreciated value of its improvements that cannot be relocated or if the Signatory Airline makes improvements in the new space, the reasonable costs of such improvements minus the undepreciated value of its improvements that cannot be relocated; *provided* that in lieu of reimbursing the undepreciated value of Signatory Airline's improvements, the Lessee may replace such improvements with like improvements in the new space.

Conversely, a Signatory Airline may request to move from their Common Use Assigned Gates to available gates in the Lessee Pool without reclassification of its Common Use Assigned Gates. If the Lessee agrees to the request, the Signatory Airline shall be responsible for the cost of said move.

F.7 COMMON USE GATES AND ACCOMMODATION

This section provides the Lessee and airline scheduling and operating personnel guidance on advance scheduling of flights at Common Use Gates and day-to-day assignment of flights to Common Use Gates, which may differ from those gates originally scheduled.

F.7.1 Operating Philosophy

All gates are to be operated on a common use basis, including those designated as Common Use Assigned Gates. The Lessee shall have the responsibility of assigning operations to all gates, including Common Use Assigned Gates, in accordance with the provisions and protocols within this document. Scheduling protocols and procedures shall provide for:

- Optimal use of terminal gates and related facilities;
- Equitable airline access;
- Reasonable airline operating certainty, including providing the Signatory Airlines with predictability and stability regarding the use of aircraft gates at the Airport;
- Opportunities for addition of flights by incumbent and new entrant airlines;
- Maximum use of international capable gates for international arrivals; and
- Safe operating practices.

In addition, Signatory and Nonsignatory Airlines shall have the right to install proprietary equipment at a Common Use Gate for their operations, subject to approval of the Lessee. The Lessee shall not unreasonably withhold approval. However, the Lessee may require that the airline remove such equipment at the sole expense of the airline should the Common Use Gate be reassigned as a Common Use Assigned Gate.

F.7.2 Responsibilities

The following responsibilities must be reasonably fulfilled for these gate scheduling procedures to be applied consistent with their intent. Airlines are responsible for:

- Participating in gate committee discussions of gate allocation issues at regularly scheduled meetings of the Airline Management Committee established under Section 3.13 of this Agreement;
- Providing timely and accurate flight and gate occupancy schedules in accordance with Template 2 (attached herein);
- Notifying promptly the Lessee of off-schedule flights;
- Complying with Lessee's gate assignments; and
- Discussing any concerns regarding application of these gate scheduling procedures with the Lessee.

The Lessee is responsible for:

- Leading discussions of gate allocation issues at regularly scheduled meetings of the Airline Management Committee established under Section 3.13 of this Agreement;
- Coordinating airline requests;
- Developing gate schedules and making assignments in accordance with these gate scheduling procedures;
- Providing clear and timely gate occupancy schedules to airlines;
- Making day-to-day gate assignments.

F.7.3 General Gate Assignment Considerations

The Lessee shall consider the following when making gate assignments:

A. Physical capabilities of the gate and related facilities;

B. Airlines preferences and requests for specific gates;

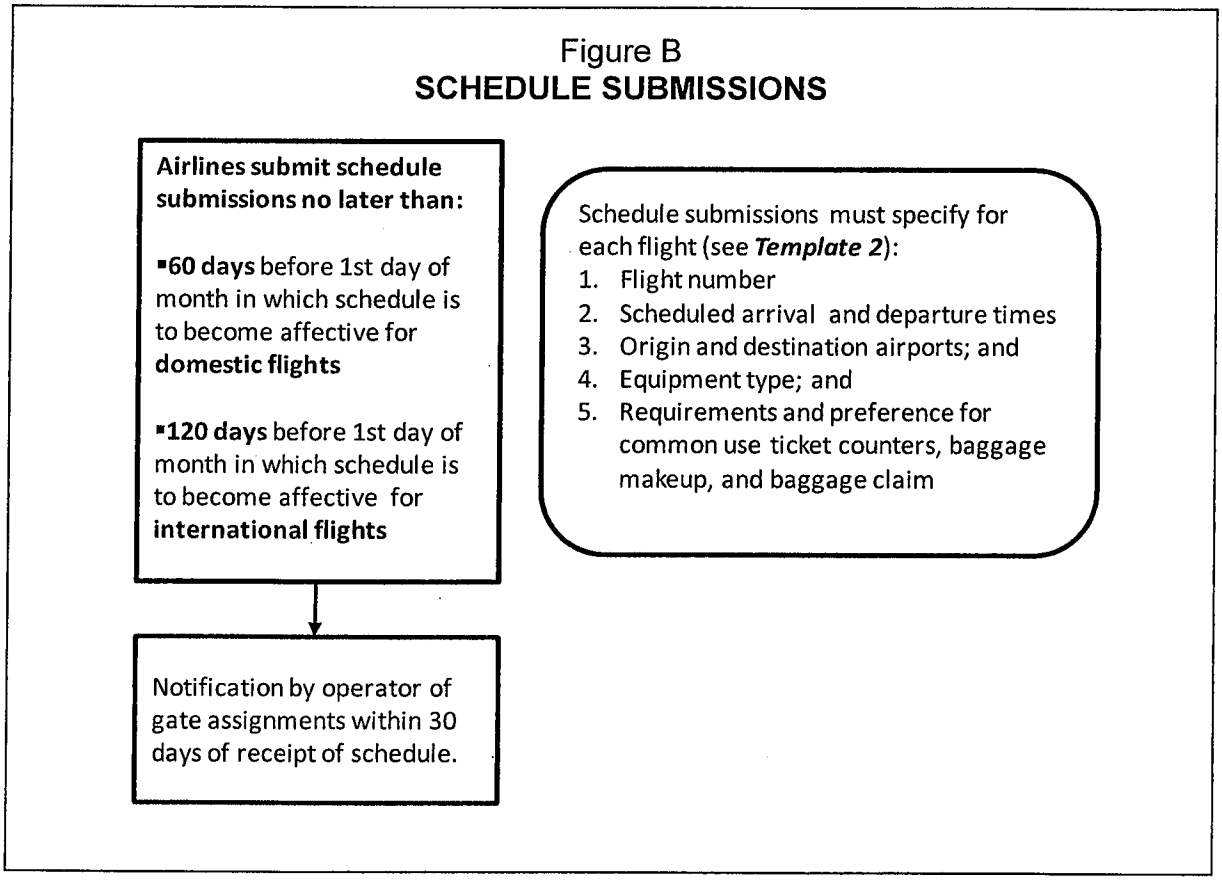
C. Limiting to the extent practical, the distance between gates used by the same airline and its Affiliates and Alliance Partners; and

D. Historical operating arrangements and continuity in operations.

F.7.4. Gate Scheduling Protocol

A. Airlines must submit their flight schedules to the Lessee in accordance with the specifications outlined in Figure B, including notification 60 days in advance of the schedule for domestic flights and 120 days in advance for international flights. Template 2 attached to this document specifies the format in which the submissions must be made.

Figure B
SCHEDULE SUBMISSIONS



B. Scheduled flights requiring extended time-on-gate will be scheduled as a last priority and may be displaced by flights operating within these time-on-gate parameters shown in Figure C.

Figure C
TIME ON GATE PRIORITIES

	Time on gate (minutes)							
	Domestic origin *and* destination			International origin *or* destination			Schedule separation	
Aircraft gauge	Departing flights	Arriving flights	Turns	Departing flights	Arriving flights	Turns	Flights of Same Airline (a)	Flights of Different Airline
Up to 199 seats	45	45	60	45	60	90	20	30
200 or more seats	60	60	90	60	60	120	20	30

Notes:
(a) Also includes flights serviced by the same ground handling company.

C. An aircraft with the first scheduled morning departure from a gate will be scheduled to position at the gate following the last terminating flight the preceding day and the last terminating flight will be scheduled to clear the gate in accordance with the maximum gate occupancy periods for terminating flights specified in Figure C.

D. In the event that an insufficient number of Common Use gates exists to accommodate scheduled flights, the following steps will be taken:

i. The Lessee will consult with involved airlines to seek flight schedule changes to resolve the situation, including accommodation at a Common Use Assigned Gate, in accordance with provisions in Section F.6.3;

ii. If the consultation fails to produce a solution, the Lessee will make reasonable accommodations of airline schedules, which could require airlines to ramp hold at times (subject to adequate ramp hold positions being available) while they wait for the next available gate. In determining the airline that may use the next available gate, the Lessee will consider scheduled arrival times, airline performance in meeting

scheduled arrival times vs. actual arrival times, airline signatory status, aircraft size, international or domestic origination, and other relevant factors as appropriate.

iii. To the extent a situation results where the Lessee cannot reasonably accommodate airline schedules and conflicts cannot be resolved, the Lessee will first give preference to Signatory Airlines, then will give preference to other factors, including scheduled arrival times, actual arrival times, equipment size and international or domestic origination. If, after taking into account the preceding factors, an aircraft cannot be accommodated at a gate, such aircraft will be accommodated at a remote position, as available.

F.7.5 Gate Assignment Protocol for Off-Schedule or Non-Scheduled Flights

A. Flights shall be assigned to specific gates as scheduled unless the accommodation of such flights is not reasonably practicable due to off-schedule operations, nonfunctional facilities or other operational constraints.

B. Non-scheduled operations will be gated on a space-available basis in accordance with the same priorities outlined in the preceding Section F.7.4 for international and domestic originating flights.

C. Off-schedule flights shall be reported by airlines to the Lessee at the earliest opportunity.

D. An off-schedule departing flight that is reasonably expected by the Lessee to clear a gate such that it would cause less than a 10-minute delay on the next scheduled arriving flight will be gated where scheduled, or if available, accommodated at an open gate convenient for that flight. If the delay is expected to be greater than 10 minutes, the arriving flight generally will be gated elsewhere.

E. The Lessee shall seek to provide capacity in reserve to accommodate off-schedule operations.

F. The assignment decisions of the Lessee shall be binding.

G. Signatory Airline representatives and airline station managers shall have the right to discuss concerns regarding assignments with the Lessee

H. Airlines shall have the right to install proprietary equipment on Common Use Gates with the Lessee's approval.

Template 1

HYPOTHETICAL DEDICATED GATE RECAPTURE CALCULATION

PART 1 - WEIGHTED GATE USAGE for average departures over six months

Gates				Average Period									
Gate	Capability	Airline/ Lessee	Airlines at Gate	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total	# Gates	Average
1	International	Lessee	Commuter	13.31	14.44	14.15	13.90	14.38	14.50	14.81	99.49	1.00	14.21
2	International	Lessee	-	-	-	-	-	-	-	-	-	1.00	-
3	International	Lessee	-	-	-	-	-	-	-	-	-	1.00	-
4	International	Lessee	BA, IB	1.00	1.00	1.00	-	-	1.00	1.00	5.00	1.00	0.71
5	International	Lessee	AA	3.30	3.20	3.16	3.16	3.15	3.20	3.30	22.47	1.00	3.21
6	International	Lessee	AA	3.30	3.20	3.16	3.16	3.15	3.20	3.30	22.47	1.00	3.21
7	International	Airline	AA	3.30	3.20	3.16	3.16	3.15	3.20	3.30	22.47	1.00	3.21
8	International	Airline	AA	3.30	3.20	3.16	3.16	3.15	3.20	3.30	22.47	1.00	3.21
9	International	Airline	AA	3.30	3.20	3.16	3.16	3.15	3.20	3.30	22.47	1.00	3.21
11	International	Airline	OW	3.67	3.83	3.70	3.60	3.75	3.83	3.92	26.30	1.00	3.76
12	International	Airline	FL/WN	2.75	2.50	2.47	2.47	2.58	2.67	2.58	18.02	1.00	2.57
14	International	Airline	FL/WN	2.75	2.50	2.47	2.47	2.58	2.67	2.58	18.02	1.00	2.57
15	International	Airline	OW	3.67	3.83	3.70	3.60	3.75	3.83	3.92	26.30	1.00	3.76
16	International	Airline	FL/WN	2.75	2.50	2.47	2.47	2.58	2.67	2.58	18.02	1.00	2.57
17	International	Airline	OW	3.67	3.83	3.70	3.60	3.75	3.83	3.92	26.30	1.00	3.76
18	International	Lessee	-	-	-	-	-	-	-	-	-	1.00	-
19	International	Lessee	-	-	-	-	-	-	-	-	-	1.00	-
20	International	Lessee	CM	2.00	2.00	2.00	2.00	2.00	2.00	2.00	14.00	1.00	2.00
22	International	Lessee	-	-	-	-	-	-	-	-	-	1.00	-
23	International	Airline	NK	3.00	3.00	3.00	3.00	3.00	3.00	3.00	21.00	1.00	3.00
24	International	Lessee	-	-	-	-	-	-	-	-	-	1.00	-
25	International	Lessee	-	-	-	-	-	-	-	-	-	1.00	-

Template 1

HYPOTHETICAL DEDICATED GATE RECAPTURE CALCULATION *(continued)*

Gate	Capability	Airline/ Lessee	Airlines at Gate	Average Period							Total	# Gates	Average
				Sun	Mon	Tue	Wed	Thu	Fri	Sat			
26	International	Lessee	-	-	-	-	-	-	-	-	-	1.00	-
27	International	Lessee	-	-	-	-	-	-	-	-	-	1.00	-
28	International	Lessee	-	-	-	-	-	-	-	-	-	1.00	-
29	International	Lessee	-	-	-	-	-	-	-	-	-	1.00	-
31A	Domestic	Lessee	-	-	-	-	-	-	-	-	-	1.00	-
31B	Domestic	Lessee	LI, BB, TJ	4.00	3.25	3.00	3.00	3.50	3.50	4.00	24.25	1.00	3.46
32	Domestic	Lessee	AC, WS, 7I	2.50	-	1.00	-	-	1.00	1.50	6.00	1.00	0.86
33	Domestic	Lessee	-	-	-	-	-	-	-	-	-	1.00	-
34	Domestic	Airline	UA, CO	2.00	1.50	1.50	1.50	1.50	1.50	2.38	11.88	1.00	1.70
35	Domestic	Lessee	-	-	-	-	-	-	-	-	-	1.00	-
36	Domestic	Airline	UA, CO	2.00	1.50	1.50	1.50	1.50	1.50	2.38	11.88	1.00	1.70
37	Domestic	Airline	US	4.00	3.00	2.70	2.70	2.38	2.63	3.13	20.53	1.00	2.93
38	Domestic	Airline	US	4.00	3.00	2.70	2.70	2.38	2.63	3.13	20.53	1.00	2.93
39	Domestic	Airline	DL	2.38	2.00	2.00	1.90	2.00	2.00	2.38	14.65	1.00	2.09
40	Domestic	Lessee	-	-	-	-	-	-	-	-	-	1.00	-
41	Domestic	Airline	DL	2.38	2.00	2.00	1.90	2.00	2.00	2.38	14.65	1.00	2.09
A1	Domestic	Airline	B6	2.96	2.96	2.76	2.69	2.86	2.93	2.96	20.12	1.00	2.87
A2	Domestic	Airline	B6	2.96	2.96	2.76	2.69	2.86	2.93	2.96	20.12	1.00	2.87
A3	Domestic	Airline	B6	2.96	2.96	2.76	2.69	2.86	2.93	2.96	20.12	1.00	2.87
A4	Domestic	Airline	B6	2.96	2.96	2.76	2.69	2.86	2.93	2.96	20.12	1.00	2.87
A5	Domestic	Airline	B6	2.96	2.96	2.76	2.69	2.86	2.93	2.96	20.12	1.00	2.87
A6(48)	Domestic	Airline	B6	2.96	2.96	2.76	2.69	2.86	2.93	2.96	20.12	1.00	2.87
A7 (46)	Domestic	Airline	B6	2.96	2.96	2.76	2.69	2.86	2.93	2.96	20.12	1.00	2.87
TOTAL WEIGHTED GATE USAGE				99.06	92.44	90.15	86.90	89.38	93.25	98.81	649.99	45.00	2.06

Template 1

HYPOTHETICAL DEDICATED GATE RECAPTURE CALCULATION *(continued)*

PART 2 – UTILIZATION BY GATE CAPABILITY AND TYPE RECAPTURE TESTS

Gates	Domestic / International	Average Period Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total	# Gates	Average	
Airline												
	Domestic	16.75	13.00	12.40	12.20	11.75	12.25	15.75	94.10	6	2.24	
	International	59.50	58.75	56.60	55.80	57.75	59.00	59.75	407.15	19	3.06	
		76.25	71.75	69.00	68.00	69.50	71.25	75.50	501.25	25	2.86	
Airline average		3.05	2.87	2.76	2.72	2.78	2.85	3.02				
Lessee												
	Domestic	19.81	17.69	18.15	16.90	17.88	19.00	20.31	129.74	6	3.09	
	International	3.00	3.00	3.00	2.00	2.00	3.00	3.00	19.00	14	0.19	
		22.81	20.69	21.15	18.90	19.88	22.00	23.31	148.74	20	1.06	
Lessee average		1.14	1.03	1.06	0.95	0.99	1.10	1.17				
Lessee less airline												
	Domestic	3.06	4.69	5.75	4.70	6.13	6.75	4.56	35.64		0.85	
	International	(56.50)	(55.75)	(53.60)	(53.80)	(55.75)	(56.00)	(56.75)	(388.15)		(2.87)	***(a)***
		(53.44)	(51.06)	(47.85)	(49.10)	(49.63)	(49.25)	(52.19)	(352.51)		(2.02)	***(b)***

***(a)* To recapture an international gate ratio must be >=0.0**

***(b)* To recapture a domestic gate ratio must be >=0.0**

Template 1

HYPOTHETICAL DEDICATED GATE RECAPTURE CALCULATION *(continued)*

PART 3 – ASSUMPTIONS TABLES

Table A

GATE POOL ASSUMPTIONS FOR TEMPLATE 1 CALCULATION

Airline Pool			Lessee Pool	
Gate Designation	Concourse	Airline	Gate Designation	Concourse
5	D	AA	1	E
6	D	AA	2	D
7	D	AA	3	D
8	D	AA	4	D
9	D	AA	18	D
11	D	OW	19	D
12	D	FL/WN	20	C
14	D	FL/WN	22	C
15	D	OW	24	C
16	D	FL/WN	25	C
17	D	OW	26	C
23	C	NK	27	C
34	B	UA/CO	28	C
36	B	UA/CO	29	C
37	B	US	31A	B
38	B	US	31B	B
39	B	DL	32	B
41	B	DL	33	B
A1	A	B6	35	B
A2	A	B6	40	B
A3	A	B6		
A4	A	B6		
A5	A	B6		
A6	A	B6		
A7	A	B6		

TOTALS

Airline pool gates	25
Lessee pool gates	20
Total gates	45

Template 1

HYPOTHETICAL DEDICATED GATE RECAPTURE CALCULATION *(continued)*

Table B

OPERATIONAL WEIGHTING ASSUMPTIONS FOR TEMPLATE 1 CALCULATION

Range of seats	Weighting	Typical aircraft
Greater than or equal to 100	1.0	B737, A320
Between 99 and 40	0.5	AT7, DH3,
Less than 40	0.25	DHT, CNA

Template 2

REQUIRED SCHEDULE SUBMISSION FORMAT

Flight number	Origin	Dest	Equip type	Dom / Int'l	Scheduled arrival/departure times							Preferences				Explanatory notes
					Sun	Mon	Tue	Wed	Thu	Fri	Sat	Gate	Bag Claims	Ticket ctrs	Makeup device(s)	
Flight001	YYY	SJU	A321	D	15:00	15:00	15:00	15:00	15:00	15:00	15:00	X1	X1	X, Y, Z	X, Y, Z	
Flight002	SJU	YYY	A321	D	15:30	15:30	15:30	15:30	15:30	15:30	15:30	X1	X1	X, Y, Z	X, Y, Z	
Flight003	YYY	SJU	B737	D	22:00	22:00	22:00	22:00	22:00	22:00	22:00	X2	X1	X, Y, Z	X, Y, Z	
Flight004	SJU	YYY	B777	I	13:00	13:00	13:00	13:00	13:00	13:00	13:00	X5	X1	X, Y, Z	X, Y, Z	
Flight005	YYY	SJU	B777	I	14:30	14:30	14:30	14:30	14:30	14:30	14:30	X5	X1	X, Y, Z	X, Y, Z	
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Template 2

REQUIRED SCHEDULE SUBMISSION FORMAT

Flight number	Origin	Dest	Equip type	Dom / Int'l	Scheduled arrival/departure times							Preferences				Explanatory notes
					Sun	Mon	Tue	Wed	Thu	Fri	Sat	Gate	Bag Claims	Ticket ctrs	Makeup device(s)	
Flight001	YYY	SJU	A321	D	15:00	15:00	15:00	15:00	15:00	15:00	15:00	X1	X1	X, Y, Z	X, Y, Z	
Flight002	SJU	YYY	A321	D	15:30	15:30	15:30	15:30	15:30	15:30	15:30	X1	X1	X, Y, Z	X, Y, Z	
Flight003	YYY	SJU	B737	D	22:00	22:00	22:00	22:00	22:00	22:00	22:00	X2	X1	X, Y, Z	X, Y, Z	
Flight004	SJU	YYY	B777	I	13:00	13:00	13:00	13:00	13:00	13:00	13:00	X5	X1	X, Y, Z	X, Y, Z	
Flight005	YYY	SJU	B777	I	14:30	14:30	14:30	14:30	14:30	14:30	14:30	X5	X1	X, Y, Z	X, Y, Z	
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SCHEDULE G

INITIAL ALLOCATION OF EXCLUSIVE USE SPACE

[*See Attached*]

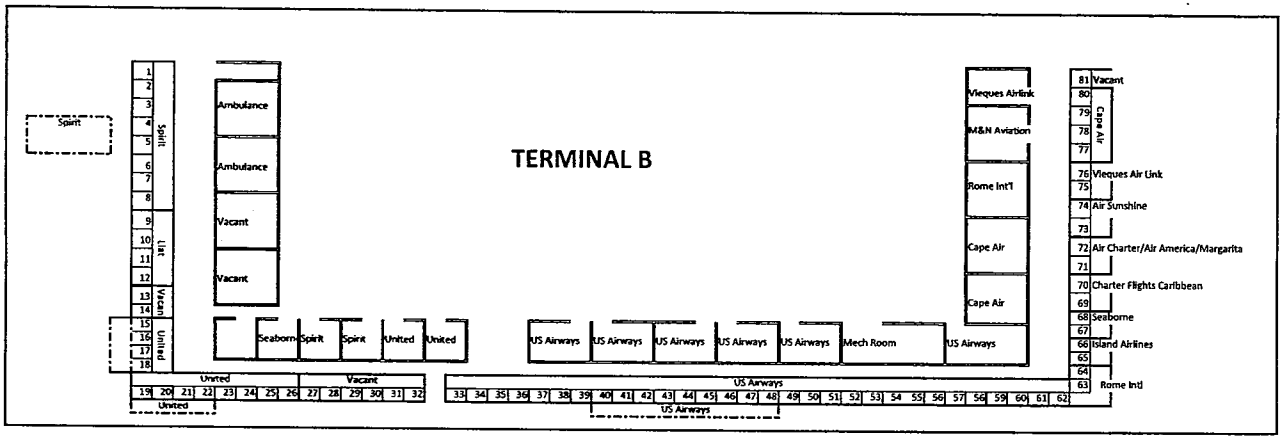
Schedule G - Initial Allocation of Space
AIRLINE TERMINAL SPACE RENTALS FOR P3

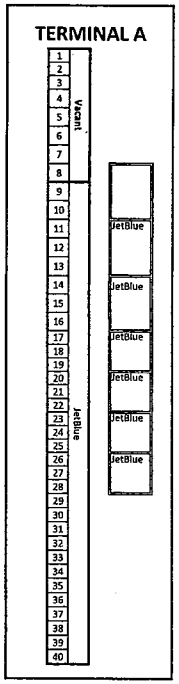
	Ticket Counters		Space (square feet)				
	Location	Number	Counter	Baggage Claim	Office	Other	Total
TENANTS PARTY TO USE AGREEMENT							
American	D	34	1,500	869	5,629	45,331	53,329
American Eagle	D	-					-
Air Sunshine	B	2	127	-	533	-	659
Air Charter/Air America	B	1	40	-	-	-	40
Air Margarita	B	1	40	-	-	-	40
AirTran/Southwest	C	13	493	290	610	-	1,393
British Airways *(a)*	D	4	-	200	-	-	200
Cape Air	B	4	528	9	676	-	1,213
Charter Flights Caribbean	B	2	84	-	-	-	84
COPA	B/C	6	345	-	587	-	932
Delta	B/C	22	525	256	5,016	-	5,797
Iberia	D	6	327	-	782	144	1,253
Island Airlines	B	2	79	-	-	-	79
JetBlue	A	30	1,792	1,097	5,081	1,662	9,632
LIAT *(b)*	B	4	262	-	574	-	836
M&N Aviation	B	-	191	-	183	-	375
Seaborne	B	2	440		238	492	1,170
Spirit	B	8	308	258	485	108	1,159
United *(c)*	B	12	385	254	1,947	360	2,945
US Airways	B	30	907	480	1,509	242	3,138
WestJet	C	4	180		250	185	615
Vieques Air Link	B	2	76	-	183	-	260
Subtotal		189	8,628	3,713	24,284	48,524	85,150
TENANTS NOT PARTY TO USE AGREEMENT							
GMD	C	12	354	240	430	-	1,024
Professional Security Support	B/C	2	96	-	307	-	403
Rome International	B	2	57	-	182	291	530
Sharon Travel & Tours Corp.	D	-	79	-	-	-	79
Turismo Tony Pérez	D	-	105	-	-	-	105
Subtotal		16	691	240	920	291	2,141
TOTAL TERMINAL RENTABLE SPACE		205	9,319	3,953	25,204	48,815	87,291
VACANT TICKET COUNTERS							
Terminal A		10					
Terminal B		9					
Terminal B/C		8					
Terminal C		34					
Terminal D		42					
Subtotal		103					
Total		308	9,319	3,953	25,204	48,815	87,291

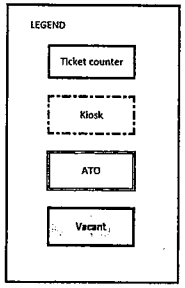
(a) British Airways exclusive office space to be determined
(b) Airline ticket office space located on Terminal B/C.
(c) United includes Continental

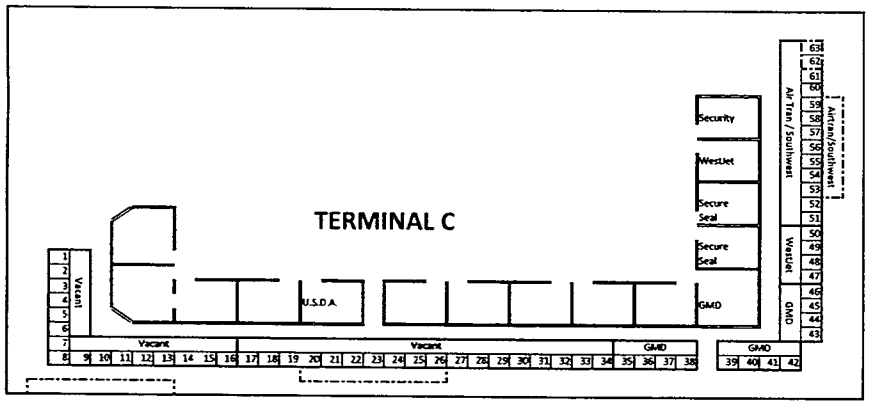
Schedule G - Initial Allocation of Space

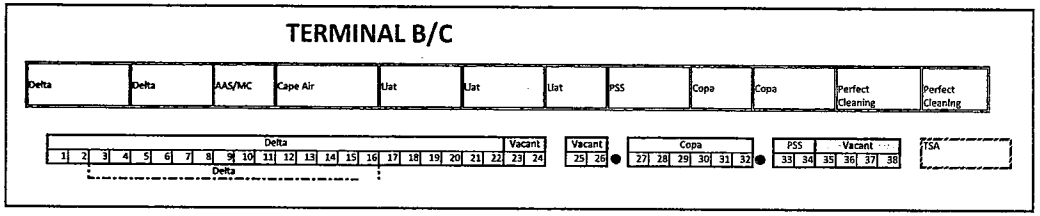
ILLISTRATIVE SCHEDULE OF TICKET COUNTERS AND AIRLINE TICKET OFFICES FOR P3

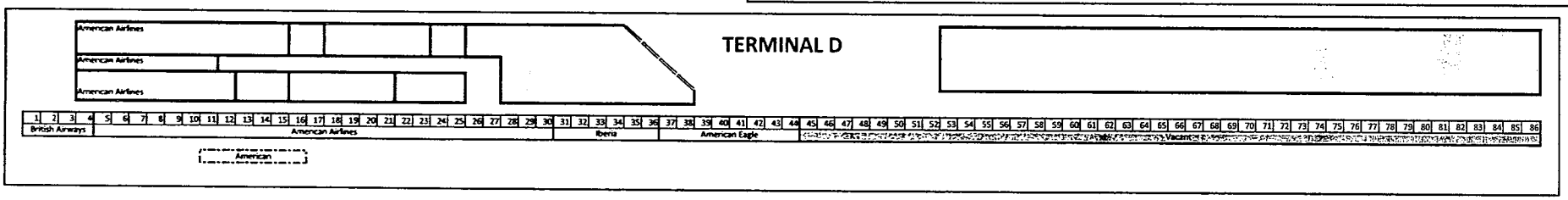










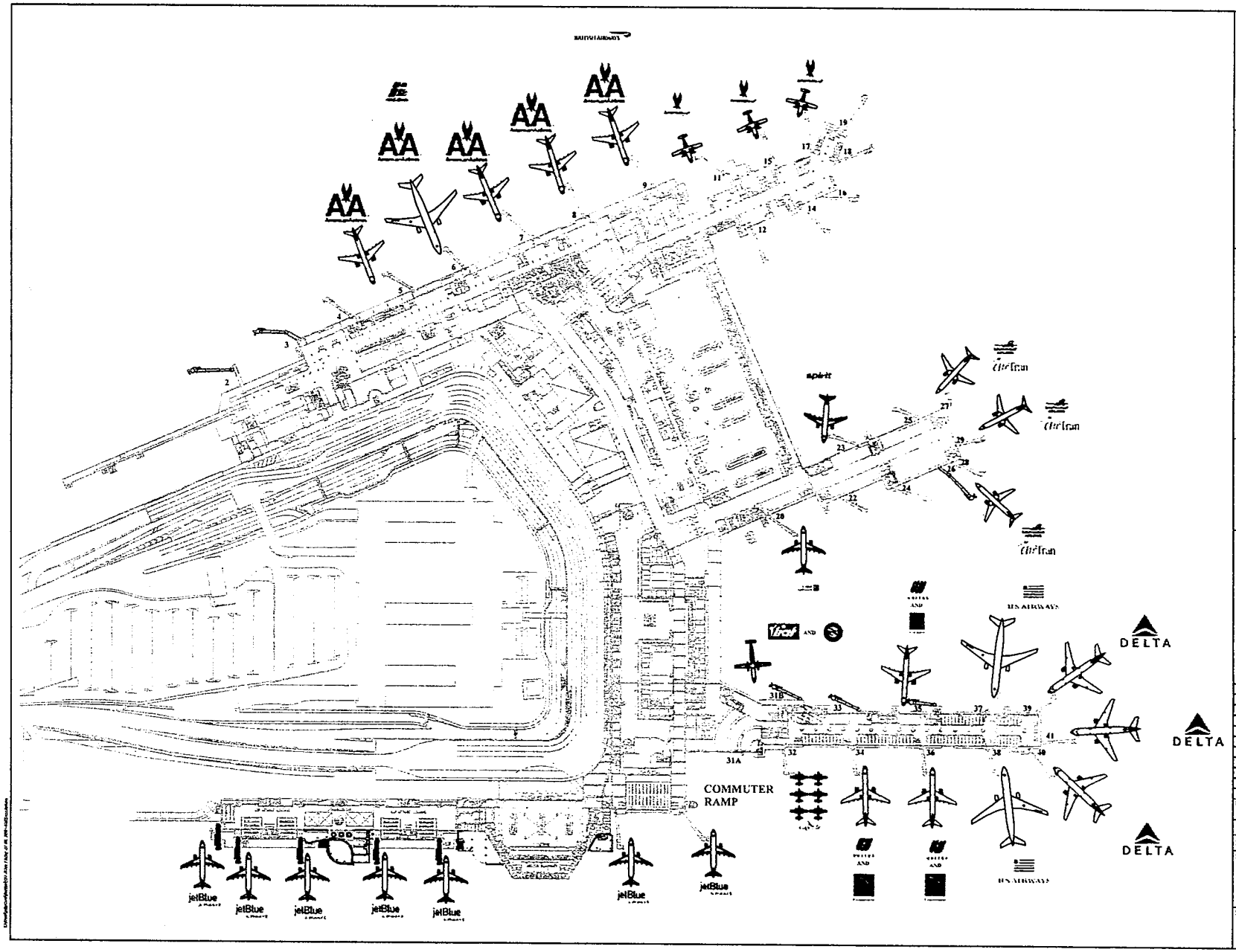


Schedule G - Initial Allocation of Space - P3

GATE SUMMARY

Gate Designation	Concourse	Airline	Assigned Gate (a)
1	E	-	-
2	D	-	-
3	D	-	-
4	D	-	-
5	D	AA	Assigned Gate
6	D	AA/IB	Assigned Gate
7	D	AA	Assigned Gate
8	D	AA	Assigned Gate
9	D	AA/BA	Assigned Gate
11	D	OW	Assigned Gate
12	D	-	-
14	D	-	-
15	D	OW	Assigned Gate
16	D	-	-
17	D	OW	Assigned Gate
18	D	-	-
19	D	-	-
20	C	CM	-
22	C	-	-
23	C	NK	Assigned Gate
24	C	-	-
25	C	-	-
26	C	FL/WN	Assigned Gate
27	C	FL/WN	Assigned Gate
28	C	-	-
29	C	FL/WN	Assigned Gate
32	B	9K	-
33	B	-	-
34	B	UA/CO	Assigned Gate
35	B	UA/CO/US	-
36	B	UA/CO	Assigned Gate
37	B	US	Assigned Gate
38	B	US	Assigned Gate
39	B	DL	Assigned Gate
40	B	DL	-
41	B	DL	Assigned Gate
31A	B	-	-
31B	B	LI/BB	-
A1	A	B6	Assigned Gate
A2	A	B6	Assigned Gate
A3	A	B6	Assigned Gate
A4	A	B6	Assigned Gate
A5	A	B6	Assigned Gate
A6	A	B6	Assigned Gate
A7	A	B6	Assigned Gate

(a) Assigned gate is a Common Use Assigned Gate as defined in Schedule F; these gates comprise the Airline Pool.



Client:

PORTS AUTHORITY
GOVERNMENT OF PUERTO RICO

Architect of Record / Engineer

JACOBS

Designer

Consultant

Leigh | Fisher
Management Consultants

Date | Signature and Seal

Project:

P-3
GATE
ALIGNMENT

No.	Date	Issue Revision
△	DEC 2006	100% SUBMITTAL
△	NOV 2006	90% SUBMITTAL
△	NOV 2006	PRELIMINARY SUBMITTAL
△	OCT 2006	PRELIMINARY SUBMITTAL

Designed By:	Drawn By:	Checked By:
SH	DR	RK

Project No.: -

Scale: AS SHOWN

Sheet Title:

Sheet No.:

SCHEDULE H

MAINTENANCE AND REPAIR RESPONSIBILITIES

[*See Attached*]

Schedule H

OPERATIONS, MAINTENANCE, AND SERVICE RESPONSIBILITIES

The following matrix identifies the responsible party (either the Lessee or the Airline) who shall, at its sole cost, be responsible for the maintenance, repair, service, and/or provision of the specifically identified premises, appurtenances, or services in connection with their operation or maintenance. The Lessee shall not be responsible for any prior or subsequent installation, appurtenance or system by Airline. The Lessee shall not be responsible for any prior or subsequent Airline modification of Lessee-provided Airline Exclusive Use Space, appurtenance, system or service. Airline shall have the duty to restore the Exclusive Use Space, at its sole cost, to the original condition prior to vacating Airline's Exclusive Use Space, including the de-installation of any Airline modification and Airline appurtenance, system or service, as required by Sections 3.3 and 3.6 of the Use Agreement. If Airline is positively determined to have damaged premises or misused an Lessee-provided appurtenance or system, said Airline may be charged for maintenance and repairs in accordance with the Use Agreement.

L = Lessee
AL = Airline

	Space						
	Ticket counter	Airline ticket office	Baggage service office	Departure holdrooms	Terminal curbside	Operations & maintenance space	Public space
OPERATIONS, MAINTENANCE AND SERVICE AREAS							
BUILDING, Exterior							
Doors	L	L	L	L	L	L	L
Insulation and weather-stripping	L	L	L	L	L	L	L
Exterior lighting	-	-	-	-	L	-	L
Roof	L	L	L	L	L	L	L
Walls and load-bearing structures	L	L	L	L	L	L	L
Windows	L	L	L	L	L	C	L
BUILDING, Interior							
Backwall finish and signage	AL	AL	AL	L	AL	-	-
Counter shell/exterior casement, countertops	L	AL	AL	L	L	-	L
Counter insert cabinetry	AL	AL	AL	AL	AL	-	L
Ceiling tiles	L	L	L	L	L	L	L
Doors	AL	AL	AL	L	L	AL	L
Flooring: carpet, tile, et cetera	L	L	L	L	L	L	L
Furnishings and fixtures	L	AL	AL	L	L	AL	L
HVAC: Building system maintenance and air distribution	L	L	L	L	L	L	L
Insulation and weather stripping	L	L	L	L	L	L	L
Interior wall windows	AL	AL	AL	L	L	AL	L
Paint and wall finishes	AL	AL	AL	L	L	AL	L
Passenger seating-installation and maintenance	L	-	AL	L	-	-	L
COMMUNICATIONS *(a)*							
Public address system	L	L	L	L	L	L	L
Communication lines/conduit: Airline installed	AL	AL	AL	AL	AL	AL	-
Communication lines/conduit: Lessee installed	L	L	L	L	L	L	L
FIDS and BIDS	L	-	-	L	L	-	L
EQUIPMENT AND COMPUTER SYSTEMS *(b)*							
Airline proprietary computer system	AL	AL	AL	AL	AL	AL	-
Airline ticketing and gate equipment	AL	AL	AL	AL	AL	AL	-
Computer room temperature control	L	L	L	L	-	L	L
Computer cabinet temperature control	AL	AL	AL	AL	-	AL	-
Radio, meteorological and aerial navigation equipment	-	AL	AL	-	-	AL	-
Ticket counter scales	AL	-	-	-	-	-	-
FIRE ALARM SYSTEM & OTHER EQUIPMENT							
Fire alarm system	L	L	L	L	L	L	L
Fire extinguishers	L	AL	AL	L	L	AL	L

Schedule H

OPERATIONS, MAINTENANCE, AND SERVICE RESPONSIBILITIES (continued)

	Space						
	Ticket counter	Airline ticket office	Baggage service office	Departure holdrooms	Terminal curbside	Operations & maintenance space	Public space
FIXTURES, ELECTRICAL/ENERGY							
Bulb and tube replacement	L	AL	AL	L	L	AL	L
Maintenance	L	AL	AL	L	L	AL	L
Circuits (amperage)	L	L	L	L	L	L	L
JANITORIAL AND TRASH REMOVAL SERVICE							
Recycling of paper, plastic, glass, and cardboard, etc.	L	AL	AL	L	L	AL	L
Tenant space (floors and tenant restroom areas)	L	AL	AL	-	AL	AL	L
Window cleaning - appurtenant to tenant space, int. and ext.)	L	L	L	L	L	AL	-
Trash removal *(c)*	L	AL	AL	L	L	L	L
PLUMBING AND SEWER							
Incoming water line from common use water line to fixture	L	-	-	L	-	L	L
Sanitary sewer line	L	-	-	L	-	L	L
Restrooms (fixture, repair and replacement)	L	-	-	L	-	L	L
SIGNAGE							
Ticket counter backwall	AL	-	-	-	-	-	-
Gate: podium backwall	AL	-	AL	AL	-	-	-
Skycap podium	-	-	-	-	AL	-	-
Terminal way finding	L	-	-	L	L	-	L
MISCELLANEOUS							
Pest control	L	L	L	L	L	L	L
Locks, locksets, and keys backbilled to tenant	AL	AL	AL	AL	AL	AL	-

	Space		
	Ticket counter	BHS space	Baggage claim
BAGGAGE CONVEYANCE SYSTEM			
Cleaning of designated areas	AL	L	L
Repair and maintenance	L	L	L

	Responsibilities					
	Ramp scrubbing	Annual pavement painting	Special requests pavement painting	Pavement maintenance	Spill cleanup	Janitorial and trash removal
APRON AREAS						
Passenger boarding bridges	-	-	-	-	-	L
Apron maintenance	L	L	L	L	AL / L (d)	AL

	Space	
	Disposal area	Pump room
TRITURATOR SYSTEM		
Trash removal	L	L
Cleaning	L	L
Repair and maintenance	L	L

Notes:

(a) The Lessee will maintain connectivity within the terminal building complex. The Airline is responsible for their own data wiring infrastructure.

(b) The Airline is responsible for providing power supply protection for their own computer equipment to protect in the event of voltage drops, voltage spikes, or power outages.

(c) The Airline is responsible for safely and properly collecting and disposing of bio-hazard material and other hazardous material from their aircraft.

(d) The party responsible for the spill is responsible for the cleanup of the spill.

SCHEDULE I

FORM OF LETTER OF CREDIT

BENEFICIARY:

[*Lessee*]
[*Address*]

APPLICANT:

[*Airline*]
[*Address*]

Gentlemen:

We hereby establish an irrevocable letter of credit in favor of the Beneficiary for the account of the Applicant for a sum of _____and 00/100 U.S. Dollars ($_____.00) available by Beneficiary's draft(s) drawn on ourselves at sight effective _____ and expiring on _____.

Drafts must be accompanied by:

1. A statement purportedly signed by an authorized officer of the Beneficiary certifying that the Applicant has failed to faithfully perform one or more of its obligations to the Beneficiary under a certain Airport Use Agreement for the Luis Muñoz Marín International Airport (the "Agreement") dated as of _____, 20____ by and between the Beneficiary and the Applicant; and

2. A statement purportedly signed by an authorized officer of the Beneficiary as to (i) the amount of damages or expenses which, in his or her determination, the Beneficiary has suffered or incurred as a result of such failure by the Applicant, and/or (ii) the amount of any fees, charges or others sums past due and remaining unpaid from the Applicant to the Beneficiary under the Agreement, together with the amount of any interest thereon to the extent required or allowed under the Agreement; and

3. The original of this credit.

Each draft must indicate the name of the issuing banks the credit number and date of this letter of credit.

If a drawing is made by the Beneficiary hereunder at or prior to 11:00 a.m. local time at our branch where such drawing is made, on a business day, payment shall be made to the Beneficiary or its designee of the amount specified, in immediately available funds, not later than 3:00 p.m., such local time, on the same business day or such later time and business day as the Beneficiary may specify. If a drawing is made by the Beneficiary after 11:00 a.m., such local time, on a

business day, payment shall be made to the Beneficiary or its designee of the amount specified, in immediately available funds, not later than 3:00 p.m., such local time, on the next business day thereafter, or such later time and business day as the Beneficiary may specify. Except so far as otherwise expressly stated herein, this letter of credit is subject to the Uniform Customs and Practices for Documentary Credits, International Chamber of Commerce, Publication No. 400 (1983 Revision), except that, notwithstanding the provisions of Article 19 thereof to the contrary, if this letter of credit would have otherwise expired by its terms during a period when our business has been interrupted by Acts of God or other causes beyond our control, our obligations hereunder shall continue for 30 days following the date of our resumption of normal business operations.

We hereby agree with you that all drafts drawn under and in compliance with the terms of this letter of credit will be duly honored on presentation to us.

[*Bank*]

By:
Name:
Title:

Hereunto duly authorized

SCHEDULE J

INITIAL CAPITAL PROJECTS

Pursuant to Section 6.1 of this Agreement, the Lessee, in addition to and in accordance with all other requirements of this Agreement, shall fund and complete the following improvements and upgrades at the Airport, without any addition to the Total Annual Contribution; *provided, however,* that the Lessee shall not be required to complete an improvement or upgrade or portion thereof to the extent it is in an area of the Airport that is permanently closed in accordance with this Agreement.

1. **Construction of South General Aviation Access Road and Utilities.** The Lessee shall construct a new access road, all necessary utilities, sanitary sewer, lighting, marking and signage to prepare the general aviation area for construction of hangers and relocation of tenants from midfield taxiway area to allow for future expansion. It is expected that the Authority may, but is not obligated to, complete certain portions of this project prior to the Closing. The Lessee shall complete the project to the extent not completed by the Authority.

2. **Relocation of Terminal D USDA Baggage Inspection Facility.** The Lessee shall consolidate two existing Terminal D USDA baggage inspection facilities to the interior portion of the building near the existing American Airlines ticketing counter positions. It is expected that the Authority may, but is not obligated to, complete certain portions of this project prior to the Closing. The Lessee shall complete the project to the extent not completed by the Authority.

3. **Parking Garage Stairs Refurbishment.** The Lessee shall replace five existing external stairwells within the parking garage. It is expected that the Authority may, but is not obligated to, complete certain portions of this project prior to the Closing. The Lessee shall complete the project to the extent not completed by the Authority.

4. **Repair of Taxiway N Concrete Surfaces.** The Lessee shall replace failed pavement at the junction of Taxiways N, N3 and H7. The southern end of Taxiway N is used by passenger traffic moving to/from Runway 10-28 and Terminals B and C as well as by cargo aircraft. The path directly under the steel plate is typically used by cargo planes moving to and from Runway 8-26. It is expected that the Authority may, but is not obligated to, complete certain portions of this project prior to the Closing. The Lessee shall complete the project to the extent not completed by the Authority.

5. **Reconstruction of Taxiway Sierra.** The Lessee shall reconstruct the deteriorating taxiway Sierra parallel to runway 8-26. The FAA has made available AIP grants to complete this project. The local match is to be funded by the Lessee to the extent necessary. It is expected that the Authority may, but is not obligated to, complete certain portions of this project prior to the Closing. The Lessee shall complete the project to the extent not completed by the Authority.

6. **Improvement of Terminal and Roadway Signage.** The Lessee shall update Airline location signs on access roads and Terminal entrances and correct incorrect directions and Airline names. Specifically, curb signage will be updated to reflect changes to Airline locations, and Terminal signage will be updated to direct passengers to specific Airline counters in

Terminals A and B. Signage will also be updated to reflect changes to the gate numbering system that may be made by the Authority. It is expected that the Authority may, but is not obligated to, complete certain portions of this project prior to the Closing. The Lessee shall complete the project to the extent not completed by the Authority.

7. **Repair of All Terminal Roof Leaks.** The Lessee shall repair all roof leaks in all Terminal areas.

8. **Repair of Authority Maintenance Division and Motor Pool Building.** The Lessee shall repair Authority Maintenance Division and Motor Pool Building to enable the facility to be used during wet weather, including by rehabilitating the open structure and installing siding and roll-up doors.

9. **Relocation of Terminal A USDA Baggage Inspection Facility.** The Lessee shall relocate the existing USDA baggage inspection facility from the internal corridor between Terminal A and Terminal B to a new location in Terminal A. The Lessee shall consult with the Authority and the Airlines in determining the appropriate location.

10. **Repair Curbside Water Leaks.** The Lessee shall repair leaks in the road expansion joint through the installation of a mechanical joint and reconstruction of metal grates. The existing circulation roadway running in front of the passenger Terminals was built in two stages, and during heavy rain there are leaks between the longitudinal construction joint and the original roadway. This repair will stop water from pouring between the existing expansion joints and onto the arrivals level pedestrian area below the departures roadway.

11. **Construction of Pedestrian Walkway from Garage to Terminal A.** The Lessee shall construct a pedestrian walkway connecting the parking garage with the departures level of Terminal A. It is assumed that this Terminal A walkway would be similar to the existing pedestrian connection at Terminal D located on the northeast corner of parking garage. The Terminal A walkway would be similarly configured, requiring passengers to cross the existing departures roadway.

12. **Provision of Oversized Bag Drop.** Airlines in Terminals B and C require an oversized bag drop facility to prevent time consuming manual delivery of items to the bag make-up area and to alleviate security concerns with this process. The Lessee shall provide suitable oversized bag drop facilities as part of any Terminal reconfiguration, passenger flow changes or Airline relocations.

13. **Implementation of Airport Physical Vulnerabilities Security Plan, Including Airport Perimeter Security System.** The Lessee shall design and construct new fencing around the Airport perimeter, including two vehicular access points. The fencing will be 7-feet high with a three-strand barbed outrigger at the top and will include lighting at vulnerable locations. Additional new asphalt perimeter roadway will be constructed at up-land areas. The project will provide an improved security fence and perimeter road that complies with FAA requirements and standards and will significantly improve airfield security.

14. Repair Existing Ramp, Apron and Taxiway Concrete Surfaces. The Lessee shall replace deteriorating pavement on ramp, apron and taxiway areas north of the existing American Airlines gates.

15. Modification to Passenger Circulation from Terminal C to Baggage Claim of Terminal B. The Lessee shall improve access from Terminal C to the baggage claim area. The existing configuration of the inclined moving walkways does not currently meet required standards. This project requires modification or improvement through use of stairs, escalators or high capacity elevators to improve passenger flows.

16. Provision of Ground Power, PC Air and Potable Water at Terminal B and C Gates. The Lessee shall replace existing portable oil and gas power units with utilities systems connected to the main Terminal, including by installing ground power, PC air and potable water at Terminal B and C gates. The availability of existing electrical capacity is unclear, so considerable upgrades to Terminal utilities capabilities may be required. Additional infrastructure equipment, such as a new power plant, may also be required to provide electric services. Terminals A and D already have PC air available.

17. Refurbishment of Air Conditioning. The Lessee shall make improvements to and refurbish the air-conditioning system throughout the Airport Terminals to provide for a consistent, comfortable temperature for Airport users. The Lessee shall initiate a full energy audit of the Airport Terminal to review capacity, demand and the condition of existing facilities. Additional infrastructure equipment, such as a new power plant, may also be required.

18. Terminal Bathroom Remodeling. The Lessee shall update aging bathroom facilities throughout the passenger and Airline areas of the Terminal, giving priority to older facilities in key passenger flow areas.

19. Terminal A FIS Capability. The Lessee shall design, construct, and maintain U.S. Customs Federal Inspection Services (FIS) capability at three or more gates at Terminal A to meet a maximum demand of up to 400 international arriving customers per hour. Such capability may consist of a satellite FIS within existing terminal space; a satellite FIS within the new terminal space; a separate sterile connecting corridor connecting Terminal A gates to the existing FIS facility; or any other infrastructure solution or accommodation that can be mutually agreed. The separate sterile corridor or other infrastructure solution or accommodation shall only be options if U.S. Customs and Border Protection does not support a separate satellite FIS facility at the Airport.

20. Expanded Curbside in Terminal A. The Lessee shall make improvements to the existing Terminal A arrivals curb, the Terminal A international arrivals curb (if applicable), and the Terminal A departure curb, such that the available curb length capacity shall meet the projected curb length demand in accordance with Level of Service C or higher.

21. Functional Public Address System. Install a public address system throughout the concourses lacking such system and in Terminal B consistent with best practices at Comparable Public Airports.

22. In-Line Baggage System Study. Provide $500,000 to fund the In-Line Baggage System Study.

SCHEDULE K

PFC COMMITMENTS

[*See Attached*]

PFC Project Status
Puerto Rico Ports Authority
(PFC Applications #1-6)

		PFC Approvals				Status				
Project #	Project Description	PAYGO	Capital	Financing	Total	Current State	Project % Complete	% of Capital/ PAYGO Used	Comments	Next Steps for PFCs
PFC #1	Completed and Closed out				35,701,298					
PFC #2	Completed and Closed out				10,167,179					
03-001	Second Westerly Crossfield Taxiway	-	2,909,490	3,598,509	6,507,999	Complete	100%			Amend & Close
03-002	Terminal B Expansion and Improvement	-	27,590,937	34,124,961	61,715,898	Complete	100%			Close Out
04-001	Acquire Two Runway Sweepers	70,000	-		70,000	Complete	100%			Close Out
04-002	BQN RWY 8/26 Reconstruction (Final Design)	20,000	-		20,000	Complete	100%			Close Out
04-003	BQN Computer Controller Access System	94,469	-		94,469	Complete	100%			Close Out
04-004	Installation of AWOS	30,000	-		30,000	Complete	100%			Close Out
04-005	BQN RWY 8/26 Reconstruction (Preliminary Design)	20,000	-		20,000	Complete	100%			Close Out
04-006	BQN RWY 8/26 Reconstruction	-	-		-	Withdrawn				
04-007	BQN_ RELOCATION TAXIWAY A	663,000	-		663,000	Complete	100%			
04-008&9	CPX Widen RWY 13/31, Extend Taxiway, Construct Apron	-	217,301	200,586	417,887	Complete	100%			Close Out
04-010	SJU_Widening Cargo Access Road	-	-		-	Withdrawn				
04-011	Y2K Comp. Controller Access System	594,069	-		594,069	Complete	100%			Close Out
04-012	RWY 26 Standard Safety Area (impose only)	-	-		-	Withdrawn				
04-013	SJU_ARFF & Security Guardhouse	775,000	-		775,000	Complete	100%			Close Out
04-014	SJU_Design and Installation of Terminal Signage and Airfield Signage	200,000	-		200,000	Complete	100%			Close Out
04-015	SJU_Extension Twy Sierra	-	-		-	Withdrawn				
04-016	SJU_SGA & TWY J	6,471,297	24,758,680	33,614,000	64,843,977	Complete	100%			Close Out
04-017	SJU_Utilities Master Plan	35,000	-		35,000	Complete	100%			Close Out
04-018	SJU_EA	103,111	-		103,111	Complete	100%			Close Out
04-019	SJU_Dual Midfield Taxiway	2,621,665	-		2,621,665	On Hold			No longer necessary	On Hold
04-020	PSE Jaws of Life	2,295	-		2,295	Complete	100%			Close Out
04-021	PSE Runway Sweeper	14,000	-		14,000	Complete	100%			Close Out
04-022	PSE RWY 12 Safety Area Improvements	-	-		-	Withdrawn				
04-023	PSE Computer Controller Access System	60,019	-		60,019	Complete	100%			Close Out
04-024	PSE Airport Signage	28,000	-		28,000	Complete	100%			Close Out
04-025	PSE Loading Bridges	-	-		-	Withdrawn				
04-026	PSE_Reconstruct Runway and Taxiway Connectors	615,000	-		615,000	Complete	100%			Close Out
04-027	PSE_Reconstruct Twy Light System	200,000	-		200,000	Complete	100%			Close Out
04-028	PSE Terminal Apron Reconstruction	147,000	-		147,000	Complete	100%			Close Out
04-029	SJU_Dual Midfield Twy_Rehab Slabs N/S Twy	169,000	-		169,000	On Hold	20%		No longer necessary	On Hold
04-030	SIG_Development an Airport Layout Plan Including Property Map	15,000	-		15,000	In Progress	10%	0%	Commencing	
04-031	VQS_Obstruction Removal & Threshold Relocataion	477,270	-		477,270	Complete	100%			Close Out
04-032	X63_Design and Construct Apron	70,000	-		70,000	Complete	100%			Close Out
05-001	SJU_TSA Modifications	-	12,568,512	7,031,000	19,599,512	Complete	100%			Close Out
05-003	SJU_Embankment (1)	1,000,000	29,500,000	32,380,000	62,880,000	In Progress	20%	21%	Phase II may commence FY 2013	Notice to Proceed
05-004	RWY 8/26 Runway Safety Area Extension (2)	-	43,000,000	12,542,386	55,542,386	On Hold	0%	0%	Likely to commence CY 2012	Final Bids Due
05-005	SJU_Lighting System 8/26	3,055,138	-	-	3,055,138	Complete	100%			Close Out
05-006	SJU_Runway 10 / 28	80,548	43,935,928	42,603,000	86,619,476	Complete	100%			Close Out
05-007	SJU_Security Fencing	720,951	-	369,160	1,090,111	In Progress	2%	1%	Design from PFCs, construction from AIP	Just Commencing
05-008	SJU_Term A - Ph II	-	105,434,000	61,957,000	167,391,000	In Progress	99%	96%	Final invoices pending	Complete Project
05-009	SJU_Mitigation Project	-	24,500,000	7,163,348	31,663,348	In Progress	98%	51%	Ongoing Monitoring for completion	Complete Project
05-010	SJU_CCTV	-	8,266,561	2,223,999	10,490,560	Complete	100%			Close Out
05-011	PRPA_DCIT	9,150	-	-	9,150	Complete	100%			Close Out
05-012	RVR Master Plan	25,000	-	-	25,000	Complete	100%			Close Out
05-013	Puerto Rico Interactive Aviation System Plan	32,500	-	-	32,500	Complete	100%			Close Out
05-015	BQN RWY 8/26 Pavement Overlay	-	32,000,000	8,638,397	40,638,397	Complete	100%	7%	Project reduced to $2.2m.	Amend and Close Out
06-001	PFC Application Development	100,000	-		100,000	Complete	100%			Close Out
06-002	RVR Terminal Facility Construction Phase 0	-	7,239,056	9,827,966	17,067,022	Complete	100%			Close Out
06-003	RVR Airfield Signage Rehabilitation	-	25,823	34,729	60,552	Complete	100%			Close Out
06-004	RVR Taxiway Lighting System Rehabilitation	-	795,551	1,079,699	1,875,250	Complete	100%			Close Out
06-005	RVR RWY 7/25 and Taxiways Pavement Rehabilitation	-	99,413	135,186	234,599	Complete	100%			Close Out
06-006	RVR Airfield Markings	-	159,373	216,356	375,729	Complete	100%			Close Out

SCHEDULE L

FORM OF CAPITAL PROJECT PROPOSAL

[*See Attached*]

FORM OF CAPITAL PROJECT PROPOSAL

Project Name _____ Submission Date _____

Project Description _____

_____

_____

Project Start Date _____ Project Completion Date _____

Project Justification, Expected Benefits, Risks, Alternatives and Future Investment Requirements (if applicable):

_____

_____

_____

_____

Proposed Sources of Funding	**[Yr 1]**	**[Yr 2]**	**[Yr 3]**	**[Yr 4]**	**[Yr 5]**	**[Yr 6]**	**[Yr 7]**	**[Yr 8]**	**[Yr 9]**	**[Yr 10]**	**[Beyond]**
PFC Funds	*	*	*	*	*	*	*	*	*	*	*
Government Grants and Funds	*	*	*	*	*	*	*	*	*	*	*
Airlines (*added to cost centers – see below*)	*	*	*	*	*	*	*	*	*	*	*
Lessee Funds	*	*	*	*	*	*	*	*	*	*	*
Other	*	*	*	*	*	*	*	*	*	*	*
Total Sources	*	*	*	*	*	*	*	*	*	*	*

Proposed Uses of Funding	**[Yr 1]**	**[Yr 2]**	**[Yr 3]**	**[Yr 4]**	**[Yr 5]**	**[Yr 6]**	**[Yr 7]**	**[Yr 8]**	**[Yr 9]**	**[Yr 10]**	**[Beyond]**
Design	*	*	*	*	*	*	*	*	*	*	*
Construction	*	*	*	*	*	*	*	*	*	*	*
Equipment	*	*	*	*	*	*	*	*	*	*	*
Financing	*	*	*	*	*	*	*	*	*	*	*
Other	*	*	*	*	*	*	*	*	*	*	*
Total Uses	*	*	*	*	*	*	*	*	*	*	*

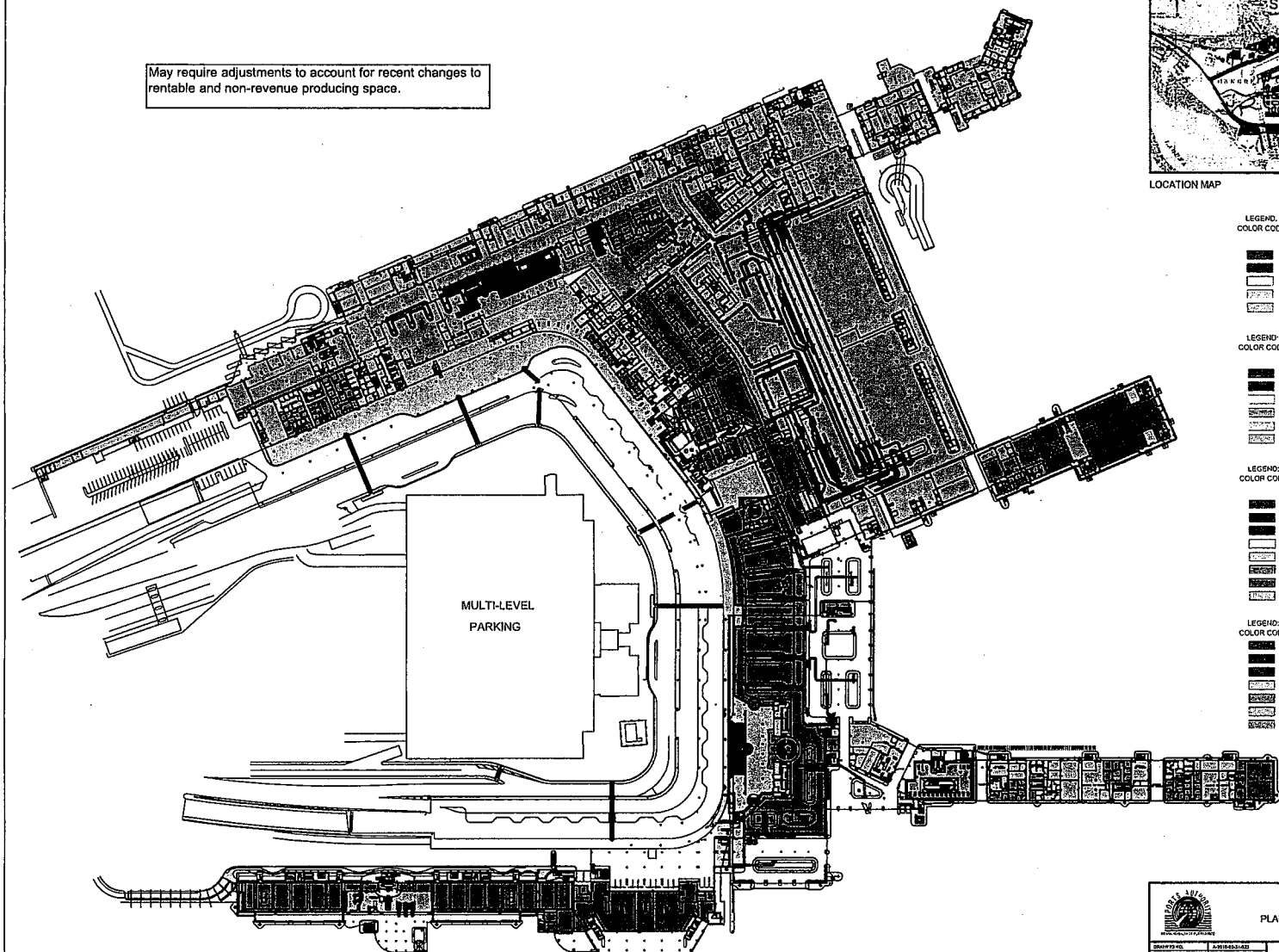
Impact on Airline Cost Centers (*addition to:*)	**[Yr 1]**	**[Yr 2]**	**[Yr 3]**	**[Yr 4]**	**[Yr 5]**	**[Yr 6]**	**[Yr 7]**	**[Yr 8]**	**[Yr 9]**	**[Yr 10]**	**[Beyond]**
Total Landing Contribution	*	*	*	*	*	*	*	*	*	*	*
Total Domestic Terminal Contribution	*	*	*	*	*	*	*	*	*	*	*
Total International Terminal Contribution	*	*	*	*	*	*	*	*	*	*	*
Total Local Terminal Contribution	*	*	*	*	*	*	*	*	*	*	*
Total Addition to Airline Cost Centers	*	*	*	*	*	*	*	*	*	*	*

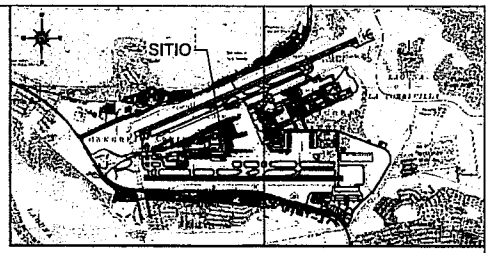
SCHEDULE M

COMMON SPACE

[*See Attached*]

May require adjustments to account for recent changes to rentable and non-revenue producing space.





LOCATION MAP

NOT TO SCALE

LEGEND: COLOR CODE	SUMMARY TERMINAL "A" TYPE	AREA (SQ. FT.) FEBRUARY, 2010
	RENTABLE A/C	5,145
	DOMESTIC COMMON A/C	55,440
	DOMESTIC COMMON NON-A/C	18,448
	WAITING PUBLIC CIRCULATION NON-A/C	4,430
	NO REVENUE PRODUCING SPACE	9,660

LEGEND: COLOR CODE	SUMMARY TERMINAL "B" TYPE	AREA (SQ. FT.) FEBRUARY, 2010
	RENTABLE A/C	19,391
	DOMESTIC COMMON A/C	52,475
	DOMESTIC COMMON NON-A/C	87,285
	LOCAL DOMESTIC COMMON A/C	11,437
	WAITING PUBLIC CIRCULATION NON-A/C	27,769
	NO REVENUE PRODUCING SPACE	45,637

LEGEND: COLOR CODE	SUMMARY TERMINAL "C" TYPE	AREA (SQ. FT.) FEBRUARY, 2010
	RENTABLE A/C	8,646
	RETANBLE NON-A/C	23,090
	DOMESTIC COMMON A/C	33,384
	DOMESTIC COMMON NON-A/C	42,055
	WAITING PUBLIC CIRCULATION NON-A/C	4,045
	INTERNATIONAL COMMON A/C	1,742
	INTERNATIONAL COMMON NON-A/C	2,959
	NO REVENUE PRODUCING SPACE	15,915

LEGEND: COLOR CODE	SUMMARY TERMINAL "D" TYPE	AREA (SQ. FT.) FEBRUARY, 2010
	RENTABLE A/C	60,911
	RETANBLE NON-A/C	906
	DOMESTIC COMMON A/C	27,789
	WAITING PUBLIC CIRCULATION NON-A/C	76,037
	INTERNATIONAL COMMON A/C	3,292
	NO REVENUE PRODUCING SPACE	42,025
	AMERICAN AIRLINES	N/A

COLOR CODE	TYPE	TERMINAL "A"	TERMINAL "B"	TERMINAL "C"	TERMINAL "D"	TOTAL AREA
	RENTABLE A/C	5,145 SQ.FT.	9,391 SQ. FT.	8,646 SQ. FT.	60,911 SQ. FT.	84,093 SQ. FT.
	RENTABLE NON-A/C	N/A	N/A	23,090 SQ. FT.	906 SQ. FT.	23,990 SQ. FT.
	DOMESTIC COMMON A/C	55,440 SQ. FT.	52,475 SQ. FT.	33,384 SQ. FT.	27,789 SQ. FT.	169,088 SQ. FT.
	DOMESTIC COMMON NON-A/C	18,448 SQ.FT.	87,285 SQ. FT.	12,055 SQ. FT.	N/A	147,788 SQ. FT.
	LOCAL DOMESTIC COMMON A/C	N/A	11,437 SQ. FT.	N/A	N/A	11,437 SQ. FT.
	WAITING PUBLIC CIRCULATION NON-A/C	4,430 SQ.FT.	27,769 SQ. FT.	4,045 SQ. FT.	76,037 SQ. FT.	112,281 SQ. FT.
	INTERNATIONAL COMMON A/C	N/A	N/A	1,742 SQ. FT.	3,292 SQ. FT.	5,034 SQ. FT.
	INTERNATIONAL COMMON NON-A/C	N/A	N/A	2,959 SQ. FT.	N/A	2,959 SQ. FT.
	NO REVENUE PRODUCING SPACE	9,660 SQ. FT.	45,637 SQ. FT.	15,915 SQ. FT.	42,025 SQ. FT.	113,237 SQ. FT.
	UNDER CONSTRUCTION	N/A	N/A	N/A	N/A	N/A

ADVANCE COPY

COMMONWEALTH OF PUERTO RICO
PUERTO RICO PORTS AUTHORITY
PLANNIG, ENGINEERING, CONSTRUCTION DIVISIONS
OFICE OF LAND SURVEYING STUDIES

DRAWING NO.	A-2010-03-31-023
REFERENCE FILE NO.	[illegible]
PREPARED BY:	MDC
DRAWN BY:	MDC
SCALE:	NTS
DATE	February 23, 2010
REVISIONS:	REV. NO. / DATE

DEMOSTRATIVE PLAN
AREA FOR TARIFF STUDIES
FIRST LEVEL

CERTIFICATE:

BERICIO COSLEY CRINO, P.L.S.
LIC. NO. 9,469

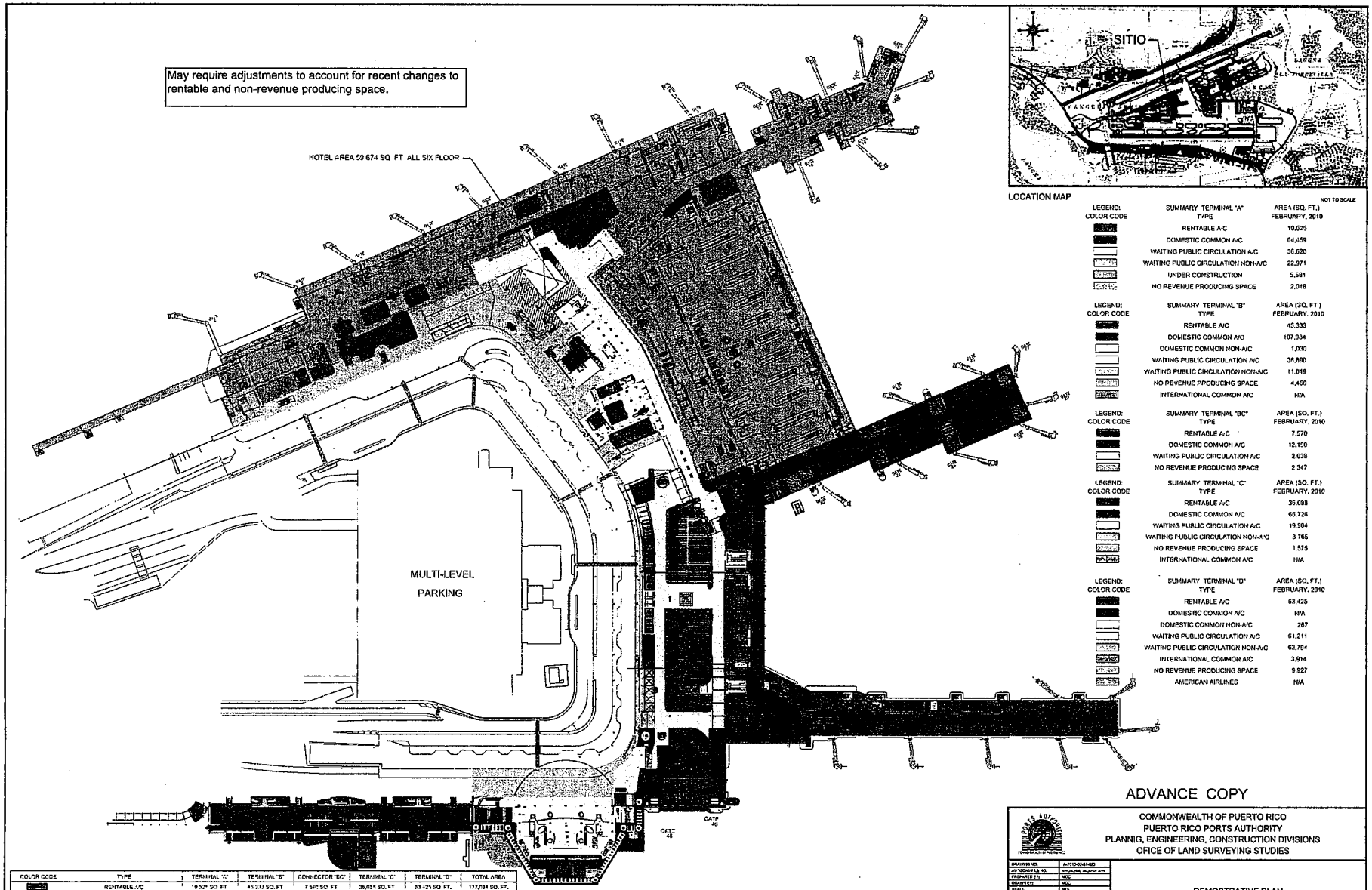
SUBMITTED BY:

APPROVED BY:

HOJA NUM.

1 DE 3

May require adjustments to account for recent changes to rentable and non-revenue producing space.



LOCATION MAP

NOT TO SCALE

LEGEND: COLOR CODE	SUMMARY TERMINAL "A" TYPE	AREA (SQ. FT.) FEBRUARY, 2010
	RENTABLE A/C	19,025
	DOMESTIC COMMON A/C	64,459
	WAITING PUBLIC CIRCULATION A/C	36,620
	WAITING PUBLIC CIRCULATION NON-A/C	22,971
	UNDER CONSTRUCTION	5,581
	NO REVENUE PRODUCING SPACE	2,018

LEGEND: COLOR CODE	SUMMARY TERMINAL "B" TYPE	AREA (SQ. FT.) FEBRUARY, 2010
	RENTABLE A/C	45,333
	DOMESTIC COMMON A/C	107,984
	DOMESTIC COMMON NON-A/C	1,030
	WAITING PUBLIC CIRCULATION A/C	36,890
	WAITING PUBLIC CIRCULATION NON-A/C	11,019
	NO REVENUE PRODUCING SPACE	4,460
	INTERNATIONAL COMMON A/C	N/A

LEGEND: COLOR CODE	SUMMARY TERMINAL "BC" TYPE	AREA (SQ. FT.) FEBRUARY, 2010
	RENTABLE A/C	7,570
	DOMESTIC COMMON A/C	12,190
	WAITING PUBLIC CIRCULATION A/C	2,038
	NO REVENUE PRODUCING SPACE	2 347

LEGEND: COLOR CODE	SUMMARY TERMINAL "C" TYPE	AREA (SQ. FT.) FEBRUARY, 2010
	RENTABLE A/C	36,088
	DOMESTIC COMMON A/C	66,726
	WAITING PUBLIC CIRCULATION A/C	19,984
	WAITING PUBLIC CIRCULATION NON-A/C	3 765
	NO REVENUE PRODUCING SPACE	1,575
	INTERNATIONAL COMMON A/C	N/A

LEGEND: COLOR CODE	SUMMARY TERMINAL "D" TYPE	AREA (SQ. FT.) FEBRUARY, 2010
	RENTABLE A/C	53,425
	DOMESTIC COMMON A/C	N/A
	DOMESTIC COMMON NON-A/C	267
	WAITING PUBLIC CIRCULATION A/C	61,211
	WAITING PUBLIC CIRCULATION NON-A/C	62,794
	INTERNATIONAL COMMON A/C	3,914
	NO REVENUE PRODUCING SPACE	9,927
	AMERICAN AIRLINES	N/A

COLOR CODE	TYPE	TERMINAL "A"	TERMINAL "B"	CONNECTOR "BC"	TERMINAL "C"	TERMINAL "D"	TOTAL AREA
	RENTABLE A/C	19,025 SQ. FT.	45,333 SQ. FT.	7,570 SQ. FT.	36,088 SQ. FT.	53,425 SQ. FT.	172,094 SQ. FT.
	DOMESTIC COMMON A/C	64,459 SQ. FT.	107,984 SQ. FT.	12,190 SQ. FT.	66,726 SQ. FT.	N/A	255,71 SQ. FT.
	DOMESTIC COMMON NON-A/C	N/A	1,030 SQ. FT.	N/A	N/A	267 SQ. FT.	1,297 SQ. FT.
	WAITING PUBLIC CIRCULATION A/C	36,620 SQ. FT.	36,890 SQ. FT.	2,038 SQ. FT.	19,984 SQ. FT.	61,211 SQ. FT.	156,723 SQ. FT.
	WAITING PUBLIC CIRCULATION NON-A/C	22,971 SQ.FT.	11,019 SQ. FT.	N/A	3,765 SQ. FT.	62,794 SQ. FT.	100,549 SQ. FT.
	INTERNATIONAL COMMON A/C	N/A	N/A	N/A	N/A	3,914 SQ. FT.	N/A
	INTERNATIONAL COMMON NON-A/C	N/A	N/A	N/A	N/A	N/A	N/A
	NO REVENUE PRODUCING SPACE	2,018 SQ. FT.	4,460 SQ. FT.	2,347 SQ. FT.	1,575 SQ. FT.	9,927 SQ. FT.	20,327 SQ. FT.
	UNDER CONSTRUCTION	5,581 SQ. FT.	N/A	N/A	N/A	N/A	N/A

ADVANCE COPY

COMMONWEALTH OF PUERTO RICO
PUERTO RICO PORTS AUTHORITY
PLANNIG, ENGINEERING, CONSTRUCTION DIVISIONS
OFICE OF LAND SURVEYING STUDIES

DRAWING NO.	A-PR10-001-SD
AS-BUILT FILE NO.	[illegible]
ENGINEER FILE NO.	MDC
DRAWN BY:	MDC
SCALE:	NTS
DATE:	February 26, 2010
REVISIONS:	REV. NO. / DATE
	1
	2
	3
	4

DEMOSTRATIVE PLAN
AREA FOR TARIFF STUDIES
SECOND LEVEL

CERTIFICATE:

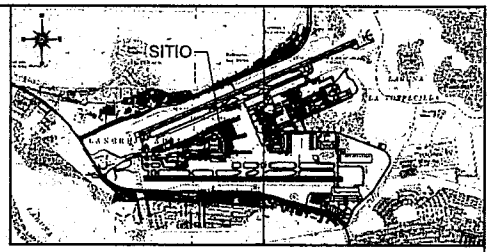
REMIGIO COGLEY CIRINO, P.L.S.
LIC. NO. 5,469

SUBMITTED BY:

APPROVED BY:

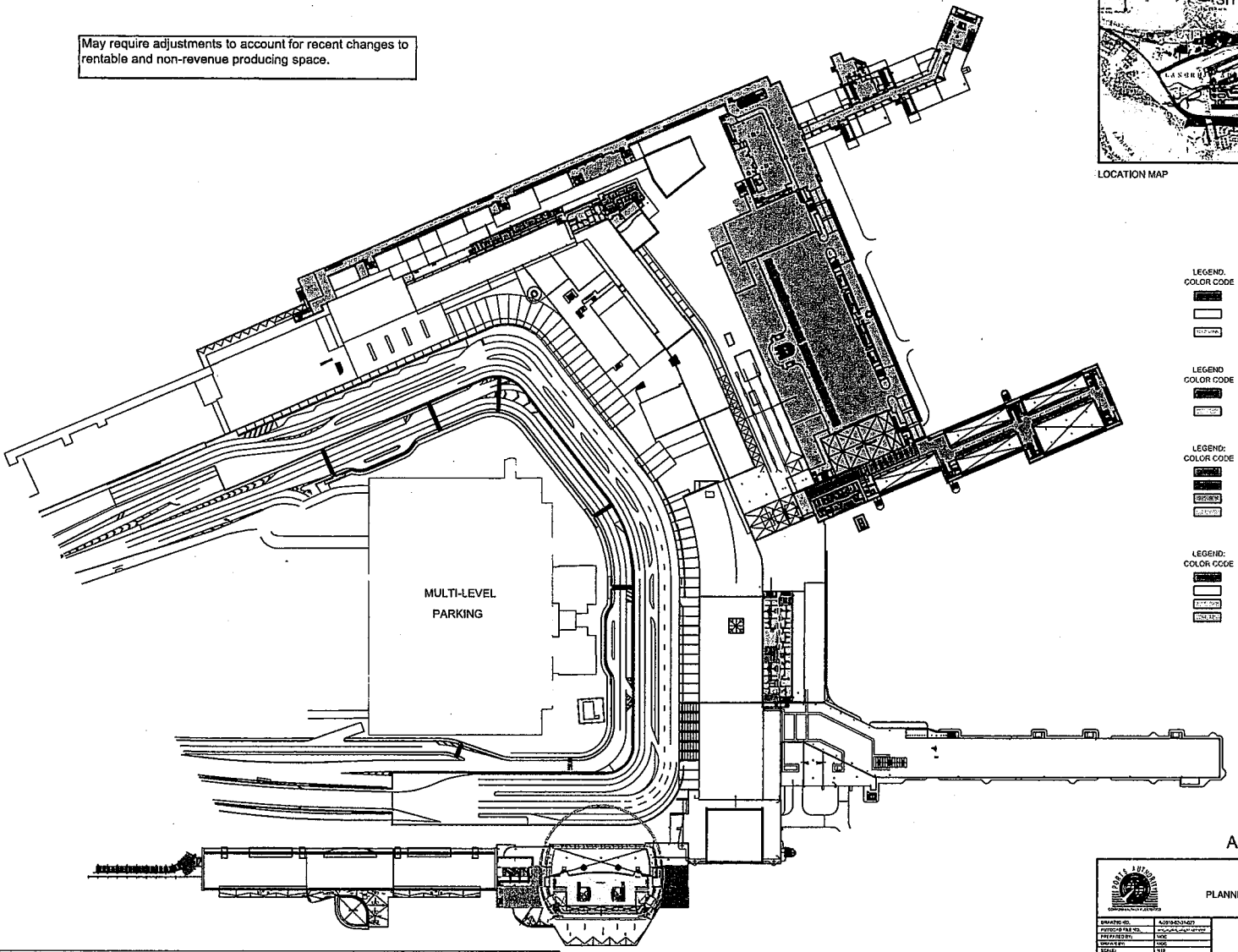
HOJA NUM.
2 DE 3

May require adjustments to account for recent changes to rentable and non-revenue producing space.



LOCATION MAP

NOT TO SCALE



LEGEND: COLOR CODE	SUMMARY TERMINAL "A" TYPE	AREA (SQ. FT.)
	RENTABLE A/C	4 491
	WAITING PUBLIC CIRCULATION A/C	13 057
	UNDER CONSTRUCTION	4 392

LEGEND COLOR CODE	SUMMARY TERMINAL "B" TYPE	AREA (SQ. FT.)
	RENTABLE A/C	1,459
	NO REVENUE PRODUCING SPACE	11,372

LEGEND: COLOR CODE	SUMMARY TERMINAL "C" TYPE	AREA (SQ. FT.)
	RENTABLE A/C	6,845
	RETAINBLE NON-A/C	3 109
	INTERNATIONAL COMMON A/C	21,206
	NO REVENUE PRODUCING SPACE	5,349

LEGEND: COLOR CODE	SUMMARY TERMINAL "D" TYPE	AREA (SQ. FT.)
	RENTABLE A/C	6,337
	WAITING PUBLIC CIRCULATION A/C	1 123
	NO REVENUE PRODUCING SPACE	5,173
	AMERICAN AIRLINES	N/A

COLOR CODE	TYPE	TERMINAL "A"	TERMINAL "B"	TERMINAL "C"	TERMINAL "D"	TOTAL AREA
	RENTABLE A/C	4 491 SQ. FT.	1,459 SQ. FT.	6,845 SQ. FT.	6 337 SC. FT	23,514 SQ. FT.
	RENTABLE NON-A/C	N/A	N A	3,108 SQ. FT.	N/A	3,108 SQ. FT
	WAITING PUBLIC CIRCULATION A/C	13,057 SQ. FT.	N A	N/A	1,123 SQ. FT.	14,180 SQ. FT.
	UNDER CONSTRUCTION	4,392	N A	N/A	N/A	N/A
	INTERNATIONAL COMMON A/C	N/A	N A	21,206 SQ. FT	N/A	21,206 SQ. FT.
	NO REVENUE PRODUCING SPACE	N/A	11,372 SQ.FT.	5,340 SQ. FT.	5,173 SQ. FT	21,884 SQ. FT

ADVANCE COPY

COMMONWEALTH OF PUERTO RICO
PUERTO RICO PORTS AUTHORITY
PLANNIG, ENGINEERING, CONSTRUCTION DIVISIONS
OFICE OF LAND SURVEYING STUDIES

DRAWING NO.	
PUERTO RICO FILE NO.	
PREPARED BY:	HDC
DRAWN BY:	HDC
SCALE:	N/S
DATE:	March 19, 2019
REVISIONS:	REV.NO. / DATE

DEMOSTRATIVE PLAN
AREA FOR TARIFF STUDIES
THIRD LEVEL

CERTIFICATE:

BENICIO COGLEY CIRINO, P.L.S.
LIC. NO. 9,469

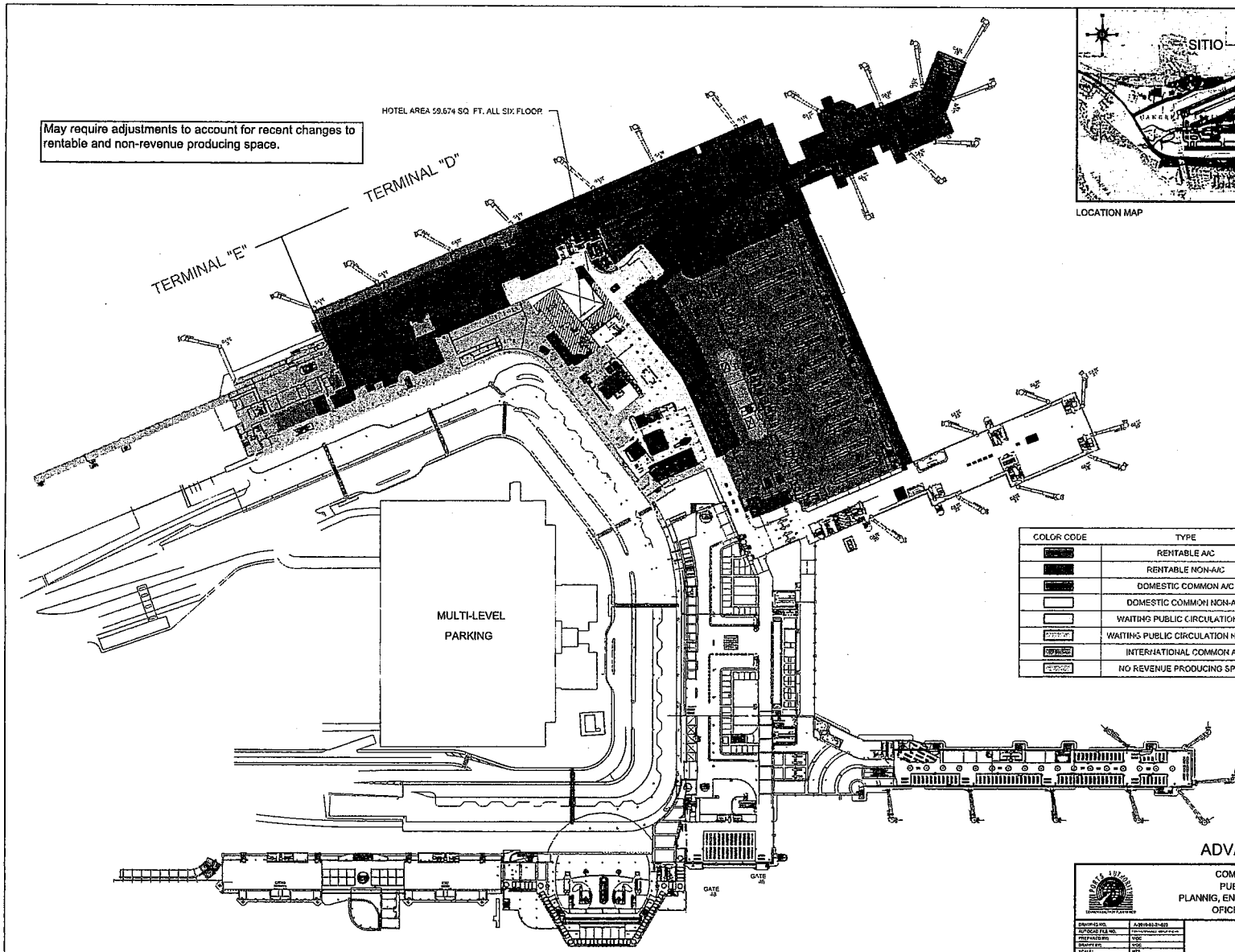
SUBMITTED BY:

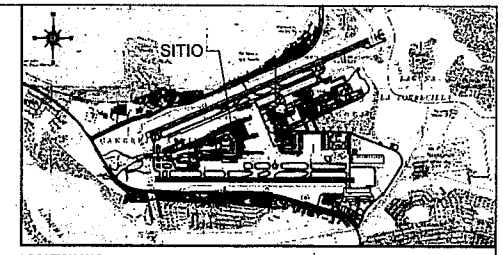
APPROVED BY:

SHEET NUM.

3 DE 3

May require adjustments to account for recent changes to rentable and non-revenue producing space.





LOCATION MAP

NOT TO SCALE

COLOR CODE	TYPE	TERMINAL "D"	TERMINAL "E"
	RENTABLE A/C	94,832 SQ. FT.	3,787 SQ. FT.
	RENTABLE NON-A/C	N/A	N/A
	DOMESTIC COMMON A/C	208,337 SQ. FT	N/A
	DOMESTIC COMMON NON-A/C	N/A	N/A
	WAITING PUBLIC CIRCULATION A/C	54,741 SQ. FT.	N/A
	WAITING PUBLIC CIRCULATION NON A/C	55,756 SQ. FT.	7,038 SQ. FT.
	INTERNATIONAL COMMON A/C	178,366 SQ. FT.	3,914 SQ. FT.
	NO REVENUE PRODUCING SPACE	10,448 SQ. FT.	38,712 SQ. FT.

ADVANCE COPY

COMMONWEALTH OF PUERTO RICO
PUERTO RICO PORTS AUTHORITY
PLANNIG, ENGINEERING, CONSTRUCTION DIVISIONS
OFICE OF LAND SURVEYING STUDIES

DRAWING NO.	A-2010-03-31-023
AUTOCAD FILE NO.	[illegible]
PREPARED BY:	VGC
DRAWN BY:	VGC
SCALE:	NTS
DATE:	SEPTEMBER 7, 2010
REVISIONS:	REV. NO. / DATE
	1
	2
	3
	4

DEMOSTRATIVE PLAN
AREA FOR TARIFF STUDIES
TERMINAL "D" AND "E"
SECOND LEVEL

CERTIFICATE:

BENICIO COOLEY CIRINO, P.L.S.
LIC. NO. 9,468

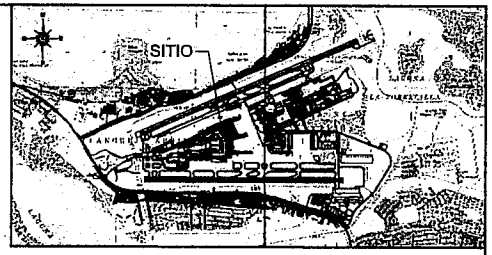
SUBMITTED BY:

APPROVED BY:

HOJA NUM.

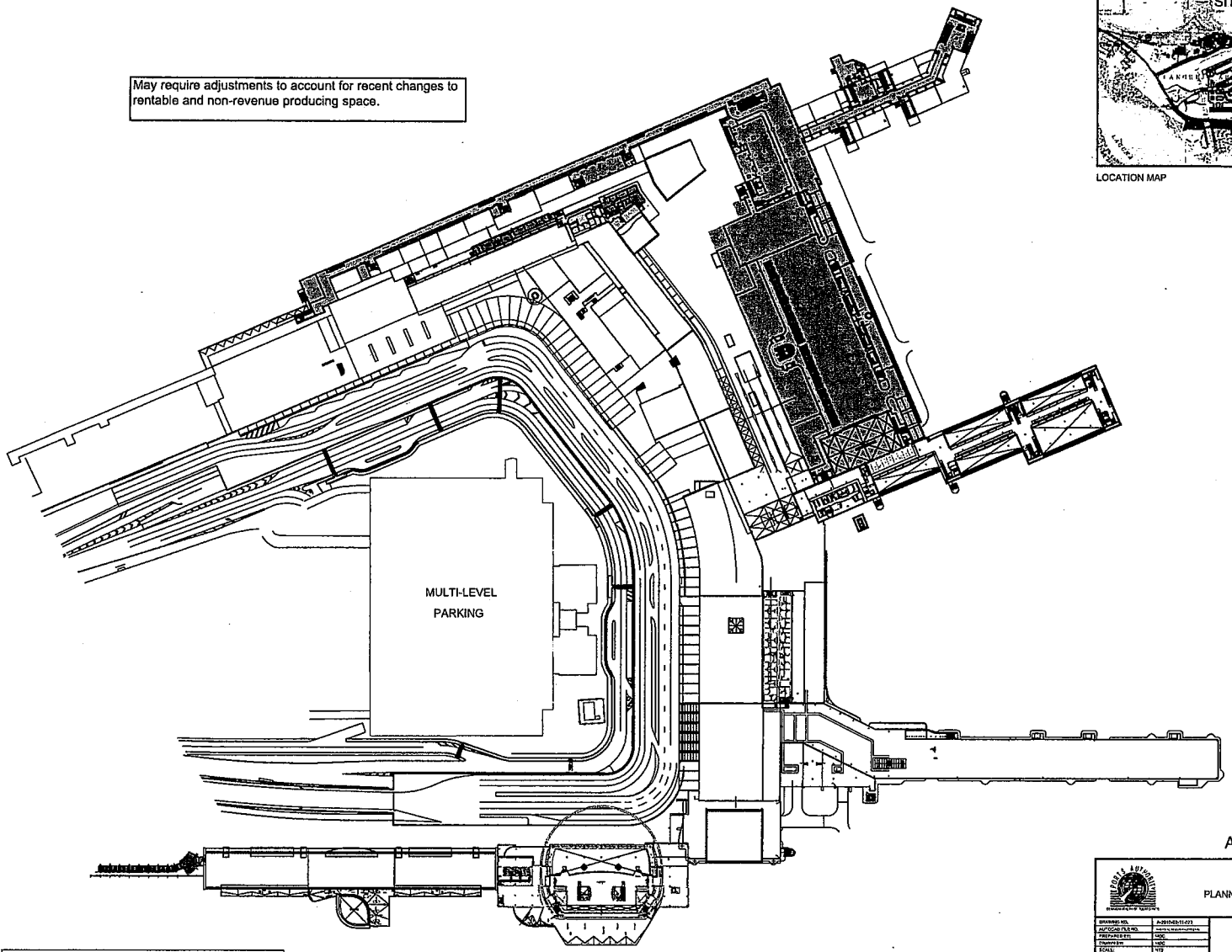
2 OF 3

May require adjustments to account for recent changes to rentable and non-revenue producing space.



LOCATION MAP

NOT TO SCALE



COLOR CODE	TYPE	TERMINAL "D"
	RENTABLE A/C	8,337 SQ. FT.
	RENTABLE NON-A/C	382 SQ. FT
	WAITING PUBLIC CIRCULATION A/C	1,123 SQ. FT
	DOMESTIC COMMON	N/A
	INTERNATIONAL COMMON A/C	231 089 SQ. FT
	NO REVENUE PRODUCING SPACE	5,173 SQ. FT

ADVANCE COPY

COMMONWEALTH OF PUERTO RICO
PUERTO RICO PORTS AUTHORITY
PLANNIG, ENGINEERING, CONSTRUCTION DIVISIONS
OFICE OF LAND SURVEYING STUDIES

DRAWING NO.	A-2015-03-11-073
AUTOCAD FILE NO.	
PREPARED BY:	HJDC
DRAWN BY:	HJDC
SCALE:	1/16
DATE:	SEPTEMBER 7, 2016
REVISED #1:	REV NO. DATE
	1
	2
	3

DEMOSTRATIVE PLAN
AREA FOR TARIFF STUDIES
TERMINAL "D"
THIRD LEVEL

CERTIFICATE:

BENICIO COOLEY CIRINO, P.L.S.
LIC. NO. 9,459

SUBMITTED BY:

APPROVED BY:

HOJA NUM.

3 DE 3

SCHEDULE N

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Assignment") is made as of the ____ day of _____, 20___, by and between the Puerto Rico Ports Authority (the "Authority"), a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico, created pursuant to Act No. 125 of the Legislative Assembly of Puerto Rico enacted on May 7, 1942, as amended, and_____ (the "Lessee").

RECITALS

WHEREAS, the Authority and the Lessee have entered into the Luis Munoz Marin International Airport Lease Agreement, dated as of _____ ___, 20___ (as amended, restated, modified or otherwise supplemented from time to time in accordance with the terms thereof, the "Lease Agreement"); capitalized terms used but not defined herein shall have the meanings assigned to them in the Lease Agreement;

WHEREAS, the Authority, the Lessee and each Signatory Airline have entered into individual Airport Use Agreements on substantially the same terms and conditions contemporaneously with the entry into the Lease Agreement (the "Airport Use Agreements");

WHEREAS, pursuant to the Lease Agreement and the Airport Use Agreements, the Authority has agreed to assign, transfer, and convey to the Lessee, and the Lessee has agreed to take assignment of, all of the Authority's right, title, and interest in and to the contracts listed on Schedule 1 of this Assignment (collectively, the "Assigned LMM Airport Facility Contracts");

WHEREAS, pursuant to the Lease Agreement and the Airport Use Agreements, the Lessee has agreed to assume and discharge or perform when due, certain debts, liabilities and obligations relating to the LMM Airport Facility or the LMM Airport Facility Operations arising after the Time of Closing; and

WHEREAS, this Assignment, as duly executed by the Authority and the Lessee, is being delivered as of the date hereof by each Party hereto to the other Party effective as of the Closing.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth in the Lease Agreement, the Airport Use Agreements and hereinafter set forth, the receipt and sufficiency of which are hereby acknowledged, the Authority and the Lessee hereby agree as follows:

1. Incorporation of Recitals. The recitals set forth hereinabove shall be and are hereby incorporated in this Paragraph 1 as if said recitals were fully set forth herein.

2. Assignment of Assigned LMM Airport Facility Contracts. For value received, subject to the terms and conditions of the Lease Agreement and the Airport Use Agreements, the Authority does hereby assign and transfer to the Lessee, and the Lessee does hereby take assignment of, the Authority's right, title and interest in and to all of the Assigned LMM Airport Facility Contracts.

3. Assumption of Assigned LMM Airport Facility Contracts. Subject to the terms and conditions of the Lease Agreement and the Airport Use Agreements, the Lessee does hereby assume and does hereby agree to pay, perform and discharge when due, all of the debts, liabilities and obligations relating to the Assigned LMM Airport Facility Contracts arising after the Time of Closing. Notwithstanding the foregoing, the Authority expressly acknowledges and agrees that the Lessee does not assume any Excluded Obligations (as defined in Section 3.2(c) of the Lease Agreement).

4. No Representations. The Authority does not make any representations or warranties with respect to the Assigned LMM Airport Facility Contracts being assigned and transferred hereunder or the obligations being assumed hereunder except for those representations and warranties specifically made in the Lease Agreement.

5. Effect of Agreement. This Assignment is executed and delivered pursuant and subject to the Lease Agreement and the Airport Use Agreements. Nothing in this Assignment shall, or shall be deemed to, defeat, limit, alter, impair, enhance or enlarge any right, obligation, claim or remedy created by the Lease Agreement or the Airport Use Agreements. In the event of any conflict between this Assignment and either the Lease Agreement or the Airport Use Agreements, then the Lease Agreement or the Airport Use Agreements, as applicable, shall control. All disputes between the Parties under this Assignment or concerning the meaning or interpretation of any provisions contained herein, shall be resolved in accordance with the dispute resolution procedures in Article 19 of the Lease Agreement or Article 11 of the Airport Use Agreements, as applicable.

6. Inurement and Binding Effect. This Assignment shall inure to the benefit of the Parties and their respective permitted successors and assigns and be binding upon the Parties and their respective successors and assigns; *provided, however*, that, with respect to any Assigned LMM Airport Facility Contract to which a Signatory Airline is a party, the Lessee shall not assign such Assigned LMM Airport Facility Contract to any person other than the Authority unless (i) the Lessee obtains the consent of the Authority and the applicable Signatory Airline that is a party to such Assigned LMM Airport Facility Contract or (ii) such assignment of an Assigned LMM Airport Facility Contract is expressly permitted by the Airport Use Agreements or the Lease Agreement.

7. Governing Law. This Assignment shall be deemed to have been made in, and shall be construed in accordance with, the Laws of the Commonwealth of Puerto Rico without regard to conflict of laws principles.

8. Counterparts; Facsimile Execution. This Assignment may be executed in any number of counterparts which, taken together, shall constitute one and the same agreement. This Assignment shall be effective when it has been executed by each Party and delivered to all Parties. To evidence the fact that it has executed this Assignment, a Party may send a copy of its executed counterpart to the other Party by facsimile or electronic mail transmission. Such Party shall be deemed to have executed and delivered this Assignment on the date it sent such facsimile or electronic mail transmission. In such event, such Party shall forthwith deliver to the other Party an original counterpart of this Assignment executed by such Party.

9. Signatory Airlines. Each Signatory Airline that is a party to an Assigned LMM Airport Facility Contract shall be considered a third-party beneficiary of the assignment and assumption effected by this Assignment. At the Closing, the Authority will deliver an executed copy of this Assignment to each Signatory Airline that is a party to an Assigned LMM Airport Facility Contract.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Authority and the Lessee have caused this Assignment to be duly executed pursuant to due authorization, as of the day and year first written above.

PUERTO RICO PORTS AUTHORITY

By: _____

Name: _____

Title: _____

Affidavit Number ____

Acknowledged and subscribed to before me by [NAME OF PRPA OFFICER], of legal age, [married/single], [PROFESSION] and resident of [MUNICIPALITY], Puerto Rico, in his capacity as [POSITION] of the Puerto Rico Ports Authority, [personally known to me/who I have identified by means of drivers license no. [LICENSE NUMBER] issued by the Commonwealth of Puerto Rico], in San Juan, Puerto Rico, this [DATE] day of [MONTH], 2012.

_____

Notary

[LESSEE]

By: _____

Name: _____

Title: _____

SCHEDULE 1

Each of the following is a "LMM Airport Facility Contract" and an "Assigned "LMM Airport Facility Contract."

1. Concession Agreement AP-89-90-4-077, dated as of December 8, 1989, as amended by AP-89-90-4-077 A-1 on May 3. 1991, as amended further by AP-89-90-4-077 A-2 on April 1, 1992, and as amended further by AP-89-90-4-077 E-3 on September 9, 2004 by and between the Authority and Aeroparque Corporation.

2. Lease Agreement AP-00-01-4-035, dated as of December 18, 2000, as amended by AP-00-01-4-035 A-1 on May 8, 2002, as amended further by AP-00-01-4-035 A-2 on July 19, 2002, and as amended further by AP-00-01-4-035 A-3 on January 31, 2005, by and between the Authority and Air Sub Corporation.

3. Concession Agreement AP-04-05-4-212, dated as of January 31, 2005, by and between the Authority and Air Sub Corporation d/b/a Mamma Illardo's.

4. Concession Agreement AP-83-84-4-094, dated as of February 8, 1984, as amended by AP-83-84-4-094 E-1 on October 28, 1986, as amended further by AP-83-84-4-094 A-2 on March 4, 1991, as amended further by AP-83-84-4-094 E-3 on May 14, 1993, as amended further by AP-83-84-4-094 A-4 on May 12, 1997, as amended further by AP-83-84-4-094 E-5 on September 9, 2004, as amended further by AP-83-84-4-094 A-6 on March 10, 2008, and as amended further by AP-83-84-4-094 A-7 on December 14, 2008, by and between the Authority and Airport Catering Services Corporation.

5. Grant Agreement AP-88-89-4-183, dated as of November 21, 1990, as amended by AP-88-89-4-183 A-1 on May 12, 1997, and as amended further by AP-88-89-4-183 E-2 on September 9, 2004, by and between the Authority and Airport Catering Services Corporation.

6. Lease Agreement AP-00-01-4-077, dated as of August 11, 2000, as amended by AP-00-01-4-077 E-1 on March 7, 2003, as amended further by AP-00-01-4-077 E-2 on December 5, 2003, as amended further by AP-00-01-4-077 E-2 on December 8, 2006, and as amended further by AP-00-01-4-077 E-4 on December 12, 2008, by and between the Authority and Alliance Duty Free, Inc.

7. Concession Agreement AP-10-11-4-098, dated as of February 15, 2011, by and between the Authority and Angel M. Colon Roman, d/b/a International Barber Shop.

8. Lease Agreement AP-09-10-4-133, dated as of June 10, 2010, by and between the Authority and ATG Airport Restaurants, Inc.

9. Lease Agreement AP-05-06-4-120, dated as of March 20, 2006, by and between the Authority and Banco Popular de Puerto Rico.*

10. Lease Agreement AP-05-06-4-129, dated as of May 1, 2006, by and between the Authority and Banco Popular de Puerto Rico.*

11. Lease Agreement AP-05-06-4-030, dated as of August 25, 2005, by and between the Authority and Camera Work, Inc., d/b/a Fly BVI.*

12. Concession Agreement AP-11-12-4-150, dated as of June 7, 2012, by and between the Authority and Caribbean Retailers, Inc. d/b/a Sunny Planet.

13. Concession Agreement AP-11-12-4-055, dated as of October 18, 2011, by and between the Authority and CC-1 Limited Partnership, d/b/a Coca-Cola Puerto Rico Bottlers.

14. Concession Agreement AP-10-11-4-111, dated as of March 25, 2011, by and between the Authority and Cosmopar, Inc. d/b/a Tiendas Gabrielas.

15. Lease Agreement AP-11-12-4-050, dated as of September 30, 2011, by and between the Authority and Cynthia Greta Berrios Lopez d/b/a Garbo.

16. Lease Agreement AP-10-11-4-114, dated as of March 29, 2011, by and between the Authority and Edwin Rosario Rodriguez.

17. Concession Agreement AP-04-05-4-022, dated as of July 12, 2004, by and between the Authority and Edwin Rosario Rodriguez, d/b/a El Tamarindo.*

18. Concession Agreement AP-04-05-4-199, dated as of December 31, 2004, as amended by AP-04-05-4-199 E-1 on June 13, 2008, by and between the Authority and El Meson de Felipe, Inc., d/b/a El Meson Sandwiches.

19. Concession Agreement AP-09-10-4-034, dated as of July 15, 2009, by and between the Authority and El Morro Souvenirs Shop, Inc.*

20. Concession Agreement AP-09-10-4-064, dated as of November 23, 2009, by and between the Authority and El Morro Souvenirs Shop, Inc.*

21. Concession Agreement AP-04-05-4-179, dated as of December 31, 2004, by and between the Authority and Enrique Duprey Porrata, d/b/a Fun Stuff.*

22. Concession Agreement AP-11-12-4-034, dated as of September 19, 2011, by and between the Authority and Faith International Corporation, d/b/a Perla's Souvenirs & Things.

23. Concession Agreement AP-11-12-4-035, dated as of September 19, 2011, by and between the Authority and Faith International Corporation, d/b/a Perla's Souvenirs & Things.

24. Concession Agreement AP-04-05-4-202, dated as of December 31, 2004, as amended by AP-04-05-4-202 on September 9, 2008, by and between the Authority and Fasola Corporation, d/b/a Martin's BBQ Rotisserie Chicken.

25. Concession Agreement AP-04-05-4-003, dated as of July 6, 2004, by and between the Authority and Fernando Hernandez Pagan, d/b/a Leather Ranch for Kids.*

26. Concession Agreement AP-05-06-4-080, dated as of January 12, 2006, by and between the Authority and Fernando Hernandez Pagan, d/b/a Leather Ranch.*

27. Concession Agreement AP-09-10-4-043, dated as of August 24, 2009, by and between the Authority and Fernando Hernandez Pagan, d/b/a Leather Ranch.*

28. Concession Agreement AP-10-11-4-026, dated as of August 23, 2010, by and between the Authority and General Retail SH, Inc., d/b/a Island Ice Smoothies.

29. Lease Agreement AP-99-00-4-082, dated as of May 22, 2000, by and between the Authority and Golden Arch Development Corporation.*

30. Concession Agreement AP-04-05-4-197, dated as of December 31, 2004, by and between the Authority and Happy Sweets, Inc., d/b/a Buffalo Wings.

31. Concession Agreement AP-10-11-4-123, dated as of April 26, 2011, by and between the Authority and Loren Airport Corporation, d/b/a Potato Deli.

32. Concession Agreement AP-10-11-4-122, dated as of April 26, 2011, by and between the Authority and Los Quesitos del Aeropuerto, Inc.

33. Lease Agreement AP-10-11-4-084, dated as of January 4, 2011, by and between Maria Orietta Caula, d/b/a San Juan Souvenirs, Gifts & Novelties.

34. Concession Agreement AP-05-06-4-076, dated as of December 14, 2005, as amended by AP-05-06-4-076 E-1 on May 2, 2008, by and between the Authority and Martinez Amezaga and Associates, Inc.*

35. Lease Agreement AP-00-01-4-034, dated as of December 15, 2000, by and between the Authority and New Millennium Investment Group, Inc.*

36. Lease Agreement AP-03-04-4-124, dated as of December 16, 2003, as amended by AP-03-04-4-124 A-1 on September 13, 2007, by and between the Authority and News and Gift Shop of Puerto Rico LLP.*

37. Lease Agreement AP-10-11-4-082, dated as of December 30, 2010, by and between the Authority and Omill Borrero Cofino, d/b/a Los Millones Car Wash.

38. Lease Agreement AP-08-09-4-087, dated as of September 24, 2008, by and between the Authority and P.F. & G.M. International Distributors, Inc./ Medalla Light Store.

39. Concession Agreement AP-09-10-4-124, dated as of May 21, 2010, by and between the Authority and Paner Corporation, d/b/a Pachy's Sweets & More.*

40. Concession Agreement AP-10-11-4-054, dated as of November 10, 2010, by and between the Authority and Paner Corporation, d/b/a Pachy's Sweets & More.

41. Concession Agreement AP-10-11-4-053, dated as of November 10, 2010, by and between the Authority and Paner Corporation d/b/a Pachy's Sweets & More.

42. Concession Agreement AP-09-10-4-120, dated as of April 20, 2010 by and between the Authority and Patricio A. Pena Cabrera, d/b/a Don Rey.

43. Concession Agreement AP-10-11-4-061, dated as of November 16, 2010, by and between the Authority and Piccolo Gelatto's Inc. Pt.

44. Lease Agreement AP-11-12-4-142, dated as of May 30, 2012, by and between the Authority and Franscisco Robles Gonzalez, d/b/a Shoe Shine.

45. Concession Agreement AP-11-12-4-149, dated as of June 7, 2012, by and between the Authority and Secure Seal of Puerto Rico, Inc.

46. Concession Agreement AP-09-10-4-125, dated as of May 21, 2010, by and between the Authority and Silver Planet, Inc.

47. Concession Agreement AP-04-05-4-044, undated, as amended by AP-04-05-4-044 E-1 on December 31, 2004, as amended further by AP-04-05-4-044 E-2 on January 25, 2008, and as amended further by AP-04-05-4-044 E-3 on January 25, 2008, by and between the Authority and South American Restaurants Corporation, d/b/a Church's Chicken.

48. Lease Agreement AP-04-05-4-043, dated as of August 4, 2004, as amended by AP-04-05-4-043 on March 19, 2008, by and between the Authority and Starbucks Coffee Puerto Rico LLC.

49. Concession Agreement AP-05-06-4-105, dated as of March 1, 2006, by and between the Authority and Victor Ruiz Enterprises, Inc., d/b/a Pizza Box.*

50. Concession Agreement AP-04-05-4-046, dated as of August 4, 2004, by and between the Authority and Wendco of PR Inc., d/b/a Wendy's.

51. Concession Agreement AP-07-08-4-088, dated as of October 19, 2007, by and between the Authority and Xyonin, Inc.

52. Concession Agreement AP-10-11-4-105, dated as of March 17, 2011, by and between the Authority and Yocahu Surfwear, Inc.

53. Concession Agreement AP-10-11-4-106, dated as of March 17, 2011, by and between the Authority and Yocahu Surfwear, Inc.

54. Lease Agreement AP-11-12-4-139, dated as of May 18, 2012, by and between the Authority and Primary Care Centers of the USA, Inc.

55. Concession Agreement AP-10-11-4-052, dated as of November 10, 2010, by and between the Authority and Yocahu Surf Wear, Inc.

56. Contract AP-11-12-4-146, dated as of June 5, 2012, by and between the Authority and AIE Tropical, LLC.

57. Contract AP-11-12-4-147, dated as of June 5, 2012, by and between the Authority and Paner Corporation d/b/a Pachy's Sweet and More.

58. Lease Agreement AP-01-02-4-120, dated as of June 26, 2002, by and between the Authority and Avis Rent a Car de Puerto Rico.*

59. Lease Agreement AP-07-08-4-172, dated as of April 15, 2008, by and between the Authority and Best Rate Car & Truck Rental, Inc., d/b/a Thrifty Car Rental.

60. Lease Agreement AP-03-04-4-136, dated as of August 1, 2003, as amended by AP-03-04-4-136 A-1 and AP-03-04-4-136 A-2, by and between the Authority and Budget Rent a Car de Puerto Rico Inc.

61. Lease Agreement AP-07-08-4-017, dated as of July 1, 2007, by and between the Authority and Charlie Car Rental.*

62. Lease Agreement AP-02-03-4-028, dated a of August 22, 2002, as amended by AP-02-03-4-028 E-1 on June 29, 2004, by and between the Authority and Duffy International Corporation d/b/a National Car Rental.

63. Lease Agreement AP-01-02-4-068, dated as of January 18, 2002, as amended by AP-01-02-4-068 A-1 on July 7, 2004, by and between the Authority and Hertz Corporation.*

64. Lease Agreement AP-07-08-4-113, dated as of December 13, 2007, by and between the Authority and More Automotive Products, d/b/a Dollar Rent A Car.

65. Lease Agreement AP-07-08-4-201, dated as of June 5, 2008, by and between the Authority and Prerac, Inc. d/b/a Enterprise Rent a Car.

66. Lease Agreement AP-07-08-4-041, dated as of July 23, 2007, by and between the Authority and Fortune Group Transport, Inc.*

67. Lease Agreement AP-06-07-4-023, dated as of July 7, 2006, by and between the Authority and GMD Airline Service, Inc.*

68. Lease Agreement AP-10-11-4-005, dated as of July 13, 2010, by and between the Authority and Prime Flight Services, Inc.

69. Contract AP-05-06-4-006, dated as of July 28, 2005, by and between the Authority and T&T Cargo Services, Inc.*

70. Lease Agreement AP-07-08-4-143, dated as of March 4, 2008, by and between the Authority and Professional Security Support Corporation.*

71. Lease Agreement AP-04-05-4-083, dated as of September 9, 2004, by and between the Authority and Cargo Services Corporation.

72. Lease Agreement AP-86-87-4-024, dated as of November 17, 1986, as amended by AP-86-87-4-024 E-1 on September 9, 2004, by and between the Authority and Cargo Services Corporation.

73. Cargo Lease Agreement AP-09-10-4-065, dated October 5, 2009, between the Authority and American Airlines, Inc.

74. Equipment Facilities Lease Agreement AP-75-76-4-176, dated June 14, 1976, between the Authority and American Airlines, Inc.

75. Concession Agreement AP-03-04-4-109, dated as of November 25, 2003, by and between the Authority and Roblex Aviation.*

76. Concession Agreement AP-83-84-4-132, dated as of April 23, 1984, as amended by AP-84-85-4-083 E-2/ AP-83-84-4-132 on June 30, 2004, by and between the Authority and Airport Aviation Services, Inc.

77. Lease Agreement AP-09-10-4-123, dated as of May 14, 2010, by and between the Authority and Puerto Rico Air Management Services.*

78. Lease Agreement AP-08-09-4-110, dated as of October 6, 2008, by and between the Authority and Esso Standard Oil Company.

79. Lease Agreement AP-10-11-4-109, dated as of March 23, 2011, by and between the Authority and Orocovis Petroleum Corp.

80. Lease Agreement AP-08-09-4-136, dated as of December 4, 2008, by and between the Authority and BP Products North America, Inc.

81. Concession Agreement AP-06-07-4-067, dated as of October 10, 2006, by and between the Authority and Orocovis Petroleum Corporation.

82. Lease Agreement AP-96-97-4-066, dated as of October 28, 1996, by and between the Authority and The Pipelines of Puerto Rico, Inc.*

83. Lease Agreement AP-00-01-4-053, dated as of December 28, 2000, by and between the Authority and the Department of Natural and Environmental Resources.*

84. Lease Agreement AP-93-94-0-018, dated as of June 21, 1993, by and between the Authority and the Federal Aviation Administration.

85. Lease Agreement AP-03-04-4-053, dated as of August 18, 2003, by and between the Authority and the Federal Aviation Administration, Southern Region.*

86. Memorandum of Agreement AP-08-09-0-088, undated and executed in October 2008, by and between the Authority and the Federal Aviation Administration.

87. Lease Agreement AP-92-93-0-169, dated as of June 21, 1993, as amended by AP-92-93-0-169 E-1 on May 16, 2000, by and between the Authority and the Federal Aviation Administration.

88. Lease Agreement AP-97-98-0-007, dated as of July 1, 1997, as amended by AP-97-98-0-007 A-1 on April 14, 1999, by and between the Authority and the Federal Aviation Administration.*

89. Lease Agreement AP-99-00-0-043, dated as of November 12, 1999, by and between the Authority and the Federal Aviation Administration.

90. Lease Agreement AP-03-04-0-028, dated as of July 29, 2003, by and between the Authority and the Federal Aviation Administration.*

91. Lease Agreement AP-99-00-0-047, dated as of December 2, 1999, by and between the Authority and the Federal Aviation Administration.

92. Lease Agreement AP-97-98-4-039, dated as of October 3, 1997, by and between the Authority and the United States General Services Administration.*

93. Lease Agreement AP-02-03-4-092, dated as of November 25, 2002, as amended by AP-02-03-4-092 E-1 on December 20, 2002, and as amended further by AP-08-09-4-111 on November 25, 2007, by and between the United States General Services Administration.*

94. Lease Agreement AP-09-10-4-127, dated as of May 26, 2010, as amended by AP-09-10-4-127 A-1 on July 7, 2010, and as amended further by AP-09-10-4-127 A-2 on August 23, 2010, by and between the Authority and the United States General Services Administration.

95. Lease Agreement AP-08-09-4-140, dated as of December 29, 2010, by and between the Authority and Municipality of Carolina.

96. Lease Agreement AP-01-02-4-032, dated as of October 1, 2001, by and between the Authority and the Puerto Rico Police Department.*

97. Lease Agreement AP-01-02-4-087, dated as of March 20, 2010, by and between the Authority and the Puerto Rico Police Department.*

98. Lease Agreement AP-01-02-4-112, dated as of June 3, 2002, as amended by AP-01-02-4-112 A-1 on August 21, 2002, by and between the Authority and the Puerto Rico Police Department.*

99. Lease Agreement AP-04-05-4-207, dated as of December 31, 2004, by and between the Authority and the Puerto Rico Police Department.*

100. Lease Agreement AP-07-08-4-061, dated as of September 10, 2007, by and between the Authority and the Puerto Rico Police Department.

101. Agreement AP-06-07-0-136, dated as of May 25, 2007, by and between the Authority and the Transportation Security Administration.*

102. Agreement AP-07-08-4-191, dated as of April 1, 2008, by and between the Authority and the Transportation Security Administration.*

103. Agreement AP-09-10-0-028, dated as of July 9, 2009, by and between the Authority and the Transportation Security Administration.

104. Lease Agreement AP-07-08-4-209, dated as of July 1, 2008, by and between the Authority and the U.S. Postal Service.

105. Lease Agreement AP-03-04-4-219, dated as of May 13, 2004, by and between the Authority and the U.S. Postal Service.

106. Lease Agreement AP-08-09-4-077, dated as of September 9, 2008, by and between the Authority and M & N Aviation, Inc.

107. Agreement AP-95-96-4-063, dated as of October 3, 1995, by and between the Authority and American Parking Systems, Inc., as amended by AP-95-96-5-063 E-1 on May 8, 2004, and as amended further by Civil Case KAC2008-0386(905) on March 31, 2010, by and between the Authority and American Parking Systems, Inc.

108. Concession Agreement AP-04-05-4-050, dated as of August 9, 2004, by and between the Authority and ABCON Media PR, Inc.*

109. Lease Agreement AP-04-05-4-203, dated as of December 31, 2004, by and between the Authority and Compania de Turismo de Puerto Rico.

110. Lease Agreement AP-11-12-4-018, dated as of August 5, 2011, by and between the Authority and Continental Shipping, Inc.

111. Agreement AP-08-09-4-137, dated as of December 17, 2008, by and between Jose J. Almanza Roman d/b/a Almanza Baggage Delivery Services.*

112. Lease Agreement AP-02-03-4-174, dated as of May 20, 2003, by and between the Authority and Puerto Rico Telephone Company, Inc.*

113. Lease Agreement AP-07-08-4-129, dated as of January 29, 2008, by and between the Authority and Jet Tech, Inc.*

114. Lease Agreement AP-05-06-4-067, dated as of December 6, 2005, by and between the Authority and Gran Airport Support Services & General Contractors Builders, Inc. a/k/a Gran Airport Service, Inc.*

115. Concession Agreement AP-07-08-4-178, dated as of May 1, 2008, by and between the Authority and Federacion de Taxistas de Puerto Rico.*

116. Lease Agreement AP-07-08-4-077, dated as of October 1, 2007, by and between the Authority and CCPR Services, Inc.*

117. Lease Agreement AP-06-07-4-064, dated as of October 2, 2006, by and between the Authority and Airport Travel & Tours, Inc.*

118. Lease Agreement AP-02-03-4-161, dated as of April 17, 2003, by and between the Authority and Aeronautical Radio, Inc.*

119. Lease Agreement AP-05-06-4-098, dated as of February 13, 2006, by and between the Authority and QMC Transit, Inc.

120. Concession Agreement AP-11-12-4-153, dated as of June 19, 2012, by and between the Authority and Cooperativa de Servicios de Equipaje.

121. Lease Agreement AP-09-10-4-061, dated as of December 2, 2009, as amended by AP-09-10-4-061 E-1, by and between the Authority and Sharon Travel & Tours Corp.*

122. Agreement AP-03-04-4-198, dated as of April 23, 2004, as amended by AP-03-04-4-198 E-1 on February 1, 2007, and as amended further by AP-03-04-4-198 E-2 on October 31, 2008, by and between the Authority and Trans AD Puerto Rico, Inc.

123. Lease Agreement AP-09-10-4-101, dated as of March 1, 2010, by and between the Authority and Vortex Aviation Maintenance, Inc.

124. Agreement AP-05-06-4-036, dated as of September 21, 2005, by and between the Authority and Wladimir Castro Alvarez, d/b/a Castro's Baggage Delivery Services.*

125. Contract Agreement AP-90-91-5-187, dated as of May 23, 1991, by and between the Authority and the Puerto Rico Electric Power Authority.

126. Contract Agreement AP-09-10-5-038, dated as of July 30, 2009, by and between the Authority and Perfect Cleaning Services, Inc.*

127. Contract Agreement AP-09-10-5-041, dated as of August 14, 2009, by and between the Authority and St. James Security Services, Inc.*

128. Contract AP-11-12-5-029, dated as of September 1, 2011, by and between the Authority and Kristal Ambulance Corp.

129. Contract Agreement AP-09-10-5-081, dated as of December 23, 2009, by and between the Authority and Tamrio, Inc.*

130. Professional Services Agreement AP-11-12-5-136, dated as of May 17, 2012, by and between the Authority and Atkins Caribe, LLP.

131. Professional Services Agreement AP-11-12-5-072, dated as of November 14, 2011, by and between the Authority and Atkins Caribe, LLP, as amended by that certain Supplementary Agreement AP-11-12-5-072 A-1, dated June 21, 2012.

132. Professional Services Agreement AP-11-12-5-138, dated as of May 17, 2012, by and between the Authority and Willmer Engineering, Inc.

133. Hangar Lease by and between the Authority and American Eagle Airlines, Inc.

* Denotes that the contract may have expired pursuant to its terms.

SCHEDULE O

COMMON USE REGULATIONS

[*See Attached*]

RESOLUTION NO. 82-13 (R)

PART I	DEFINITIONS
PART II	AIRCRAFT OPERATION
PART III	VEHICLES
PART IV	FUEL AND FLAMMABLE MATERIALS
PART V	AIRPORT USAGE BY PUBLIC, USERS AND PASSENGERS
PART VI	REGISTRATION OF PERSONS STATIONED OR EMPLOYED AT OR OPERATING FROM AIRPORT
PART VII	REGULATIONS ON HEIGHT OF STRUCTURES, TREES AND THE USE OF PROPERTY IN THE VICINITY OF ISLA VERDE INTERNATIONAL AIRPORT IN CAROLINA, PUERTO RICO, AND ISLA GRANDE AIRPORT IN SAN JUAN, PUERTO RICO'
PART VIII	GENERAL PROVISIONS AND PENALTIES
PART IX	EFFECTIVENESS

PART 1 – DEFINITIONS

1.1 THE AUTHORITY
1.2 EXECUTIVE DIRECTOR
1.3 DIRECTOR OF AVIATION
1.4 AIRPORT MANAGER
1.5 REPRESENTATIVE
1.6 AIRPORT
1.7 AIR OPERATION AREAS
1.8 PUBLIC AREAS
1.9 AIRCRAFT
1.10 PASSENGERS
1.11 PERSON
1.12 TAXIWAY
1.13 FIXED-BASE OPERATOR
1.14 AVIATION OPERATOR
1.15 SECURITY ACCESS GATES
1.16 EMERGENCY PLAN
1.17 AIR TRAFFIC CONTROL SERVICE
1.18 AIRPORT CONTROL TOWER
1.19 VEHICLES
1.20 EMERGENCY VEHICLES
1.21 FUELING VEHICLES
1.22 OFFICIAL VEHICLES
1.23 INSTRUCTOR
1.24 FEDERAL REGULATIONS
1.25 AIRPORT TERMINAL

PART II - AIRCRAFT OPERATION

2.1 APPLICATION OF FEDERAL RULES AND REGULATIONS
2.2 LANDINGS AND TAKE-OFFS UNDER DANGEROUS CONDITIONS
2.3 NEGLIGENT OPERATION OF AIRCRAFT IN ANY AIR OPERATIONS AREA
2.4 ACTIVE RUNWAY
2.5 CLOSING OF AIRPORT
2.6 AIRCRAFT ENGINE WARM-UP OR TESTING
2.7 PARKING OF AIRCRAFT
2.8 AIRCRAFT MAINTENANCE
2.9 EXPERIMENTAL FLIGHTS OR GROUND DEMONSTRATION
2.10 DAMAGE TO FACILITIES AND PROPERTY
2.11 AIRCRAFT CATEGORIES
2.12 TAXIING RULES AND REQUISITES
2.13 ABANDONED OR DISABLED AIRCRAFT
2.14 SECURITY OF AIRCRAFT
2.15 INTERFERING OR TAMPERING WITH AIRCRAFT

3.4 PART III - VEHICLES

3.1 VEHICLE TRAFFICE – AIR OPERATION AREAS

3.2 PERMIT ISSUANCE

3.3 VEHICLE TRAFFIC

PART IV - FUEL AND FLAMMABLE MATERIALS

4.1 USE OF FLAMMABLE VOLATILE LIQUIDS
4.2 STORAGE
4.3 FUELING OPEPATIONS
4.4 CLASS A PERMIT
4.5 CLASS B PERMIT
4.6 CLASS C PERMIT
4.7 FUELING AND DEFUELING AIRCRAFT
4.8 STORAGE IN AIRCRAFT APRON AREA
4.9 HANDLING OF FLAMMABLE VOLATILE LIQUIDS
4.10 EXPLOSIVES AND OTHER DANGEROUS ITEMS

PART V - AIRPORT USAGE BY PUBLIC, USERS AND PASSENGERS

5.1 ACCESS TO AIR OPERATIONS AREA
5.2 SANITATION
5.3 PRESERVATION OF PROPERTY
5.4 WEAPONS, EXPLOSIVES AND FLAMMABLE MATERIALS
5.5 TURNSTILES AND COIN-OPERATED DOORS
5.6 AIR OPERATIONS AREA
5.7 PASSENGER COMPLIANCE WITH PROVISIONS AND INSTRUCTIONS
5.8 PASSENGER INSPECTION
5.9 ANIMALS
5.10 USE OF SHOPS AREA
5.11 CONDUCT OF BUSINESS OR COMMERCIAL ACTIVITY
5.12 TRASH CONTAINERS
5.13 STORAGE OF EQUIPMENT
5.14 TENANTS-EXCLUSIVE USE OF LEASED PREMISES
5.15 FIRE-FIGHTING EQUIPMENT
5.16 ADVERTISEMENTS, CIRCULARS AND PRINTED OR WRITTEN MATERIAL
5.17 PICKETS IN DESIGNATED AREAS
5.18 PICKETS AND DISTRIBUTION OF PRINTED AND/OR WRITTEN MATERIAL
5.19 PICKETS AGAINST THE AUTHORITY

PART VI - REGISTRATION OF PERSONS STATIONED OR EMPLOYED AT OR OPERATING FROM AIRPORT

6.1 REGISTRATION

6.2 AIRPORT SECURITY BADGES – PROCEDURE

PART VII - REGULATIONS ON HEIGHT OF STRUCTURES, TREES AND THE USE OF PROPERTY IN THE VICINITY OF ISLA VERDE INTERNATIONAL AIRPORT IN CAROLINA, PUERTO RICO AND ISLA GRANDE AIRPORT IN SAN JUAN, PUERTO RICO

7.1 REGULATIONS

PART VIII - GENERAL PROVISIONS AND PENALTIES

8.1 COMMERCIAL PHOTOGRAPHY

8.2 PAYMENT OF CHARGES

8.3 SOLICITING OF FUNDS

8.4 SELLING, SOLICITING AND ENTERTAINING

8.5 AUTHORITY OF THE POLICE OF THE COMMONWEALTH OF PUERTO RICO

8.6 SEPARABILITY OF PROVISIONS

8.7 PENALTIES

8.8 ANIMALS

8.9 AUTHORIZATION TO REQUEST PILOT' S LICENSE AND OTHER DOCUMENTS

8.10 LEGAL AUTHORITY FOR THE PROMULGATION OF THIS REGULATION

PART IX - EFFECTIVENESS

PART I

DEFINITIONS

RESOLUTION NUMBER 82-13 (R)

PART I – Definitions

The following terms, as used in this Regulation, shall have the following meaning:

1.1 "THE AUTHORITY" - Shall mean the Puerto Rico Ports Authority.

1.2 "EXECUTIVE DIRECTOR" - The Executive Director of the Ports Authority.

1.3 "DIRECTOR OF AVIATION" - The Director of the Aviation Department of the Ports Authority or his representative.

1.4 "AIRPORT MANAGER" - Is the person responsible for the management, operation and maintenance of the airport and represents the Authority at said airport.

1.5 "REPRESENTATIVE" - Shall mean the right and responsibility of a Ports Authority employee or employees who, by virtue of their position and/or operational responsibility, have the duty of representing the Director of Aviation in matters related to compliance with the Rules and Regulations of the Aviation Department.

1.6 "AIRPORT" - Any complex operated by the Authority where aircraft may land and take off and develop thereat any activity related to the air transport of passengers, cargo and mail, comprising a definite land area with all of its buildings, installations and equipment set up and intended totally or partially for the arrival, departure, aircraft surface operation and maintenance. The term includes the air operations area and the public zone.

1.7 "AIR OPERATION AREAS" - The airport areas used or intended to be used for landing, take-off or movement of aircraft; passenger boarding lounges; fuel-storage and fueling facilities; air traffic control dependencies; communication facilities; radio aids and other services to air navigation; fire fighting and rescue station; and any area restricted to the general public within the airport terrestrial boundaries or on property owned by or under the custody and/or control of the Authority.

1.8 "PUBLIC AREAS" - All of the areas normally accessible to the general public and which include the portions of all ticketing and terminal buildings open to the public; public parking lots or automobile parking areas; airport public access and unit road ways; and portions open to the public of all buildings possessed or operated at all airports under the ownership, direction and/or control of the Authority.

1.9 "AIRCRAFT" - Any vehicle or device that is used or is intended to be used for air navigation.

1.10 "PASSENGER" - Any person at the airport Terminal in possession of an airline ticket with the intention of boarding an airplane bound for another place within a reasonable period of time. Within the purview of this Regulation, such person ceases to be an air passenger upon arriving at his airport of destination, claiming his baggage and leaving the Terminal Building.

1.11 "PERSON" - (Comprises natural and artificial ones) – Any individual, firm, company, partnership, corporation; and includes any trustee, receiver or similar representative thereof.

1.12 "TAXIWAY" - That part of the airport used for the take-off and landing of aircraft and for the take-off and landing of aircraft and for the taxiing thereof, excluding platforms.

1.13 "FIXED-BASE OPERATOR" – Any person or organization which, by virtue of a lease agreement with the Authority, uses any building, shop or hangar, or in connection with the site where such a building may be erected, guarantees to provide the public with aircraft maintenance, repair and parking facilities approved by the Federal Aviation Administration and to offer twenty-four (24)-hour aviation fueling services, except as otherwise stipulated by the lease agreement.

1.14 "AVIATION OPERATOR" - Any other person engaged in business of an aviation nature not within the scope of a Fixed-Base Operator, as defined herein, who is authorized to conduct such business by virtue of a contract with the Authority.

1.15 "SECURITY ACCESS GATES" - Those gates identified by numbers giving access to air operation areas and located within the airport, duly identified by the Director of Aviation or his representative.

1.16 "EMERGENCY PLAN" - The directives elaborated by the Authority which contain the procedures to be followed in attending to all emergency situations related to air operations at the airport.

1.17 "AIR TRAFFIC CONTROL SERVICE" – Service furnished by the Authority with the aim of preventing collisions between aircraft and obstacles on aircraft operational areas and to speed up and maintain the movement of air traffic in an orderly fashion.

1.18 "AIRPORT CONTROL TOWER" - The airport's dependency manned by Air Traffic Controllers, who transmit pertinent instruct ions for air operations.

1.19 "VEHICLES" - Any motorized device used or intended to be used for ground transportation, irrespective of its type or nature.

1.20 "EMERGENCY VEHICLES" – Shall mean any vehicle responding to an official emergency call, including vehicles from the Police or Fire Department, ambulances of the Commonwealth of Puerto Rico, its executive departments and agencies, or the United States Armed Forces and Puerto Rico National Guard.

1.21 "FUELING TRUCKS" - Any motor vehicle duly authorized by the Authority which is used to transport or dispense aviation fuel, lubricants and oil to aircraft within the airport's air operation areas.

1.22 "OFFICIAL VEHICLES" – Vehicles of the Authority and of the Puerto Rico Police Department, as well as any vehicle carrying an official or employee of the Authority, or as defined in Subsection 1.19, and any other vehicle belonging to the Commonwealth or Federal Government and to the organisms of the Executive, Legislative and Judicial Powers, provided that they are used on official business.

1.23 "INSTRUCTOR" – Any individual licensed by the Federal Aviation Administration giving, or offering to give, instruction in the operation, construction, repair or maintenance of aircraft, aircraft power plants and accessories, including the repair, packing an maintenance parachutes.

1.24 "FEDERAL REGULATIONS" - The rules and regulations of the United States Federal Aviation Administration promulgated by said administrative body, as currently amended.

1.25 "AIRPORT TERMINAL" - The building through which the public and passengers move. It begins at the curbside that borders the building proper and ends at the jetways.

PART II

AIRCRAFT OPERATION

PART II

AIRCRAFT OPERATION

2.1 APPLICATION OF FEDERAL RULES AND REGULATIONS

All aircraft in flight within the airport control zone, or in motion, or parked in the air operations area of any airport shall be governed by the current rules and regulations of the Federal Aviation Administration and the Civil Aeronautics Board concerning flights and all written or oral instructions of the Air Traffic Controller. All aircraft shall follow the appropriate taxiway and runway guidance lines when operating on any airport. Said current rules and regulations, as amended, shall be fully enforced.

2.2 LANDINGS AND TAKE-OFFS UNDER DANGEROUS CONDITIONS

The Director of Aviation or his representative may prohibit aircraft landing or take-off at any time and under any circumstances when said Director of Aviation or his representative deems such landing or take-off could endanger the safety of persons or property, except for emergency landings, in which case the airport's Emergency Plan shall be followed.

2.3 NEGLIGENT OPERATION OF AIRCRAFT IN ANY AIR OPERATIONS AREA

No aircraft shall be operated in any air operations area in a careless or negligent manner or in disregard of the rights and safety of others, or without due caution or circumspection, or at a speed or in a manner which endangers unreasonably persons of property, or while the pilot or other person aboard said aircraft, controlling any part of the operation thereof, is under the apparent influence of intoxicating beverages, or of any narcotic or drug having notable effects. Nor shall said aircraft be operated if it is so constructed, equipped or loaded as to endanger unreasonably, or be likely to endanger unreasonably, persons or property. It shall not be operated either when loaded in contravention of the standards, procedures and recommendations established by the manufacturer and of the standards of the Federal Aviation Administration.

2.4 ACTIVE RUNWAYS

No person or vehicle shall remain at any time whatsoever on the runway or taxiways or cross same, unless:

(a) specifically authorized to be in said area and

(b) equipped with a two-way radio and

(c) remaining in contact with the Federal Aviation Administration tower. In the case of airports lacking a control tower, the corresponding vehicle operator or interested persons shall obtain prior permission from the airport manager to cross, be or remain in any sector of an active runway or taxiway.

2.5 CLOSING OF AIRPORT

In the event that the Director of Aviation, with the approval of the Executive Director, believes the conditions of the airport are not safe, or just partially so for the purposes of aircraft landings and take-offs, it shall be within his authority to issue a NOTAM to partially or totally close or open the airport.

2.6 AIRCRAFT ENGINE WARM-UP OR TESTING

Aircraft engines shall be warmed up or tested only in places approved for such purposes by the Director of Aviation or his representative, provided that the following safety measures are observed:

(a) Aircraft with engines running shall not be left unattended during the operation.

(b) The operation shall be performed in such a way as to prevent the propelled stream of jet engine exhaust from moving in the direction of hangars, shops, offices, buildings, persons, equipment or aircraft landing, parked or taking off.

(c) The operation shall not be started until proper clearance has been given by qualified ground personnel and until all standard safety procedures have been met.

2.7 PARKING OF AIRCRAFT

No person shall park an aircraft or leave it standing in an operations area of any airport, except at such places as may be designated by the Director of Aviation or his representative. When in such an area, every aircraft shall be adequately tied down. The landing gear of every such aircraft shall be chocked with wheel blocks and other approved devices, except in cases where, in the opinion of the Director of Aviation or his representative, equally safe, proven procedures, such as those utilized by scheduled airlines, are used. When so instructed by the Director of Aviation or his representative, the operator of any aircraft parked or stored at any airport shall move said aircraft from the place where it is parked or stored to any other designated place. If the operator refuses to comply with such instructions, the Director of Aviation may tow away said aircraft to such designated place, at the operator's expense. The Ports Authority shall not be liable, nor shall it assume risk whatsoever, on account of the movement and deposit in the area designated for said aircraft.

2.8 AIRCRAFT MAINTENANCE

No person or firm shall repair an aircraft, aircraft engine, propeller or other aeronautical equipment or apparatus, nor employ a certified aviation mechanic in any area of the airport other than that specifically designated for such purposes by the Director of Aviation or his representative, and then only after securing a Class A, B, or C permit, whichever is applicable, and payment of the proper fees, except that minor adjustments may be made while the aircraft is on a loading ramp or parked at passenger boarding points in process for departure.

2.9 EXPERIMENTAL FLIGHTS OR GROUND DEMONSTRATIONS

No experimental flight or ground demonstration shall be conducted at the airport without the approval in writing of the Director of Aviation or his representative and under the conditions he may establish.

2.10 DAMAGE TO FACILITIES AND PROPERTY

The aircraft operator who by action or omission causes damage with his aircraft to any property of the Authority, including, but not limited to structure, fences, vehicles, lights or fixtures, shall report same to the Director of Aviation or to his representative immediately after causing them. The owner, operator or lessee of said aircraft shall be fully responsible for any expenses required to repair said damaged or destroyed facility or property, as well as for the expenses, if applicable, to remove said aircraft from the site. The amount of damage caused shall be established by the Director of Aviation or his representative through the preparation of a detailed estimate of damages and other related expenses.

2.11 AIRCRAFT CATEGORIES

Final determination as to proper category designation of any aircraft shall rest with the Director of Aviation or his representative.

(a) Private

(1) Privately registered aircraft shall be operated non-commercially by the owner or owners, or by persons authorized by them.

(2) Private aircraft may be used by persons other than the owner provided no part of the cost of operation of the aircraft is received in cash or otherwise by the owner for such use.

(3) The aircraft may be used in connection with the owner's business in like manner as he owner of a private automobile would use said vehicle.

(4) Aircraft owned by companies and corporations and that are operated for the free transportation of their and other personnel and/or products shall be classified as private aircraft and shall be subject to the restrictions mentioned in paragraph (2) above.

(5) Club aircraft must be owned and operated by nonprofit associations or corporation and each club member must be a bona fide owner of a part of the aircraft and of a share in the corporation. Said corporation shall keep the Director of Aviation or his representative abreast of changes in its membership. At any time the Director of Aviation or his representative has reason to believe that a club aircraft is being so operated that it falls under the "commercial" classification hereunder, he shall so notify the club and, if it fails to remedy conditions objected to, the Director of Aviation or his representative shall reclassify the aircraft and levy the corresponding fees to the pertinent type of operation.

(b) Sale of Private Aircraft. New or old aircraft held for sale may be demonstrated to prospective purchasers or, when sold, may be used to instruct the new owner n the operation thereof, provided that he is accompanied by a Federal Inspector and there is proof of sale.

b. Commercial

Aircraft used for:

(1) Carrying passengers for hire.

(2) Lease, rental or charter.

(3) Student instruction and kindred occupations.

(4) Any aircraft used for commercial purposes and not otherwise covered by these regulations.

(5) Aircraft sales by persons engaged in such business.

c. Certificated Air Carriers

(1) Contract: All air carriers certificated by the Federal Government and holding a contract with the Authority for airport usage.

(2) Non-contract: All air carriers certificated by the Federal Government not covered by Section 11 c (1).

d. Conditions for airport usage.

(1) All aircraft at any airport shall abide by the traffic patterns promulgated jointly by the Federal Aviation Administration and the Ports Authority.

(2) Rules for the use by aircraft of all runways and the traffic patterns which shall be followed by all aircraft using such runways shall be established jointly by the Director of Aviation or his representative and the Federal Aviation Administration and supplemented where necessary or desirable.

2.12 TAXIING RULES

a. No person shall taxi an aircraft until he has ascertained, by visual inspection of the area, that there will be no danger of collision with any person or object in the immediate area.

b. No aircraft shall be piloted in a negligent or reckless manner, or taxied, except at a safe and reasonable speed.

c. Pilots shall not taxi onto or cross a runway until specifically cleared to do so by the Control Tower operator. All aircraft shall have right of way over all vehicles within the air operations area.

2.13 ABANDONED OR DISABLED AIRCRAFT

In the event that an aircraft or any part thereof is damaged and/or abandoned on facilities of the Authority at the airport, the following standards shall be observed:

a. Leaving an aircraft or any part thereof abandoned or damaged at the airport in places not authorized by the Director of Aviation or his representative shall not be allowed.

b. Upon demand by the Director of Aviation or his representative, the owner or operator of any abandoned, disabled or derelict aircraft or parts thereof, wrongfully or improperly left upon airport property, shall have the obligation of removing same at his own expense.

c. If the owner or operator refuses to remove said aircraft or any part thereof within a reasonable period of time as determined by the Director of Aviation or his representative, it shall be removed to any place designated by the Director of Aviation or his representative for the account and risk of the owner or operator, who shall be responsible for all expenses incurred in said removal and who shall have to pay the amount of one hundred dollars ($100.00) as fine for each twenty-four (24)-hour per period that the aircraft or any part thereof remains at the place to which it was moved or pay for parking, at the discretion of the Director of Aviation or his representative. It being hereby understood that, once said charge has been paid, such aircraft or part thereof shall be moved from said place for the account and risk of the owner or operator.

d. The Director of Aviation or his representative shall notify in writing by certified mail, return receipt requested, the person in whose name the aircraft or part thereof is registered or the operator of said aircraft or part thereof, with the admonition that if said aircraft or part thereof is not claimed within a period of thirty (30) calendar days from the date on which the notice is deposited in the United States mail, the aircraft or any part thereof shall be disposed of.

If no return receipt of the written communication is received from the owner or operator of the aircraft or part thereof abandoned and/or disabled within fifteen (15) workdays of the mailing of said notice, as may be verified by the canceled stamps, an advertisement shall be published in two (2) newspapers with a wide circulation (one published in English and the other in Spanish) in the Commonwealth of Puerto Rico, during five (5) consecutive days, wherein shall be included the nationality and registration marking, model, type and color of the aircraft and descriptive information that if said aircraft is not claimed within the thirty (30) days subsequent to the date of the last publication of the advertisement, it shall be deemed to have been abandoned and the Authority shall proceed to dispose of same.

After the above period has elapsed, the Director of Aviation or his representative shall be empowered to sell the aircraft or any part thereof by public or private sale or any other means, at his discretion, to defray the expenses incurred in the removal, deposit and custody or storage of said aircraft or any part thereof. Any residue which may result from said sale after proper deduction is made for all expenses and charges mentioned, shall be paid to the owner or operator of the aircraft or part thereof. If payment can not be made within the term of six (6) months from the date of sale, said residue shall be deposited with the general funds of the Authority. In the event that, because of condition of the aircraft or any part thereof, its sale can not be accomplished, the Director of Aviation or his representative, at his discretion may dispose of the aircraft or any part thereof in any other manner deemed convenient.

Any owner or operator who violates or fails to comply with the provisions of this part of this regulation, shall be understood to have consented to the procedure established herein.

2.14 SECURITY OF AIRCRAFT

a. When the kind, type, mission and/or condition of an aircraft or in the opinion of the owner or operator thereof, or of the Director of Aviation or his representative, make it necessary to provide security guards or policemen wherever the aircraft is located at the airport, the owner of the aircraft shall be responsible for obtaining, providing, maintaining and defraying his own security guards or Commonwealth policemen, after permission to establish such security measure has been obtained from the Director of Aviation or his representative.

b. When said security measures are required by the Director of Aviation or his representative, and they are not provided by the owner or operator of the aircraft, the Airport Manager or his representative shall request in writing a release from liability from the aircraft owner or operator. Should he refuse to sign same, the Authority representative intervening in the case shall produce a witness at once to sign to the effect that the owner or operator refused to sign the release from liability and shall prepare a report for the Director of Aviation, explaining the details of the case and enclosing therewith all of the evidence available.

c. The Authority representative shall proceed to inform the Puerto Rico Police of the incident.

d. Should the owner or operator refuse to sign a release from liability for the representative of the Ports Authority, the Agency shall not be responsible nor assume any risk and shall be exonerated from any and all liability.

e. Security requirements shall not be used as a means to prevent or delay removal of the aircraft, if required by the Director of Aviation or, his representative.

2.15 INTERFERENCE OR TAMPERING WITH AIRCRAFT

No person shall interfere or tamper with any aircraft, or put in motion the engine of an aircraft or use an aircraft, aircraft spare parts, instruments or tools without permission from the owner or specific instructions from the Director of Aviation or his representative, whenever the latter deems it necessary.

PART III

VEHICLES

PART III – VEHICLES

3.1 VEHICLE TRAFFIC - AIR OPERATION AREAS

No vehicle shall be operated in the air operation areas or other known non-public areas at the airport, without the owner and the operator of said vehicle having previously obtained from the Director of Aviation or his representative to operate same and met fully all other requirements for the operation of said vehicle.

3.2 PERMIT ISSUANCE

The Director of Aviation or his representative shall issue written permits to vehicle drivers who must drive motor vehicles on official business in air operation areas and written permits for vehicles that must be operated within said areas on official business. They include, but are not limited to, drivers and vehicles of companies that, in the opinion of said official, have the need to operate regularly within the aforementioned areas in order to conduct business at the airports authorized by contracts, concessions, franchises or otherwise. Drivers' permits shall be issued to persons duly authorized to drive in the Commonwealth of Puerto Rico.

a. Kinds of permits

1. Permits for drivers and motor vehicles shall be regular or temporary.
2. Every driver who drives a motor vehicle in air operation areas must have a driver's license in force and accepted by the Commonwealth of Puerto Rico.

(a) Regular permits for drivers shall be issued for an effective period not to exceed three (3) years and with an expiration form that shall not go beyond the expiration date of the Commonwealth driver's license and may be renewed.

(b) Regular permits for vehicles shall be issued for an effective period not to exceed one (1) year and may be renewed.

(c) Temporary permits for drivers and vehicles shall be issued for an effective period not to exceed ninety (90) calendar days.

b. Requirements for issuance of permits

For the issuance of vehicle permits the following shall be required:

(1) To produce a policy or certificate of insurance issued by an insurance company, acceptable to the Authority, to cover the risks of the vehicle, its occupants, as well as civil liability toward third parties, including the Authority for bodily injury and property damage, wherein the amount shall be fixed in accordance with the level of risks represented by the operation of the vehicle for which the permit is requested. Said policy or certificate shall conform to the stipulation concerning the duration of the contract with the Authority and shall contain a provision to the effect that the insurance company shall notify the Director of Aviation or his representative of any cancellation of said policy or certificate.

(2) Drivers, lessees, concessionaires or individuals who apply for permits to operate vehicles in air operation areas must have a valid license to drive the type of vehicle they are going to operate and show that they have knowledge of safety rules and restrictions in the air operations area. The Director of Aviation or his representative, once this has been verified, shall issue the permit which shall contain the restrictions and conditions he may deem convenient.

(3) The Director of Aviation or his representative shall hand over to the driver who is going to be issued a permit to drive in air operation areas, written instructions on the conditions and restrictions to drive in said areas.

The driver shall read the instructions and shall clear up any doubts he may have, before proceeding to sign the document to the effect that (a) he read and understood them and (b) was given a copy thereof. Once this has been ascertained, the Director of Aviation or his representative shall issue the permit to drive in air operation areas.

(4) The driver of a vehicle in air operation areas shall wear, on a visible portion of his clothing, the permit to drive in air operation areas and the personal identification card of the Ports Authority, which shall bear the symbol of access to air operation areas.

(5) The concessionaire, lessee or owner of the vehicle shall be responsible for the training of its drivers who operate in the air operation areas and for their knowledge of the written instructions and their compliance therewith.

c. Permanent Permits as Exceptions - No permit shall be required of the following persons or firms:

(1) Building contractors that have a construction contract with the Authority in air operation areas and have obtained a permit from the Director of Aviation or his representative for access to the work site, provided that said contractors comply with the safety provisions during construction established in the airport operations manual of the specific airport.

(2) Suppliers or companies that serve the Ports Authority, when operating as instructed by the Director of Aviation or his representative.

(3) Vehicles owned and operated by the Police Force of the Commonwealth of Puerto Rico stationed at the airport; vehicles of the Fire Department, Civil Defense, and ambulances of the Commonwealth of Puerto Rico, when attending to an emergency; and/or any other vehicle owned by or assigned to any of the departments or agencies of the United States of America operating at the airport, when operated in accordance with the rules and regulations of the Aviation Department or with the prior approval of the Director of Aviation or his representative.

(4) Vehicles of the Federal Aviation Administration and the U.S. Customs Service and other federal law enforcement agencies. In the event that any of the vehicles described in this subsection (4) or officials of said agencies have to enter the air operation areas in case of emergency, then the investigators may enter into the air operation areas on official business in their personal automobiles. When such an emergency exists, said officials shall enter the air operation areas through security access gates Nos. 1 and 3, provided that they show the duty officer or person in charge of the gate their official identification credentials and indicate their business and destination. The guard shall call the Control Tower of the Authority and shall report said entry of a private vehicle.

(7) Any vehicle duly escorted by a properly identified vehicle belonging to the Operations, Security or Rescue Division of the Authority, may enter the air operation areas without the permit required herein, in which case it must be escorted until it leaves said areas.

(8) Vehicles operated by public utilities shall be allowed entrance to air operation areas provided that arrangements are made for access to these areas with the Director of Aviation or his representative.

(9) Airline vehicles escorted by a qualified tenant airline vehicle, when said airline has obtained prior permission from the Director of Aviation or his representative for such vehicles to be in the air operation areas.

d. Permit Register - The Airport Manager shall keep a register of driving permits wherein shall be entered:

(1) Driver's name.

(2) Date of issuance and expiration.

(3) Essential characteristics thereof, including the name of the employer.

(4) Cancellation of permit, suspension and modifications made.

e. Suspension or Revocation of Permit - The Director of Aviation or his representative may suspend for the time he deems reasonable or may revoke any permit, depending on the seriousness of the case, as follows:

(1) For failure to abide by any of the conditions or restrictions stated in the permit.

(2) For violation of the safety regulations established by the Authority for the air operations area.

(3) For violation of the regulations established, or orders or instructions given, by the Director of Aviation or his representative.

(4) When in the opinion of the Director of Aviation or his representative, the suspension or revocation of the perm it is to protect the interests of the Ports Authority.

k. Control at Access Gates – The security personnel in control of the gates giving access to the air operation areas shall record all entries and exits to and from said areas, showing the name, license number of the automobile, business and destination of all the vehicles, as well as the time of arrival and departure. This does not apply to federal vehicles, those of the Puerto Rico Police Department and of the aforementioned Commonwealth agencies.

l. Speed limits - It is forbidden to drive vehicles in the air operations area or other areas restricted to the public at speeds greater than is reasonable or prudent, consistent with existing traffic conditions, night lighting, weather conditions and other prevailing special situations, whatever the case may be. The maximum speed limits allowed, except for Airport Emergency Service vehicles, are the following: (Does not apply to operations vehicles of the Authority and emergency vehicles when on an emergency call or in training)

(1) Five (5) miles in the tunnels.

(2) Ten (10) miles per hour in any aircraft parking area or ramp.

(3) Twenty-five (25) miles per hour in any other place of the air operations area or other non-public areas.

m. Driving behind aircraft

(1) No vehicle shall be driven behind parked aircraft with engines running except for emergency vehicles answering a call. Taxiing aircraft shall have the right of way over all vehicles except emergency vehicles after receiving proper instructions from the air traffic control tower of the Federal Aviation Administration.

(2) At no time shall a vehicle be driven between an aircraft and an unloading station when passengers are using the walkway between the station and the aircraft.

n. Parking of Vehicles in Air Operation Areas - Removal of Vehicles - The Director of Aviation or his representative shall be empowered to remove any vehicle within the airport regulations, or for security reasons.

o. Unlawfully Parked Vehicles -Any vehicle parked in violation of this regulation, or of signs prohibiting the parking of vehicles in areas previously designated by the Director of Aviation or his representative, or of any provision of Public Law 141 of July 20, 1960, as amended, entitled Vehicle and Traffic Law of Puerto Rico, shall be subject to the following actions:

(1) Whenever a vehicle is parked in violation of the provisions of this Law, the Authority shall take reasonable steps in the immediate area to locate the driver and have him remove it. If said driver can not be located or if, having been located, he were unable for any reason to drive the vehicle or should refuse to do so, the Authority may remove said vehicle by means of towing trucks or other mechanical apparatus, or by any other adequate means, as prescribed in the following subsection.

4. The vehicle shall be removed taking all precautions to avoid damage to it and taken to a lot previously designated by the Authority as depository for unlawfully parked vehicles. The vehicle shall remain under the custody of the Authority until, upon the payment of fifteen (15) dollars to the Authority for deposit and custody and twenty-five (25) dollars for towing service, its owner or person in charge is allowed to take it away upon proper identification. This provision shall not preclude the issuance of a ticket to the vehicle's driver and/or owner for violation of the parking provisions of other laws or regulations.

(c) For each day subsequent to the first twenty-four (24) hours that the owner or person in charge of the vehicle delays in requesting its delivery by the Authority, a three (3)-dollar surcharge shall be collected from the former. Stolen motor vehicles shall be exempt from paying for deposits, custody, surcharges and towing service, provided that substantial evidence is submitted verifying such circumstances.

(d) Payments made to the Ports Authority for deposit and custody, surcharge and towing service, shall be retained by it and deposited in the Ports Authority Treasury.

5. The owner of the vehicle so removed shall be notified by the Authority about its removal at his address, as appearing from the records of the Department of Transportation and Public Works, admonishing him that if he fails to claim its delivery by the Authority within an inextensible period of thirty (30) workdays from the date of notice, the vehicle shall be sold by the Authority at public auction to defray with the proceeds thereof all expenses, including the towing service cost, surcharge, deposit and custody, and expenses incurred in the auction. Vehicles on deposit which because of their condition cannot be sold by public auction may be confiscated.

6. Expenses for towing, deposit and custody, surcharges and auction cost shall be paid from the proceeds of the sale. Any residue that may result, after deducting the aforementioned expenses, shall be delivered to the owner of the vehicle.

7. If the owner of the vehicle fails to appear to claim the residue within thirty (30) days after the holding of the auction, the Authority, accordingly, shall publish a notice on this matter in a daily newspaper of general circulation in Puerto Rico, indicating the name of the person to whom the residue belongs and its amount.

8. If the owner of the vehicle does not appear to claim the residue within sixty (60) days after publication of the notice, said residue, after deducting expenses for publication of the notice, shall be deposited with the general funds of the Ports Authority.

p. Vehicle Lights - The lights of vehicles in circulation in the air operations area shall be turned on from sunset to sunrise, or under conditions of reduced visibility or when so ordered by the Control Tower.

q. Entry and/or Circulation of Vehicles in Taxiway and Runway. No person or vehicle shall enter or remain on the taxiway or runway unless the following requirements are fulfilled:

(1) Specific authorization has been received from the Airport Manager, who shall coordinate with the control tower, to enter said area.

(2) It is equipped with a two-way radio and contact is maintained with the control tower.

r. Compliance

1. The holder of the permit shall abide by the rules and regulations contained herein for the safety of persons and property at airports and by the orders of the Director of Aviation or his representative regarding the operation of vehicles and equipment in the air operation areas.

2. Every vehicle, upon entering the controlled access gates onto air operation areas shall comply with lawful order and instructions of the Director of Aviation or his representative.

s. Air Operation Areas - Traffic Warnings - Violators of these regulations shall be issued a notice that shall be returned signed by the employee's supervisor to verify that the latter is aware of the violation and has discussed with the former the need to comply with the airport regulations. If a second violation warning is issued within a period of six months, privileges to drive in the airport's air operation areas shall be suspended by the Director of Aviation or his representative for a period of ninety days. After the third violation and the corresponding warning within a period of one year, the permit to drive in the airport's air operation areas shall be revoked.

t. Security Access Gates

(1) The security access gates used for the entry and exit of drivers and vehicle passengers and equipment who have an operational need to circulate through air operation areas are designated as follows:

(a) Gate No.1 is designated the main entrance for service vehicles and equipment on authorized official business.

(b) Gate No.3 is designated the secondary entrance for vehicles and equipment.

(2) All other traffic shall use Security Access Gate No.2, unless otherwise provided by the Director of Aviation or his representative.

(3) Every driver and vehicle passenger and/or equipment entering or exiting air operation areas through Security Gate No.1 or No. 3 shall wear their personal identification card issued by the Authority on a visible part of their clothing and shall furnish the person then in charge of security at said gate any information he may request on their entry or exit through such gate, shall confirm their destination and authorization to enter, and shall show familiarity with the route to be followed toward their destination.

(4) Every vehicle upon entering these gates shall be subject to a full search when ordered by the Security Office, Airport Police or other law enforcement agency.

(5) Guards on duty at the security gates shall keep a record of all vehicles that go through said gates, except for vehicles plainly identified as belonging to the Ports Authority of the Commonwealth of Puerto Rico or as airport tenant vehicles authorized to enter air operation areas. Spot inspection of all vehicles may be carried out in the interest of safety by the guard on duty at an access gate.

(6) Whenever a duly identified operations, Air Rescue or Security vehicle of the Authority is not available, service vehicles required to make deliveries, pickups, or repairs in the air operation areas shall be escorted upon entering and leaving said areas by authorized employees the company for which the services are rendered, provided permission is obtained from the Director of Aviation or his representative.

(7) Under normal circumstances, the Operations Section shall provide escort service for vehicles entering into the air operation areas. In the event escort is not available, the guard shall not allow the vehicle's entry until such escort is available. The only exception shall be law enforcement agency vehicles previously authorized by the Director of Aviation or his representative.

u. Active Runways - At no time shall any person or vehicle remain on the runway or taxiway or cross same, unless:

(1) specifically authorized to be in said area and

(2) equipped with two-way radio and

(3) remaining in contact with the Federal Aviation Administration tower. In cases of airports not equipped with a control tower, the corresponding vehicle operator or interested persons shall obtain prior permission from the Airport Manager of his representative to cross, be or remain in any sector of an active runway or taxiway.

v. Vehicle Accidents - In the event that a vehicle accident occurs in the air operations area, the parties affected shall immediately notify the Airport Manager or his duly authorized representative, who shall in turn inform the Chief of Security of the Aviation Department, who shall request a detailed accident report. Accident reports shall contain the following minimum information:

(1) Report on vehicle accident - (As per form attached)

3.4 VEHICLE TRAFFIC - Public Access Areas

All vehicular traffic and movement in public access areas shall be governed by the provisions of Public Law No. 141 of July 20, 1960, as amended, entitled Vehicle and Traffic Law of Puerto Rico, regulating traffic on the roads of Puerto Rico, except as otherwise specifically provided in these rules and regulations.

a. Parking of Rental Vehicles - No person shall park a rental vehicle in any place other than that provided therefor and appropriately marked as such by the Director of Aviation or his representative.

b. Parking - No person shall park a motor vehicle for loading, unloading or any other purpose at the airport except in areas specifically established for parking and in the manner prescribed by signs, lines or other means. No person shall park a motor vehicle in such a way as to obstruct roadways; nor in air operation areas; nor on the grass. Parking of vehicles shall be subject to the following provisions:

1. No person shall park a vehicle in any space marked for parking in such a manner as to occupy part of another marked space. In like manner no person shall park, stop or have any vehicle wait in any reserved or restricted area so marked.

2. Person or persons found in violation of these regulations pertaining to parking shall be cited for traffic violations under the applicable provisions of the Vehicle and Traffic Law of Puerto Rico, supra.

3. All employees of organizations and agencies that are tenants in the airport building's areas may park private vehicles in the employee's parking lot, if provided, as may be designated by the Director of Aviation or his representative. Only those vehicles bearing an employee parking sticker may park there. Registration of vehicles for stickers shall be carried out at the office of the Director of Aviation on or before January 15 of each year and all employee parking lot cards that have expired shall be surrendered on or before said date and new cards shall be issued by the Director of Aviation or his representative.

4. All service vehicles, including common carriers, such as taxis, limousines, public transportation cars, government-owned vehicles and delivery trucks, shall park in areas especially reserved and previously marked by the Director of Aviation or his representative; provided, that the waiting line of taxis, limousines and public transportation cars shall be kept in continuous movement, thus, guaranteeing a chronological flow of said vehicles based on the departure of the first incoming vehicle and so on. Obstruction in the continuity of the waiting line is prohibited and any vehicle in violation of these provisions shall be considered as unlawfully parked and subject to the established procedure.

c. Abandoned Vehicles - Any vehicle parked without permission and left unattended in places not destined for parking, or in violation of any of the provision of the regulations established, or in violation of the Vehicle and Traffic Law of Puerto Rico in force, or that remain parked for more than five (5) days in public parking areas without a contract to that effect, shall be deemed to be an abandoned Vehicles by the Director of Aviation or his representative. Under these circumstances, said vehicles may be removed by the aforementioned official of the Aviation Department to a designated place, for the account and risk of the owners, who shall pay the Authority the amount of twenty-five dollars ($25.00) for the towing service and ten dollars ($10.00) for each twenty-four (24) hour period or fraction thereof, for custody of the vehicles.

The Director of Aviation shall notify by certified mail the persons in whose names said vehicles are registered so that they may claim them, upon payment of the expenses incurred by the Authority for the removal and custody thereof. At the end of fifteen (15) days from the date of notice and thirty (30) days after public notice has been given, without the vehicles having been claimed, the Authority may sell said vehicles by public auction and after recovering all expenses incurred for removal, custody and notices, any residue of money shall be delivered to the lawful claimant.

If payment to said owner cannot be made within the period of six (6) months following the sale, said residue shall be deposited with the general funds of the Authority.

In the event that the vehicle cannot be sold because of its condition, the Director of Aviation or his representative is hereby empowered to dispose of same in any manner he may deem pertinent.

Any vehicle owner who drives same or permits said vehicle to be driven within the boundaries of any airport shall be deemed to have consented to the provisions for the removal of a vehicle contained herein.

PART IV

FUEL AND FLAMMABLE MATERIALS

PART IV - FUEL AND FLAMMABLE MATERIALS

4.1 USE OF FLAMMABLE VOLATILE LIQUIDS - No person shall use volatile liquids having a flash point of less than 100 degrees Fahrenheit in the cleaning of aircraft, its engines, propellers, fixtures, or for any other purpose, unless such operations are conducted in open air, or in a confine specifically set aside and approved for that purpose; which confine must be properly fireproofed and equipped with adequate and readily accessible fire extinguishing devices.

The procedures and precautions outlined in the standards of the National Fire Protection Association (NFPA Pamphlet No. 410D, Safeguarding, Aircraft Cleaning, Painting and Paint Removal and NFPA Pamphlet No. 410F, Aircraft Cabin Cleaning and Refurbishing Operations), will be adhered to in all cleaning, painting and refurbishing operations using flammable fluids including the storage of said liquids.

4.2 STORAGE - Fuels, lubricants or other flammable or dangerous materials shall not be stored on apron areas or ramps.

4.3 FUELING OPERATIONS – All aviation fuel shall be dispensed on airport property only by concessionaires having a contract with the Authority for aeronautical purposes and holding a permit issued by the Director of Aviation and approved by the Executive Director.

No company or individual shall be allowed to transport flammable liquids within aircraft apron areas or to refuel aircraft on any portion of the property owned and operated by the Ports Authority, prior to the securing from the Director of Aviation, duly approved by the Executive Director, a Class A, Class B or Class C permit.

Permits shall be issued for the need of the service and/or at the convenience of the Authority and may be canceled when the Executive Director deems it convenient to safeguard public interest.

Application for a permit shall be made to the Director of Aviation or his representative.

The recipient of a fuelling permit issued by the Executive Director on the recommendation of the Director of Aviation shall adhere to the stipulations set forth on said permit and shall abide by these Rules and Regulations pertaining to fueling operations; otherwise the permit shall be cancelled.

4.4 CLASS A PERMIT – Each holder of a Class A permit may operate mobile refueling equipment in the air operation areas. The mechanical equipment used must at all times satisfy all safety regulations and requirements of applicable safety codes. Mobile refueling equipment shall not be deemed to include tank trucks unless specifically authorized by the Executive Director on the recommendation of the Director of Aviation.

4.5 CLASS B PERMIT - Each holder of a Class B permit may service aircraft belonging to the general flying public only at a specific location in the Airport. The fuel installation site must be approved by the Director of Aviation or his representative and the installation of all equipment shall comply with all Federal, Commonwealth and Airport Rules and safety codes. A holder of a Class B permit shall not operate mobile refueling equipment at the airports.

4.6 CLASS C PERMIT -Each holder of a Class C permit may service and maintain his own aircraft or any aircraft which he leases or operates and may use his own personnel to perform this service and maintenance work..

4.7 FUELING AND DEFUELING AIRCRAFT - When any spill of fuel, oils, lubricants or any other chemical occurs, the affected area shall be washed immediately by the person supplying the fuel or by Ports Authority personnel for the account of the vendor that fuels the aircraft.

The following general rules shall govern the fueling, lubrication service and sumping of aircraft, the placing of fuel in storage tanks or dispensers:

a. No aircraft shall be fueled, defueled or lubricated while in motion or while such aircraft is in a hangar or a congested or enclosed space.

b. It shall be strictly forbidden to smoke in air operation areas. It shall be forbidden to start a fire or open flame without the express consent of the Director of Aviation or his representative. Once authorization is received, necessary precautionary measures shall be taken to maintain same under absolute control.

c. Prior to the fuel servicing of any aircraft, it and the fuel dispensing equipment shall be grounded to a point or points of zero electrical potential in the order indicated below and when completed, in the reverse order to prevent the possibility of static ignition of volatile liquids.

(1) Aircraft to apron or ground

(2) Refueling unit to ground

(3) Refueling unit to aircraft

(4) Refueling nozzle to aircraft

d. When malfunction of fueling equipment is detected all fueling shall cease immediately and the malfunction remedied or entire unit replaced by another. Any malfunctions or irregularity detected on or within the aircraft being serviced will be brought to the attention of the aircraft owner or operator immediately.

e. Crews engaged in the fueling and defueling of aircraft, the filling of dispensing equipment, or dumping into storage the aviation fuel shall exercise extreme caution to prevent spills.

f. All of the equipment used for fueling, defueling, sumping and dumping into storage of aviation fuel and lubricants shall be kept in optimum working conditions. This shall exclude fire extinguishing equipment.

g. The fuel vendor, during any fuel handling operation, shall keep on hand not less than two CO_2 or dry Chemical fire extinguishers (15 lbs. or larger).

h. During an electrical storm within a three (3)-mile radius of the air operations area, or while weather conditions do not permit it, no fuel handling operations shall be allowed.

i. During aircraft fueling or defueling no passenger shall remain on board, unless prior written consent has been obtained from the Airport Manager and provided that there is a cabin employee at the entrance door and a passenger stepladder properly placed, in case they should become necessary for a speedy disembarkation.

4.8 STORAGE IN AIRCRAFT APRON AREA

Fuel and/or lubricants shall not be stored above ground at distances of less than one hundred (100) feet from an aircraft apron or structure.

4.9 HANDLING OF FLAMMABLE VOLATILE LIQUIDS - The transportation, use or storage of flammable volatile liquids having a flash point of less than 38 degrees centigrade is prohibited, unless such operations are conducted in a confine specifically set aside and approved for said purpose by the Airport Manager, which confine must be properly fireproofed and equipped with adequate and readily accessible fire extinguishing apparatus.

4.10 EXPLOSIVES AND OTHER DANGEROUS ITEMS - No person shall store, keep, handle, use, dispense or transport at, in or within the airport any Class A or Class B explosives (as defined in the Interstate Commerce Commission Regulations - which are incorporated herein for the purposes of this Part 4 - for transportation of explosives and other dangerous articles), or any Class A poison (as defined in Interstate Commerce Commission Regulations for transportation of explosives and other dangerous items), or any other poisonous substances, liquids or gas, any compressed gas, or any radioactive item, substance or material, at such time or place or in such manner or condition as to endanger unreasonably or as to be likely to endanger unreasonably persons or property.

PART V

AIRPORT USAGE BY PUBLIC, USERS AND PASSENGERS

PART V – AIRPORT USAGE BY PUBLIC, USERS AND PASSENGERS

5.1 ACCESS TO AIR OPERATIONS AREA - No person, except the following, shall enter the Air Operations Area or any airport area designated as restricted to the public:

a. Those authorized in accordance with the Personal Identification Procedure.

b. Air passengers boarding or disembarking from aircraft under the adequate supervision of the Airlines.

c. Persons duly escorted who have been authorized by the Director of Aviation or his representative.

5.2 SANITATION - No person shall dispose of garbage, papers, refuse or other material at the Airport except in the containers provided for that purpose; nor use a rest room other than in a clean and sanitary manner; nor eat food or drink beverages in the terminal Building lobby, other than the soft drink and candy normally sold in the building; nor expectorate on the floor, walls, or other surfaces of any airport.

5.3 PRESERVATION OF PROPERTY - No person shall destroy, injure, deface or disturb in any way any building, sign, equipment, marker or other structure, trees, flowers, lawn or other property at the airport; nor alter, make additions to, or display any sign or make any excavation at the airports; nor willfully abandon any personal property at the airports, except with the express consent of the Director of Aviation or his representative.

5.4 WEAPONS, EXPLOSIVES AND FLAMMABLE MATERIALS - No person, except those authorized by law, valid rules and regulations and courts of competent jurisdiction, shall carry any weapon, explosive or flammable material within the airports except cased sporting weapons carried for transshipment.

5.5 TURNSTILES AND COIN-OPERATED DOORS - No person shall pass through, over or under a turnstile or door that requires the deposit of a coin to operate without depositing said coin in such turnstile or door.

5.6 AIR OPERATIONS AREA -No person shall enter upon the air operations area or other areas as may be so designated or restricted, except:

a. Persons authorized and assigned to duty therein;

b. Persons authorized by the Director of Aviation or his representative.

c. Passengers, under appropriate supervision entering said areas for the purpose of boarding an airplane or upon disembarking from same under proper control by the airlines.

5.7 PASSENGER COMPLIANCE WITH PROVISIONS AND INSTRUCTIONS – Air passengers shall abide by the provisions and instructions given at the Airport by the Police, Federal, Health, Fiscal and Airport Authorities, as well as by those issued by the Airlines.

5.8 PASSENGER INSPECTION - Outgoing passengers, including domestic flights, shall be subject to inspection of their person and hand baggage by any of the means used for such purposes, pursuant to what has been established.

5.9 ANIMALS - No person shall enter the Terminal Building of the airports with a dog or other animal except that seeing eye dogs shall be permitted in for the appropriate purposes, and where dogs are to be transported by air, they shall be restrained by leash or properly confined.

5.10 USE OF SHOPS AREA – All shops, garages, equipment and facilities are expressly for the conduct of the owner's or lessee's business or operations and no one shall make use of these facilities or loiter around such premises without individual and specific permission of the owner or lessee.

5.11 CONDUCT OF BUSINESS OR COMMERCIAL ACTIVITY – No person shall engage in any business or commercial activity of any nature whatsoever at the airports except with the approval of the Executive Director and under such terms and conditions as may be prescribed.

5.12 TRASH CONTAINERS – No person shall keep uncovered trash containers in any area. No vehicle used for hauling trash, dirt, or any other material shall be operated at the airports unless it is constructed so as to prevent the contents from dropping, sifting, leaking or otherwise escaping therefrom. Areas to be used for trash or garbage containers shall be designated by the Director of Aviation or his representative and no other areas shall be used. Such areas shall be kept clean in sanitary conditions at all times.

5.13 STORAGE OF EQUIPMENT - No tenant or lessee of the Airport shall store or stack material or equipment in such a manner as to constitute a hazard to persons or property.

5.14 TENANTS - EXCLUSIVE USE OF LEASED PREMISES -All tenants, lessees, concessionaires and others having exclusive use of areas which have access to the air operation areas, with the exception of those entities covered by Part 121 of the Federal Aviation Regulations, as currently amended, shall have the responsibility of procuring that only authorized personnel will enter the air operation areas through the facilities under the responsibility of the persons or entities aforementioned. Said tenants, lessees, concessionaires and others having exclusive use of premises with access to air operation areas shall be directly responsible for the execution of and compliance with the above stated rules.

5.15 FIRE FIGHTING EQUIPMENT - All tenants, lessees and concessionaires shall supply and maintain such adequate and readily accessible fire extinguishers as are approved by companies underwriting fire insurance for the corresponding risk.

5.16 ADVERTISEMENTS, CIRCULARS, AND PRINTED OR WRITTEN MATERIAL - No person or entity shall fix advertisements, circulars, printed or written material in an airport except if authorized by the Director of Aviation or his representative.

5.17 PICKETS IN DESIGNATED AREAS - In case of pickets and other demonstrations not against the Authority, the same will be conducted in accordance with the provisions of Section 5.18 (infra)

5.18 PICKETS AND DISTRIBUTION OF PRINTED AND/OR WRITTEN MATERIAL – Pickets and the distribution of printed material within an airport in cases of labor disputes and other demonstrations constitutionally guaranteed will be permitted only if compliance is had with the following provisions:

a. The Director of Aviation or his representative shall be given at least 24-hour advance notice of the intention of celebrating a demonstration, conducting pickets or distributing printed or written materials so that pertinent security measures compatible with airport security are taken. An area where said activity can be conducted will be assigned in such way as to guarantee effective communication and dissemination of ideas to persons interested in the subject, the matter or thing involved; wherein may be conducted any negotiation related to the demonstration, picket or distribution of printed or written material and where said activity does not obstruct or interfere with the circulation of vehicles or persons or with the normal operations of an airport.

b. In no case shall the number of persons picketing or distributing printed or written material exceed fifteen (15) persons.

c. Picketing and distribution of printed and/or written material will be conducted for legitimate purposes in a peaceful and orderly way.

d. The use of loudspeakers or other devices which cause loud and offensive noises is hereby prohibited.

e. Under no circumstances shall picketing, demonstrations and/or distribution of printed and/or written material related to same be permitted inside the terminal building or inside any other

building carrying out commercial operations within the airport terminal. The above outlined activities are prohibited in all air operation areas.

f. The installation of structures, shelters, tents and objects of similar nature in the course of the activities contemplated herein is expressly prohibited within the limits of the airport.

g. The persons and entities participating in the activities contemplated herein shall be responsible to maintain the area designated for such activities clean of garbage or any other material that is used in the course of the activity.

5.19 PICKETS AGAINST THE AUTHORITY

Under no circumstances shall picketing, demonstrations and/or distribution of printed and/or written material related thereto be permitted within the area covered by the airports operated by the Ports Authority. These activities must be carried out outside the fenced areas of the airports which fix the property boundaries thereof.

PART VI

REGISTRATION OF PERSONS STATIONED OR EMPLOYED AT OR OPERATING FROM AIRPORT

PART VI – REGISTRATION OF PERSONS STATIONED OR EMPLOYED AT OR OPERATING FROM AIRPORT

6. 1 REGISTRATION - The names, addresses, telephone numbers and nature of business or occupation of all persons stationed or employed at the airport by the Puerto Rico Ports Authority or by any person receiving instructions thereon or operating therefrom, shall be registered at the office of the Director of Aviation or his representative.

6.2 AIRPORT SECURITY BADGES – PROCEDURE - The Director of Aviation or his representative shall implement personnel identification and control systems to preclude unauthorized entry to designated air operation areas and to identify personnel of the Puerto Rico Ports Authority, tenants, lessees, concessionaires, and other personnel authorized to enter air operation areas. Said personnel identification and control systems shall be implemented by the issuance of airport security badges which will be classified as "Non-Air Operations Area Badges". Said badges shall be in the form determined by the Director of Aviation or his representative. The personnel identification and control system shall be systematically revised and amended as necessary by the Director of Aviation or his representative. It shall be the responsibility of the entities and persons aforementioned to comply with the standard procedure for airport security badges adopted by the Director of Aviation or his representative, with the forms and with the requisites provided by said officer for such purposes.

PART VII

REGULATIONS

PART VII - REGULATIONS ON HEIGHT OF STRUCTURES AND TREES AND THE USE OF PROPERTY IN THE VICINITY OF ISLA VERDE INTERNATIONAL AIRPORT IN CAROLINA, PUERTO RICO AND ISLA GRANDE AIRPORT IN SAN JUAN, PUERTO RICO

7.1 REGULATIONS – Pursuant to the authority conferred by Public Law 75 of June 24, 1975, as amended, known as the Organic Act of the Planning Board, 23 LPRA Sections 62 et seq., and to applicable Rules and Regulations, and, furthermore, pursuant to the provisions of Part 77 of the Rules and Regulations of the Federal Aviation Administration entitled Objects Affecting Navigable Air Space, as currently amended, and for the purpose of promoting the health, safety and general welfare of the inhabitants of the area of Isla Verde International Airport and Isla Grande Airport, and for the purpose of developing and promoting aeronautical activities in the Commonwealth of Puerto Rico, the zoning map of said airports known as Zoning of Space and Air Corridors, approved by the Puerto Rico Planning Board on December 28, 1971, to take effect on March 1st, 1972, is hereby adopted as currently amended.

Said zoning map shall regulate the height of structures and trees and the use of property in the vicinity of said airports.

PART VIII

GENERAL PROVISIONS AND PENALTIES

PART VIII - GENERAL PROVISIONS AND PENALTIES

8.1 COMMERCIAL PHOTOGRAPHY - No person except credited press or television representatives in the performance of their duties shall take still, motion or sound pictures nor shall transmit any program for commercial purposes at any airport, without the permission of the Director of Aviation or his representative. Press and television representatives in the performance of their duties shall not be allowed in the air operation areas unless express consent has been received from the Director of Aviation or his representative, in which case they must be properly escorted while remaining in said areas.

8.2 PAYMENT OF CHARGES -No person shall land or take off an aircraft on or from a public landing area or use an air operations area except upon the payment of said fees and charges as may from time to time be approved and published by the Puerto Rico Ports Authority, unless such person is entitled to use such area under contract, concession or franchise providing otherwise.

8.3 SOLICITING OF FUNDS - No person shall solicit funds, for any person whatsoever, at an Airport, except in the cases and under the circumstances mentioned in Section 8.4

8.4 SELLING, SOLICITING AND ENTERTAINING

a. No person shall do the following in or within air operation areas or public access areas of an airport:
   1. Sell or offer for sale, any item or merchandise;
   2. Solicit any business or trade, including the carrying of baggage for hire, the shining of shoes or boot blacking;
   3. Entertain any person, by singing, dancing or playing any musical instrument, or;
   4. Solicit alms.
   5. Offer public transportation services to passengers by means of taxis, limousines, public conveyance cars, tour or rented vehicles, except in areas specified and assigned for such purposes by the Authority.
   6. Civic, religious or other types of manifestations and/or processions.

b. Exempted from the above are the following persons and/or entities:
   1. Natural or artificial persons authorized by contract by the Puerto Rico Ports Authority.
   2. Persons and/or entities or organizations which, through a written permit issued by the Director of Aviation or his representative, are duly authorized to carry out said activities.

      Persons, entities or organizations interested in carrying out any of the activities listed in paragraph (a) shall submit a written request to the Authority not less than seven (7) workdays in advance of the date on which they wish to hold it, specifying the place, the means, the manner and time to hold the activity, as well as the number of persons who will participate in it.

      The Authority reserves the right to request any other information necessary and reasonable to consider the merits of the request.

      For the granting of the aforementioned permit, the Authority shall take the following factors into consideration:

      a. The operational safety of the particular airport.
      b. The safeguarding of the rights of concessionaires operating at the corresponding airports.
      c. Areas restricted and/or forbidden for the general public, specifically marked.

d. The free flow or traffic of passengers through the terminal of any airport and its baggage claim areas.

e. The nature of the activity proper.

f. The protection of the activity by the Constitution of the Commonwealth and/or that of the United States of America.

g. The duration of the activity.

h. The number of persons who will participate.

i. The place to hold the activity and

j. the manner in which the activity is to be held.

If the Authority grants the permit requested, it shall itemize among other things, the place to hold the activity, the number of persons authorized to participate, the manner in which it is to be held, the duration thereof and any other restriction that the Authority may deem to be necessary and essential for the operation and safety of the Airport in question.

8.5 AUTHORITY OF THE POLICE OF THE COMMONWEALTH OF PUERTO RICO

Nothing in these Regulations shall be construed in the sense of impairing or limiting the exercise by the members of the Police Force of the Commonwealth of Puerto Rico of their authority or functions within the boundaries of the airports.

8.6 SEPARABILITY - If any clause, paragraph, section, part or title of this Regulation should be held unconstitutional by a Court of competent jurisdiction, the judgment pronounced to that effect shall not affect, impair or invalidate the remainder of this Regulation. The effect of said judgment shall be limited to the clause, paragraph, section, part or title thereof so held to be unconstitutional.

8.7 PENALTIES – Pursuant to Article 9 of Public Law #187, enacted on May 6, 1949, as amended, any person who violates any of the provisions of this Regulation shall be penalized and sanctioned in conformity with the provisions of the Act.

8.8 ANIMALS - Any person who enters the Airport Terminal accompanied by an animal, as provided in Part V (5.9), shall have it on a leash. The animal's owner shall be responsible for any damage it may cause to a private individual or property and shall make amends according to the damage caused. In the event that the animal should dirty the terminal upon satisfying its physiological needs, the owner shall be responsible for cleaning the area dirtied by it.

It the case of stray animals, the Airport Manager shall notify the pertinent authorities so that they may act pursuant to the applicable Law and/or Regulations.

8.9 AUTHORIZATION TO REQUEST PILOT'S LICENSE AND OTHER DOCUMENTS

The Airport Manager or his authorized representative shall be empowered to request from the pilot of any aircraft his pilot's license, as well as the documents pertaining to the operation of said aircraft, when authorized personnel so request it.

8.10 LEGAL AUTHORITY FOR THE PROMULGATION OF THIS REGULATION

The Secretary of Transportation and Public Works approves this Regulation for the Puerto Rico Ports Authority pursuant to the powers conferred upon him by the Puerto Rico Port and Dock Act of 1968 (Public Law No. 151 of June 25, 1968) and pursuant to Public Law No. 125 of May 7, 1942, as amended, and to Reorganization Plan No.6 of 1971, which came into effect on July 1, 1973.

PART IX

EFFECTIVENESS

PART IX - EFFECTIVENESS

This Regulation shall become effective as soon as it is filed with the Office of the Secretary of State, pursuant to the provisions of the Law on Regulations of 1958, as it may have been amended.

Approved by the Secretary of Transportation and Public Works on September 20, 1982.

SUBMITTED BY:

Carlos Soler Aquino
Executive Director
Puerto Rico Ports Authority

APPROVED BY:

Rafael Faría, Secretary
Department of Transportation and
Public Works

CERTIFIED BY:

Rafael Rodríguez Guasp
Secretary
Puerto Rico Ports Authority

Addendum I

Puerto Rico Ports Authority VEHICLE ACCIDENT REPORT	INSTRUCTIONS: — In the event of a vehicle accident, no matter how small, fill out this report and deliver it immediately to your direct supervisor. — This report shall be completed by the person driving or operating the vehicle at the time of the accident.

1 Date and Place of Accident	DATE OF ACCIDENT			TIME OF ACCIDENT (Estimated or actual)	PLACE OF ACCIDENT	
	Day	Month (write out)	Year	AM ☐ PM ☐		
2 Data on the Driver and Occupants of the Authority's Vehicle	Name of Driver				Age	License No.
	Home Address				Time driving vehicles _____ years	
	Where were you at the time of the accident?				Division – Office where employed	
	NAME AND ADDRESS OF OCCUPANTS					
	Name			Home Address		
3 Data on Authority's Vehicle	Make of Vehicle	Motor Number		License Plate Number		
	What was the vehicle being used for when the accident happened?			Division – Office to which vehicle assigned		
	In what direction was the Authority's vehicle traveling?			At what speed?		
	On what side of the street?	Were you blowing the horn? Yes ☐ No ☐		Did you have the lights on?		

4 Damages to Private Property	Owner of the private vehicle or property	Address	Telephone
	Who was driving the private vehicle?	Address	Telephone
	Lic. Number of private vehicle's driver	Make and year of private vehicle	License plate number
	In what direction was the private vehicle traveling?	On what side of the street?	At what speed?
	What are the damages to private property (Give details)		

CERTIFICATE

I, RAFAEL RODRIGUEZ GUASP, Secretary of the Puerto Rico Ports Authority, do hereby Certify that the preceding is an exact and true copy of Resolution No. 82-13(R), approved by the Secretary of Transportation and Public Works on September 20, 1982.

IN WITNESS THEREOF I hereunto set my hand and affixed the Corporate Seal of the Puerto Rico Ports Authority this 21st day of October, 1982.

RAFAEL RODRÍGUEZ GUASP
Secretary

SCHEDULE P

AIRLINE CERTIFICATIONS

[AIRLINE] acknowledges and agrees that it shall obtain and deliver to the Authority the following:

(a) A certification of filing of income tax returns, issued by the Internal Revenue Division of the Department of Treasury of the Commonwealth or a certification by [AIRLINE] that as of the Closing it does not have and has not had to submit income tax returns and pay taxes in the Commonwealth during the past five years.

(b) A "no taxes debt due" certificate, or payment plan and compliance therewith, issued by the Internal Revenue Division of the Department of Treasury of the Commonwealth.

(c) A certificate of no debt, or payment plan and compliance therewith, with respect to real and personal property taxes issued by the Municipal Revenues Collection Center.

(d) A certificate of no debt, or payment plan and compliance therewith, for unemployment insurance, temporary disability (workmen's compensation) and chauffeur's social security issued by the Department of Labor and Human Resources of the Commonwealth.

SCHEDULE Q

SWORN STATEMENT

ESTADO LIBRE ASOCIADO DE PUERTO RICO
AUTORIDAD DE LOS PUERTOS

COMMONWEALTH OF PUERTO RICO
PORTS AUTHORITY

(DECLARACION)
[SWORN STATEMENT]

[Spanish provisions reproduced from prior Sworn Statements used by the Authority]

Yo, _____, en mi carácter personal o en representación personal o en representación de _____, mayor de edad, (Profesión), _____, (estado civil) _____ y vecino de _____, bajo el más solemne Juramento,

[I _____, by myself or, in representation of _____, of legal age, (profession) _____, (marital status) _____ and a resident of _____, under the most solemn oath,]

DECLARO LO SIGUIENTE [*I hereby swear as follows*]:

1. Que mi nombre y demás circunstancias personales o de la corporación, corporación profesional, sociedad civil, sociedad especial, cooperativa o compañía de responsabilidad limitada (en adelante cualquiera de estas "entidades"), son las anteriormente expresadas.
[That my personal circumstances, or the circumstances of the corporation, professional corporation, partnership, cooperative or limited liability company (herein after referred as the "institution" as set forth above.]

2. Que ni el suscribiente ni la entidad que represento, ha sido convicto o declarado culpable en el foro estatal o federal, o en cualquier otra jurisdicción de los Estados unidos de América de aquellos delitos constitutivos de fraude, malversación o apropiación ilegal de fondos públicos enumerados en el Artículo 3 de la Ley 458 de 29 de diciembre de 2000, según enmendada ley que prohíbe adjudicar subastas o contratos gubernamentales a convictos de fraude, malversación o apropiación ilegal de fondos públicos. Que reconozco que los delitos enumerados en la mencionada ley son:
   (1) apropiación ilegal agravada, en todas sus modalidades;
   (2) extorsión;
   (3) fraude en las construcciones;
   (4) fraude en la ejecución de obras de construcción;
   (5) fraude en la entrega de cosas;

(6) intervención indebida en los procesos de contratación de subastas o en las operaciones del Gobierno;
(7) soborno, en todas sus modalidades;
(8) soborno agravado;
(9) oferta de soborno;
(10) influencia indebida;
(11) delitos contra
(12) preparación de escritos falsos;
(13) presentación de escritos falsos;
(14) falsificación de documentos;
(15) posesión y traspaso de documentos falsificados;

[That neither the undersigned, nor the institution have been convicted, nor have pleaded guilty at a state or federal court in any jurisdiction of the United States of America, of crimes consisting of fraud, embezzlement or misappropriation of public funds, as stated in Article 3 of Act 458 of December 29, 2000, as amended, which prohibits the grant of bids or government contracts to those convicted of fraud, misapplication or misappropriation of public funds for the past 20 years. That I recognize that crimes in above mentioned law are:

(1) aggravated illegal appropriation, in all its forms;
(2) extortion;
(3) construction fraud;
(4) construction fraud in carrying out work;
(5) fraud in the delivery of goods;
(6) unlawful and unwarranted intervention in bid contracting processes or in the operations of the Government;
(7) bribery in all its forms;
(8) aggravated bribery;
(9) offering bribes;
(10) undue or unlawful influence;
(11) offences against public funds;
(12) preparation of false documents;
(13) submitting false documents;
(14) falsifying documents;
(15) possession and transfer of forged document.]

3. Que suscribo esta declaración jurada de conformidad con lo establecido en el Artículo 6 y 7 de la Ley 458 de 29 de diciembre de 2000, según enmendada.

[That I subscribe this sworn statement in conformity with what is established in Article 6 and 7 of Act 458 of December 29, 2000 (the "Act"), as amended, in the event that it is determined by a court of competent jurisdiction or arbitral tribunal that the Act is applicable in connection with the Transaction Implementation Agreement and Use Agreement (the "Agreements") dated [*] to which the Puerto Rico Ports Authority is a party.]

4. Que de haber sido convicto por alguno de los delitos provistos en el segundo parrafo, debo de proveer por cual de estos he sido convicto, o de ser el caso, por cual de estos ha sido convicta in corporación, corporación profesional, sociedad

civil, sociedad especial, o cooperative a la que represento. En adición, debo de informar en que jurisdicción, en que año y cual es el número de caso del tribunal por el cual se pueda corrobar la convicción.

[Should I or the corporation, if such is the case, has(ve) been convicted of any crimes shown in the second paragraph, such crime or crimes should be disclosed. In addition, information as to the jurisdiction were the crime(s) was committed, as well as the year and the number of the case should be provided.]

5. Que entiendo y acepto que la convicción o declaración de culpabilidad por cualesquiera de los delitos enumerados en el Artículo 3 de la citada ley conlleva, además de cualesquiera penalidades, la rescisión automática de todos los contratos entre el suscribiente, la corporación o la sociedad especial que represento y cualquier entidad gubernamental, corporación pública o municipio a la fecha de tal convicción. (Si la información fuere afirmativa, deberá especificar los delitos por los que fue hallado culpable o hizo la alegación de culpabilidad).

[That I understand and accept that any guilty plea or conviction for any of the crimes specified in Article 3 of said Act will, if the Act applies to the Agreements, also result in the immediate cancellation of any contracts in force at the time of conviction, between the undersigned, the corporation, on any special society that I may represent, and any government entity, public corporation or municipality. (If the information was affirmative, the crimes which the person was been found or pleaded guilty must be specified).

6. Que ni el suscribiente, ni la entidad que represento, han sido convictos, ni declarado culpables en la jurisdicción federal, de los estados o territorios de los Estados Unidos de América o en cualquier otro país, por delitos cuyos elementos constitutivos sean equivalentes a los enumerados en el Artículo 3 de la citada ley.

[That neither the signer, nor the institution that I may represent has been convicted, nor has pleaded guilty of crimes in the federal jurisdiction, or in the jurisdiction of any state or territory of the United States of America or any other country, for crimes whose elements are equivalent to those enumerated in Article 3 of the aforementioned Law.]

7. Que el suscribiente, o la entidad que represento _____ se encuentran o _____ no se encuentran (marque una de las anteriores) bajo investigación en cualquier procedimiento legislativo, judicial o administrativo, ya sea en Puerto Rico, Estados Unidos de América u otro país, para poder participar en la adjudicación u otorgamiento de cualquier subasta o contrato, respectivamente.

[That to his knowledge, after due inquiry within the institution I may represent, the undersigned, or the institution that I may represent _____ is or _____ is not (mark one of the previous) under investigation in any legislative process, judicial or administrative proceeding, whether in Puerto Rico, the United States of America or any other country, to participate in the award or grant of any auction or contract, respectively.]

8. Que hago la presente declaración jurada para que cualquier entidad gubernamental, corporación pública o municipio, tenga conocimiento de lo aquí declarado y para cualquier otro propósito administrativo y/o legal.

[That I make this sworn statement solely so that any government entity, public corporation or municipality may have knowledge of what is herewith as may be required by the Act or applicable law as of this date.]

Y PARA QUE ASI CONSTE, juro y firrno la presente declaración en _____ a _____ de _____ de _____.

[***AND SO AS TO MAKE IT KNOWN,*** I hereby swear and sign this statement in _____ on this _____ day of _____ of _____.]

_____
DECLARANTE [*Deponent*]

AFFIDAVIT NUMERO [*Affidavit Number*]: _____

JURADO Y SUSCRITO ante mí por _____, de las circunstancias personales anteriormente mencionadas y a quien identifico mediante _____, en _____, hoy _____de _____ de _____.

[***SWORN AND SUBSCRIBED*** before me by _____, with the aforesaid personal circumstances and whom I have identified by means of a _____, in _____, on this _____ day of _____.]

Sello Notarial [*Notary Seal*]

_____
NOTARIO PUBLICO [*Notary Public*]

SCHEDULE R

NON-DISCRIMINATION AND AFFIRMATIVE ACTION

Federal Nondiscrimination Regulations.

Airline and its Affiliates understand and acknowledge that the Authority has given to the United States of America, acting by and through the FAA, certain assurances with respect to nondiscrimination, which have been required by Title VI of the Civil Rights Act 1964 and by 49 CFR Part 21 as a condition precedent to the Government making grants in aid to the Authority for certain Airport programs and activities, and that the Authority is required under those Regulations to include in every agreement pursuant to which any person or persons other than the Authority operates or has the right to operate any facility on the Airport providing services to the public, the following covenant, to which the Airline and its Affiliates agree:

The Airline and its Affiliates, in their operation at and use of Airport, covenant that:

(i) No person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities;

(ii) In the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and

(iii) It shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation Effectuations of Title VI of the Civil Rights Act of 1964, and as that regulation may be amended.

The Airline and its Affiliates further agree to promptly provide to the Authority, upon written request by the Authority, such information that the Authority is required to obtain from the Airline or its Affiliates to show compliance with applicable nondiscrimination laws.

Affirmative Action.

The Airline and its Affiliates assure that they will undertake an affirmative action program if required by 14 CFR Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Airline and its Affiliates assure that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Airline and its Affiliates assure that they will require that their covered sub-organizations provide assurances to the Airline or such Affiliate, as applicable, and that they will require assurances from their sub-organizations, if required by 14 CFR Part 152, Subpart E, to the same effect.

Government of Puerto Rico Nondiscrimination Laws and Regulations.

The Airline and its Affiliates, in their operation at and use of the Airport, agree to abide by and comply with any and all present and future laws, statutes, ordinances, rules and regulations, orders, judgments and decrees of the Government of Puerto Rico relating to nondiscrimination or affirmative action.

SCHEDULE S

FORM OF LEGAL OPINION OF THE GENERAL COUNSEL OF THE PUERTO RICO PORTS AUTHORITY TO THE SIGNATORY AIRLINES

[_____], 2012

Signatory Airlines Listed on Exhibit 1

Ladies and Gentlemen:

I am the General Counsel of the Puerto Rico Ports Authority ("PRPA") and I am rendering this opinion in connection with the execution of the Airport Use Agreements dated as of [_____], 2012 (the "Airport Use Agreements"), by and among PRPA, _____ as Lessee (the "Lessee"), and the Signatory Airlines that are parties thereto, listed in Exhibit 1 to this opinion related to the Luis Muñoz Marín International Airport (the "Airport"). This opinion is being delivered to the Signatory Airlines pursuant to Section 2.3(g) of the Airport Use Agreements. Capitalized terms used and not otherwise defined herein shall have their respective meanings set forth in the Airport Use Agreements.

I have examined originals or copies, certified or otherwise identified to my satisfaction, of (i) the Airport Use Agreements, (ii) the Lease Agreement between the PRPA and the Lessee dated as of [_____], 2012 (the "Lease Agreement"), (iii) certain agreements, documents and certificates related to the Leasehold Mortgage or the Leasehold Mortgagee (collectively, the "Financing Documents"), and (iv) Act No. 29 of the Legislative Assembly of Puerto Rico enacted on June 8, 2009, as amended (the "Act"). In rendering my opinion, I have also examined originals or copies, certified or otherwise identified to my satisfaction, of the following documents: (w) a certificate executed by the Executive Director of PRPA of even date herewith as to certain factual matters, (x) a copy of the Act, certified by the Secretary of State of the Commonwealth; (y) **[PRPA board meeting minutes approving the Airport Use Agreements and the Lease Agreement]**; and (z) approval by the Board of Directors of the Public-Private Partnerships Authority of Puerto Rico and the Governor (or his designee) of the Lease Agreement as required by Article 9(g) of the Act.

In rendering this opinion, I also have examined such certificates of public officials, documents and records and other certificates and instruments as I have deemed necessary for the purposes of the opinion herein expressed and, with your permission, have relied upon and assumed the accuracy of such certificates, documents, records and instruments. I have made such examination of the laws of the Commonwealth as I deemed relevant for purposes of this opinion, but I have not made a review of, and express no opinion concerning, the laws of any jurisdiction other than the Commonwealth.

I have relied upon and assumed the truth and accuracy of the representations, certifications and warranties made in the Airport Use Agreements and the Lease Agreement, and have not made any independent investigation or verification of any factual matters stated or represented therein. Whenever my opinion or confirmation herein with respect to the existence or absence of facts is indicated to be based upon my knowledge or belief, it is intended to signify

that no information has come to my attention that would give me actual knowledge of the existence or absence of such facts. Except to the extent expressly set forth herein, I have not undertaken any independent investigation to determine the existence or absence of such facts or circumstances or the assumed facts set forth herein, I accept no responsibility to make any such investigation, and no inference as to my knowledge of the existence or absence of such facts or circumstances or of my having made any independent review thereof should be drawn from my representation of PRPA.

In rendering this opinion letter to you, I have assumed with your permission:

1. The genuineness of all signatures, the legal capacity of natural persons executing the Airport Use Agreements, the Lease Agreement and the Financing Documents (other than those of PRPA), whether on behalf of themselves or other persons or entities, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as certified, conformed or photostatic copies, and the authenticity of the originals of such copies and the completeness of all records of corporate proceedings provided to me.

2. All official public records (including their proper indexing and filing) furnished to or obtained by me, electronically or otherwise, are accurate, complete and authentic.

3. The documents that have been or will be executed and delivered in consummation of the transactions contemplated by the Airport Use Agreements, the Lease Agreement and the Financing Documents are or will be identical in all material and relevant respects with the copies of the documents I have examined and on which this opinion is based.

4. The Lessee and each Signatory Airline (i) has been organized, is validly existing, and where applicable is in good standing under its jurisdiction of incorporation or organization, as the case may be, (ii) has full power and authority to enter into, execute, deliver, receive, and perform the Airport Use Agreements and the Lease Agreement, and (iii) is qualified to do business in the Commonwealth.

5. The entry into, execution, delivery, receipt, and performance of the Airport Use Agreements, the Lease Agreement and the Financing Documents by the parties thereto (other than the PRPA) have been duly authorized by all requisite action on the part of such parties.

6. The Airport Use Agreements, the Lease Agreement and the Financing Documents will be duly entered into, executed, received, and delivered by the parties thereto (other than the PRPA), and upon such execution and delivery constitute the legal, valid, and binding obligation of such party, so that the Airport Use Agreements, the Lease Agreement and the Financing Documents have mutuality of binding effect on the parties thereto.

7. The respective factual representations, statements, and warranties of the parties (other than the PRPA) to the Airport Use Agreements, the Lease Agreement and

the Financing Documents made in the Airport Use Agreements, the Lease Agreement and the Financing Documents, as applicable, and in the other documents that I have reviewed, and upon which I have relied, are accurate, complete, and truthful.

8. The execution and delivery of the Airport Use Agreements, the Lease Agreement and Financing Documents by each of the parties thereto will be free of intentional or unintentional mistake, misrepresentation, concealment, fraud, undue influence, duress or criminal activity.

9. The Airport Use Agreements, the Lease Agreement and the Financing Documents have not been amended or modified by oral or written agreement or by conduct of the parties thereto.

10. Each party to the Airport Use Agreements, the Lease Agreement and Financing Documents will at all times exercise its rights and remedies under the Airport Use Agreements, the Lease Agreement and Financing Documents, as applicable, in good faith and in a manner that is commercially reasonable.

Based on and subject to the foregoing and the qualifications, exceptions and limitations referred to below, I am of the opinion that, on the date hereof:

(a) PRPA has been duly created and is a validly existing body corporate and politic under and by virtue of the laws of the Commonwealth.

(b) PRPA has duly authorized and approved (i) its execution and delivery of each of the Airport Use Agreements and the Lease Agreement, and (ii) the performance by PRPA of its obligations contained in the Airport Use Agreements and the Lease Agreement. PRPA has the corporate power and corporate authority under Commonwealth law to enter into the Airport Use Agreements and the Lease Agreement and to do all acts and things and execute and deliver all other documents as are required under the Airport Use Agreements and the Lease Agreement to be done, observed or performed by PRPA in accordance with the terms thereof.

(c) Each of the Airport Use Agreements and the Lease Agreement has been duly authorized, executed and delivered by PRPA and constitutes a valid and legally binding obligation of PRPA, enforceable against PRPA in accordance with the terms thereof.

(d) In the event that the Leasehold Mortgagee forecloses on the Leasehold Mortgage, the Airport Use Agreements will remain in full force and effect and will be fully enforceable against the Leasehold Mortgagee in accordance with their respective terms.

Each of the opinions set forth above is limited by its terms and subject to the assumptions hereinabove stated and is further subject to the following qualifications, exceptions and limitations, none of which shall limit the generality of any other assumption, qualification, exception or limitation.

1. The legality, validity and enforceability of the Airport Use Agreements and the Lease Agreement and the opinion expressed in paragraph (c) above may be limited or otherwise affected by:

a. bankruptcy, insolvency, reorganization, liquidation, readjustment of debt, receivership, moratorium, fraudulent conveyance, equitable subordination, equity of redemption, recharacterization or other similar legal principles now or hereafter in effect governing or affecting the rights and remedies of debtors and creditors generally, or general principles of equity, regardless of whether considered in a proceeding at law or in equity;

b. applicable laws or judicial decisions of the Commonwealth, which may render certain of the rights, remedies, waivers, and attorney-in-fact appointments contained therein unenforceable or ineffective, but the inclusion of which do not render the Airport Use Agreements or the Lease Agreement invalid as a whole or make the remedies generally afforded thereunder inadequate for the practical realization of the principal benefits intended to be provided by those documents; and/or

c. the concepts of good faith and fair dealing, materiality and reasonableness, regardless of whether considered in a proceeding at law or in equity.

Notwithstanding the foregoing and without limiting the generality of the foregoing exceptions, I express no opinion with respect to (a) the availability of the remedies of specific performance or injunctive relief, (b) the availability of ex parte remedies and other self-help or non-judicial relief or (c) the legality, validity, binding effect, or enforceability of provisions that provide for an event of default or availability of remedies predicated solely upon commencement of bankruptcy, reorganization or similar proceedings with respect to PRPA.

2. Without limiting the generality of any other exception, limitation or qualification, I express no opinion in this letter with respect to (i) the enforceability of a set-off right, (ii) the application of any law, statute, rule or regulation relating to the environment, health or safety, (iii) any law, statute, rule, or regulation that may apply to any party as a result of the Lessee's or any of the Signatory Airlines' activities in the Commonwealth that are not directly related to the transactions contemplated by the Airport Use Agreements or the Lease Agreement, (iv) the enforceability of any provision of the Airport Use Agreements or the Lease Agreement pertaining to consent to jurisdiction in so far as it relates to federal courts or agreements stating that failure to exercise or delay in exercising rights will not operate as a waiver of the right or remedy, (v) the enforceability of any provisions of the Airport Use Agreements or the Lease Agreement to the extent that any recovery of attorneys' fees is not limited to reasonable attorneys' fees, and (vi) the validity or enforceability of any purported waiver or purported consent relating to any other rights of any party, or duties owed to any of them, existing as a matter of law, including without limitation the purported waiver of any party's right to a jury trial.

3. I have not considered and do not express an opinion with respect to (i) any federal or state (including the Commonwealth) securities or antitrust laws and regulations, (ii) the power and authority of the Lessee and the Signatory Airlines to enter into the Airport Use Agreements and Lease Agreement, as applicable, or to carry out the transactions contemplated thereby, (iii) the power and authority of the parties to the Financing Documents to enter into the Financing Documents or to carry out the transactions contemplated hereby, or (iv) the possible application of or compliance with various building codes, zoning ordinances, permit requirements, environmental, health or safety laws and other similar statutes, laws, ordinances, codes and regulations affecting the construction, condition and/or use of the Airport. My opinions set forth in this letter are expressly subject to the effect of the application of all federal and state (including the Commonwealth) antitrust laws and regulations.

4. I express no opinion as to the applicability to the transactions contemplated by the Airport Use Agreements and the Lease Agreement of Section 548 of the United States Bankruptcy Code relating to fraudulent transfers or obligations, and the opinions expressed herein are limited by and subject to the application of those statutes.

The opinions expressed herein are matters of professional judgment, are not a guarantee of result and are effective only as of the date hereof. I do not undertake to advise you of any matter within the scope of this letter that comes to my attention after the date of this letter and disclaim any responsibility to advise you of any future changes in law or fact that may affect the opinions set forth herein. I express no opinion other than as hereinbefore expressly set forth. No expansion of the opinions expressed herein may or should be made by implication or otherwise.

I am informed that you are relying on this opinion letter in connection with the consummation of the actions and transactions contemplated by the Airport Use Agreements and the Lease Agreement. The foregoing opinion shall not be relied upon for any other purpose or by any other party. The use or reliance upon this opinion letter by any other person or entity without my prior written consent is strictly prohibited.

Very truly yours,

EXHIBIT 1

SIGNATORY AIRLINES

(as of July 1, 2012)

1. American Airlines, Inc.
2. American Eagle Airlines, Inc.
3. Delta Air Lines, Inc.
4. Federal Express Corporation
5. Hyannis Air Service, Inc., d/b/a Cape Air
6. JetBlue Airways Corporation
7. Southwest Airlines Co.
8. Spirit Airlines, Inc.
9. United Air Lines, Inc.
10. United Parcel Service Co.
11. US Airways, Inc.

SCHEDULE 4

SECTION 9.1(g) DISCLOSURES

1. Airport Catering Services, Inc. and Airport Shoppes Corporation v. the Puerto Rico Ports Authority; Case No. K-AC2011-0962.

2. Airport Catering Services, Inc. and Airport Shoppes Corporation v. Puerto Rico Ports Authority; Case No. K-AC2011-0984.

3. Airport Catering Services, Inc. and Airport Shoppes Corporation v. Puerto Rico Ports Authority; Case No. K-AC2011-1056.

4. Government of the Autonomous Municipality of Carolina v. Puerto Rico Ports Authority; Case No. FDP 02-689 (402).

5. Threatened litigation by Alliance Duty Free, Inc. in respect of contract AP-00-01-4-007 as described in a letter dated November 22, 2011 from counsel to Alliance Duty Free, Inc. to the Authority.

SCHEDULE 5

CERTAIN LMM AIRPORT FACILITY CONTRACTS

Part A

1. Concession Agreement AP-83-84-4-094, dated as of February 8, 1984, as amended by AP-83-84-4-094 E-1 on October 28, 1986, as amended further by AP-83-84-4-094 A-2 on March 4, 1991, as amended further by AP-83-84-4-094 E-3 on May 14, 1993, as amended further by AP-83-84-4-094 A-4 on May 12, 1997, as amended further by AP-83-84-4-094 E-5 on September 9, 2004, as amended further by AP-83-84-4-094 A-6 on March 10, 2008, and as amended further by AP-83-84-4-094 A-7 on December 14, 2008, by and between the Authority and Airport Catering Services Corporation.

2. Lease Agreement AP-00-01-4-007, dated as of August 11, 2000, as amended by AP-00-01-4-007 E-1 on March 7, 2003, as amended further by AP-00-01-4-007 E-2 on December 5, 2003, as amended further by AP-00-01-4-007 E-3 on December 8, 2006, and as amended further by AP-00-01-4-007 E-4 on December 19, 2008, by and between the Authority and Alliance Duty Free, Inc.

3. Agreement AP-03-04-4-198, dated as of April 23, 2004, as amended by AP-03-04-4-198 E-1 on February 21, 2007, and as amended further by AP-03-04-4-198 E-2 on October 31, 2008, by and between the Authority and Trans AD Puerto Rico, Inc.

Part B

1. Concession Agreement AP-83-84-4-094, dated as of February 8, 1984, as amended by AP-83-84-4-094 E-1 on October 28, 1986, and as amended further by AP-83-84-4-094 A-2 on March 4, 1991, by and between the Authority and Airport Catering Services Corporation.

2. Lease Agreement AP-00-01-4-007, dated as of August 11, 2000, and as amended by AP-00-01-4-007 E-1 on March 7, 2003, by and between the Authority and Alliance Duty Free, Inc.

SCHEDULE 6

FORM OF LETTER OF CREDIT

ISSUER:	[•] [*Must be Member of the New York Clearing House Association]*
PLACE FOR PRESENTATION OF DRAFT IN PROGRESS:	[*Name and Address of Bank/Branch*—MUST be *NEW YORK, NEW YORK Bank/Branch or SAN JUAN, PUERTO RICO Bank/Branch*]
APPLICANT:	[•]
BENEFICIARY:	PUERTO RICO PORTS AUTHORITY [•]
LETTER OF CREDIT NUMBER:	[•]
PLACE AND DATE OF ISSUE:	[•]
AMOUNT:	[•]
EXPIRATION DATE:	[•]

Issuer hereby issues this Irrevocable Standby Letter of Credit (this "Letter of Credit") in favor of Beneficiary in the amount of [*words*] United States Dollars (US$[*numbers*]) (the "Stated Amount"). Funds under this Letter of Credit are available to Beneficiary upon Beneficiary's presentation to Issuer of one or more sight drafts drawn on Issuer for a sum or sums in an aggregate amount not exceeding the Stated Amount. Any sight draft under this Letter of Credit shall identify this Letter of Credit by the name of Issuer and the Letter of Credit number, amount, and place and date of issue. Such sight draft shall be signed by [*an officer of Beneficiary*] or his designee and shall contain a statement that Beneficiary is entitled to make such draw or shall be accompanied by a signed statement of [*an officer of Beneficiary*] to the same effect.

This Letter of Credit shall be honored by Issuer if presented at [*NEW YORK, NEW YORK Bank/Branch or SAN JUAN, PUERTO RICO Bank/Branch—Name & Address*] on or before [•] (the "Expiration Date"). The obligations of Issuer hereunder are primary obligations to Beneficiary and shall not be affected by the performance or non-performance by [*Name of Applicant*] under any agreement with Beneficiary or by any bankruptcy, insolvency or other similar proceeding initiated by or against [*Name of Applicant*]. [*Name of Applicant*] is not the beneficiary under this Standby Letter of Credit and possesses no interest whatsoever in proceeds of any draw hereon. This Letter of Credit shall terminate on the earlier of (i) the close of business on the Expiration Date and (ii) the date on which Issuer has honored one or more draws in the full amount of the Stated Amount. This Letter of Credit may not be transferred by Beneficiary to any other person. Drawings by facsimile to facsimile number [•] are acceptable (each such drawing, a "Fax Drawing"), *provided, however*, that a Fax Drawing will not be effectively

presented until Beneficiary confirms, by telephone, Issuer's receipt of such Fax Drawing by calling Issuer at telephone number [●]. Issuer will acknowledge Beneficiary's presentment by electronic mail to the electronic mail address provided to Issuer in the Fax Drawing.

[This Letter of Credit shall be automatically extended for successive periods of one year, without amendment, from the stated Expiration Date and each extended date of expiration unless Issuer sends Beneficiary written notice of its intent not to extend the credit; which notice must be sent at least 30 days prior to the expiration of the original term hereof or any extended one year term, by registered or certified mail or overnight courier, to the Puerto Rico Ports Authority at [●] or any other address specified in writing to Issuer at the above address by the Puerto Rico Ports Authority. Notice to the Puerto Rico Ports Authority that this Letter of Credit will not be extended shall be deemed a default.] [1]

To the extent not inconsistent with the express provisions hereof, this Letter of Credit is subject to the rules of the *International Standby Practices ISP98* ("ISP98"), as interpreted under the laws of the State of New York, and shall, as to matters not governed by the ISP98, be governed and construed in accordance with the laws of the State of New York, without regard to principles of conflicts of law.[2]

With respect to any suit, action or proceedings relating to this Letter of Credit ("Proceedings"), Issuer irrevocably: (i) submits to the exclusive jurisdiction of the United States District Court for the Southern District of New York and (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over Issuer.[3]

Signature Pages Follow

[1] **NOTE TO LESSEE**: For purposes of the Closing LOC contemplated by Section 2.3(a) of the Agreement, this paragraph (which appears intentionally in brackets) shall not be required; *provided, however*, that this paragraph shall appear in the Letter of Credit contemplated by Section 16.3 of the Agreement.

[2] **NOTE TO LESSEE**: If the Lessee sources this Letter of Credit from a bank incorporated in the Commonwealth of Puerto Rico, then the Lessee may replace this paragraph with the following: "To the extent not inconsistent with the express provisions hereof, (i) this Letter of Credit is subject to the rules of the *International Standby Practices ISP98* ("ISP98"), as interpreted under the laws of the Commonwealth of Puerto Rico and (ii) as to matters not governed by the ISP98, this Letter of Credit shall be governed and construed in accordance with the laws of the Commonwealth of Puerto Rico, without regard to principles of conflicts of law."

[3] **NOTE TO LESSEE:** If the Lessee has elected pursuant to the immediately preceding footnote to include in this Letter of Credit the language set forth therein, then this paragraph shall be replaced by the following: "Issuer irrevocably: (i) submits to the exclusive jurisdiction of the Commonwealth Court of First Instance, San Juan Part, in the Commonwealth of Puerto Rico; and (ii) waives any objection which Issuer may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over Issuer."

Issuer:

By: _____

Name: [●]

Title: [●]

(Authorized Signatory of Issuer)

SCHEDULE 7

LMM AIRPORT FACILITY ASSETS

1. The LMM Airport Facility Assets include all tools, equipment, supplies, furniture, vehicles, fixtures, information technology hardware, information technology software and spare parts owned by the Authority that are located at the LMM Airport Facility and used solely in connection with LMM Airport Facility Operations as of the Date of this Agreement.

2. Notwithstanding the foregoing, the LMM Airport Facility Assets do not include such tools, equipment, supplies, furniture, vehicles, fixtures, information technology hardware, information technology software and spare parts owned by the Authority and located at the LMM Airport Facility that have been used as of the Date of this Agreement and will be used during the Term by the Authority in connection with those activities and services that the Authority is obligated to perform in accordance with this Agreement, including the services described in Section 3.17 of this Agreement.

SCHEDULE 8

SWORN STATEMENT FOR CLOSING

UNITED STATES OF AMERICA)
STATE OF _____) SS
CITY OF _____)

[Name of Representative], of legal age, married (or single), and a resident of _____, _____, in his (her) capacity as _____ of [Name of Lessee] (the "Lessee"), Employer Identification Number _____, being duly sworn, deposes and certifies that, as of the date of this Sworn Statement:[1]

1. The principal office of the Lessee is located at _____.

2. The Lessee [has filed all] [has not had to file any] income tax returns with the Department of the Treasury of the Commonwealth of Puerto Rico during the past five years.

3. The Lessee does not have any Tax Debts with the Commonwealth of Puerto Rico, nor any of its instrumentalities or political subdivisions. The term "Tax Debt" means any debt for (i) income taxes, (ii) sales and use taxes, (iii) excise taxes, (iv) real or personal property taxes, (v) municipal license taxes ("patente"), (vi) special taxes levied, (vii) license rights, (viii) tax withholdings for payment of salaries, professional service fees, interests, dividends, rents or profits, (ix) unemployment or disability insurance premiums, (x) workers compensation payments or (xi) premiums for social security for chauffeurs.

4. The Lessee is familiar with the provisions of Act No. 84 of the Legislative Assembly of Puerto Rico enacted on June 18, 2002, as amended, known as the Code of Ethics for Contractors, Suppliers and Applicants for Economic Incentives of the Executive Agencies of the Commonwealth of Puerto Rico ("Act 84"), a copy of which is available at the Authority's website: http://www.p3.gov.pr.

5. Neither the Lessee nor any of its directors, officers, shareholders, or subsidiaries, nor its parent company, nor in the case of a partnership, any of its partners, nor any person or entity that may be considered an *alter ego* of the Lessee (each a "Covered Party"), has been convicted, has entered a guilty plea or has been indicted, nor has probable cause been found for their arrest, in any criminal proceeding in the courts of the Commonwealth of Puerto Rico, the Federal courts of the United States, or the courts of any jurisdiction of the United States or a foreign country, of criminal charges related to acts of corruption or to any of the following crimes: a crime against public integrity, as defined in the Commonwealth of Puerto Rico Penal Code, embezzlement of public funds, a crime against the public treasury, public trust, public function or involving the wrongful use of public funds or property, any of the crimes enumerated in Act No. 458 of the Legislative Assembly of Puerto Rico enacted on December 29, 2000, as

[1] All capitalized terms used in this Sworn Statement that are not defined herein are used as defined in the Request for Proposals issued to Proponents on October 24, 2011, as supplemented and amended, in relation to the Acquisition of a Concession to Finance, Operate, Maintain and Improve the Luis Muñoz Marín International Airport.

amended ("Act 458"), or under the Foreign Corrupt Practices Act; nor is any Covered Party under investigation in any legislative, judicial or administrative proceedings, in the Commonwealth of Puerto Rico, the United States or any other country.

6. The Lessee is in compliance and will continue to comply at all times with all federal, state, local and foreign laws applicable to the Lessee that prohibit corruption or regulate crimes against public functions or public funds, including the Foreign Corrupt Practices Act.

7. The Lessee is in compliance with the provisions of the Authority's Guidelines for the Evaluation of Conflicts of Interest and Unfair Advantages in the Procurement of Public-Private Partnership Contracts, a copy of which is available at the Authority's website: http://www.p3.gov.pr.

In _____, _____, this _____ day of _____, _____.

[LESSEE]

By:

Sworn and subscribed to before me by _____, of the above stated personal circumstances, in his (her) capacity as _____ of _____, who is personally known to me.

In _____, _____, this _____ day of _____, _____.

_____

SCHEDULE 9A

FORM OF LEGAL OPINION OF THE GENERAL COUNSEL OF THE PUERTO RICO PORTS AUTHORITY

[_____], 2012

_____

_____

_____

_____

Ladies and Gentlemen:

I am the General Counsel of the Puerto Rico Ports Authority ("PRPA") and I am rendering this opinion in connection with the execution of the Luis Muñoz Marín International Airport (the "Airport") Lease Agreement, dated as of [_____], 2012 (the "Lease Agreement"), by and between PRPA and you as Lessee (the "Lessee"); and the Airport Use Agreements dated as of [_____], 2012 (the "Airport Use Agreements" and together with the Lease Agreement, the "Agreements"), by and among PRPA, the Lessee, and the Signatory Airlines that are parties thereto. This opinion is being delivered to you pursuant to Section 2.4(a)(iv) of the Lease Agreement. Capitalized terms used and not otherwise defined herein shall have their respective meanings set forth in the Lease Agreement.

I have examined originals or copies, certified or otherwise identified to my satisfaction, of (i) the Agreements and (ii) Act No. 29 of the Legislative Assembly of Puerto Rico enacted on June 8, 2009, as amended (the "Act"). In rendering my opinion, I have also examined originals or copies, certified or otherwise identified to my satisfaction, of the following documents: (w) a certificate executed by the Executive Director of PRPA of even date herewith as to certain factual matters, (x) a copy of the Act, certified by the Secretary of State of the Commonwealth; (y) **[PRPA board meeting minutes approving the Agreements]**; and (z) approval by the Board of Directors of the Public-Private Partnerships Authority of Puerto Rico and the Governor (or his designee) of the Lease Agreement as required by Article 9(g) of the Act.

In rendering this opinion, I also have examined such certificates of public officials, documents and records and other certificates and instruments as I have deemed necessary for the purposes of the opinion herein expressed and, with your permission, have relied upon and assumed the accuracy of such certificates, documents, records and instruments. I have made such examination of the laws of the Commonwealth as I deemed relevant for purposes of this opinion, but I have not made a review of, and express no opinion concerning, the laws of any jurisdiction other than the Commonwealth.

I have relied upon and assumed the truth and accuracy of the representations, certifications and warranties made in the Agreements, and have not made any independent investigation or verification of any factual matters stated or represented therein. Whenever my opinion or confirmation herein with respect to the existence or absence of facts is indicated to be based upon my knowledge or belief, it is intended to signify that no information has come to my attention that would give me actual knowledge of the existence or absence of such facts. Except to the extent expressly set forth herein, I have not undertaken any independent investigation to determine the existence or absence of such facts or circumstances or the assumed facts set forth herein, I accept no responsibility to make any such investigation, and no inference as to my knowledge of the existence or absence of such facts or circumstances or of my having made any independent review thereof should be drawn from my representation of PRPA.

In rendering this opinion letter to you, I have assumed with your permission:

1. The genuineness of all signatures, the legal capacity of natural persons executing the Agreements (other than those of the PRPA), whether on behalf of themselves or other persons or entities, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as certified, conformed or photostatic copies, and the authenticity of the originals of such copies and the completeness of all records of corporate proceedings provided to me.

2. All official public records (including their proper indexing and filing) furnished to or obtained by me, electronically or otherwise, are accurate, complete and authentic.

3. The documents that have been or will be executed and delivered in consummation of the transactions contemplated by the Agreements are or will be identical in all material and relevant respects with the copies of the documents I have examined and on which this opinion is based.

4. The Lessee and each Signatory Airline (i) has been organized, is validly existing, and where applicable is in good standing under its jurisdiction of incorporation or organization, as the case may be, (ii) has full power and authority to enter into, execute, deliver, receive, and perform the applicable Agreements, and (iii) is qualified to do business in the Commonwealth.

5. The entry into, execution, delivery, receipt, and performance of the Agreements by the parties thereto (other than the PRPA) has been duly authorized by all requisite action on the part of such parties.

6. The Agreements will be duly entered into, executed, received and delivered by the parties thereto (other than the PRPA), and upon such execution and delivery constitutes the legal, valid and binding obligation of such parties, so that the Agreements have mutuality of binding effect on the parties thereto.

7. The respective factual representations, statements and warranties made in the Agreements, and in the other documents that I have reviewed, and upon which I have relied, are accurate, complete and truthful.

8. The execution and delivery of the Agreements by each of the parties thereto will be free of intentional or unintentional mistake, misrepresentation, concealment, fraud, undue influence, duress or criminal activity.

9. The Agreements have not been amended or modified by oral or written agreement or by conduct of the parties thereto.

10. Each party to the Agreements will at all times exercise its rights and remedies under the Agreements in good faith and in a manner that is commercially reasonable.

Based on and subject to the foregoing and the qualifications, exceptions and limitations referred to below, I am of the opinion that, on the date hereof:

(a) PRPA has been duly created and is a validly existing body corporate and politic under and by virtue of the laws of the Commonwealth.

(b) PRPA has duly authorized and approved (i) its execution and delivery of the Agreements, and (ii) the performance by PRPA of its obligations contained in the Agreements. PRPA has the corporate power and corporate authority under Commonwealth law to enter into the Agreements and to do all acts and things and execute and deliver all other documents as are required under the Agreements to be done, observed or performed by PRPA in accordance with the terms thereof.

I The Agreements have been duly authorized, executed and delivered by PRPA and constitute valid and legally binding obligations of PRPA, enforceable against PRPA in accordance with the terms thereof.

(d) The Airport is not subject to any real property taxes.

Each of the opinions set forth above is limited by its terms and subject to the assumptions hereinabove stated and is further subject to the following qualifications, exceptions and limitations, none of which shall limit the generality of any other assumption, qualification, exception or limitation.

1. The legality, validity and enforceability of the Agreements and the opinion expressed in paragraph I above may be limited or otherwise affected by:

a. bankruptcy, insolvency, reorganization, liquidation, readjustment of debt, receivership, moratorium, fraudulent conveyance, equitable subordination, equity of redemption, recharacterization or other similar legal principles now or hereafter in effect governing or affecting the rights and remedies of debtors and creditors generally, or general principles of equity, regardless of whether considered in a proceeding at law or in equity;

b. applicable laws or judicial decisions of the Commonwealth, which may render certain of the rights, remedies, waivers, and attorney-in-fact appointments contained therein unenforceable or ineffective, but the inclusion of which do not

render the Agreements invalid as a whole or make the remedies generally afforded thereunder inadequate for the practical realization of the principal benefits intended to be provided by those documents; and/or

c. the concepts of good faith and fair dealing, materiality and reasonableness, regardless of whether considered in a proceeding at law or in equity.

Notwithstanding the foregoing and without limiting the generality of the foregoing exceptions, I express no opinion with respect to (a) the availability of the remedies of specific performance or injunctive relief, (b) the availability of ex parte remedies and other self-help or non-judicial relief or (c) the legality, validity, binding effect, or enforceability of provisions that provide for an event of default or availability of remedies predicated solely upon commencement of bankruptcy, reorganization or similar proceedings with respect to PRPA.

2. Without limiting the generality of any other exception, limitation or qualification, I express no opinion in this letter with respect to (i) the enforceability of a set-off right, (ii) the application of any law, statute, rule or regulation relating to the environment, health or safety, (iii) any law, statute, rule, or regulation that may apply to any party as a result of its activities in the Commonwealth that are not directly related to the transactions contemplated by the Agreements, (iv) the enforceability of any provision of the Agreements pertaining to consent to jurisdiction in so far as it relates to federal courts or agreements stating that failure to exercise or delay in exercising rights will not operate as a waiver of the right or remedy, (v) the enforceability of any provisions of the Agreements to the extent that any recovery of attorneys' fees is not limited to reasonable attorneys' fees, and (vi) the validity or enforceability of any purported waiver or purported consent relating to any other rights of any party, or duties owed to any of them, existing as a matter of law, including without limitation the purported waiver of any party's right to a jury trial.

3. I have not considered and do not express an opinion with respect to (i) any federal or state (including the Commonwealth) securities or antitrust laws and regulations, (ii) the power and authority of the Lessee and the Signatory Airlines to enter into the applicable Agreements or to carry out the transactions contemplated thereby or (iii) the possible application of or compliance with various building codes, zoning ordinances, permit requirements, environmental, health or safety laws and other similar statutes, laws, ordinances, codes and regulations affecting the construction, condition and/or use of the Airport. My opinions set forth in this letter are expressly subject to the effect of the application of all federal and state (including the Commonwealth) antitrust laws and regulations.

4. I express no opinion as to the applicability to the transactions contemplated by the Agreements of Section 548 of the United States Bankruptcy Code relating to fraudulent transfers or obligations, and the opinions expressed herein are limited by and subject to the application of those statutes.

The opinions expressed herein are matters of professional judgment, are not a guarantee of result and are effective only as of the date hereof. I do not undertake to advise you of any matter within the scope of this letter that comes to my attention after the date of this letter and disclaim any responsibility to advise you of any future changes in law or fact that may affect the opinions set forth herein. I express no opinion other than as hereinbefore expressly set forth. No expansion of the opinions expressed herein may or should be made by implication or otherwise.

I am informed that you are relying on this opinion letter in connection with the consummation of the actions and transactions contemplated by the Agreements. The foregoing opinion shall not be relied upon for any other purpose or by any other party (other than [_____], as administrative agent for a group of lenders, in connection with loans made to the Lessee by such lenders). The use or reliance upon this opinion letter by any other person or entity without my prior written consent is strictly prohibited.

Very truly yours,

SCHEDULE 9B

FORM OF LEGAL OPINION OF GDB GENERAL COUNSEL

[_____], 2012

_____
_____
_____
_____

Ladies and Gentlemen:

I am the General Counsel of Government Development Bank for Puerto Rico ("GDB"). Reference is made to the Luis Muñoz Marín International Airport (the "Airport") Lease Agreement, dated as of [_____], 2012 (the "Agreement"), by and between the Puerto Rico Ports Authority ("PRPA") and you as Lessee (the "Lessee"). Pursuant to Section 2.4(a)(iv)(B) of the Agreement, I am rendering this opinion in connection with the execution and delivery by GDB of the GDB Payment Guaranty. Capitalized terms used and not otherwise defined herein shall have their respective meanings set forth in the Agreement.

I have examined originals or copies, certified or otherwise identified to my satisfaction, of (i) the GDB Payment Guaranty, (ii) the Agreement, and (iii) Act No. 29 of the Legislature of Puerto Rico approved on June 8, 2009 (the "Act"). In rendering my opinion, I have also examined originals or copies, certified or otherwise identified to my satisfaction, of the following documents: (x) a copy of the Act, certified by the Secretary of State of the Commonwealth; (y) resolutions of the Board of Directors of GDB approving the GDB Payment Guaranty and (z) approval by the Board of Directors of PRPA and the Puerto Rico Public Private Partnerships Authority and by the Governor (or his designee) of the Agreement and the Partnership Committee Report as required by Article 9(g) of the Act.

In rendering this opinion, I also have examined such certificates of public officials, documents and records and other certificates and instruments as I have deemed necessary for the purposes of the opinions herein expressed and, with your permission, have relied upon and assumed the accuracy of such certificates, documents, records and instruments. I have made such examination of the laws of the Commonwealth as I deemed relevant for purposes of this opinion, but I have not made a review of, and express no opinion concerning, the laws of any jurisdiction other than the Commonwealth.

I have relied upon and assumed the truth and accuracy of the representations, certifications and warranties made in the GDB Payment Guaranty, and have not made any independent investigation or verification of any factual matters stated or represented therein. Whenever my opinion or confirmation herein with respect to the existence or absence of facts is

indicated to be based upon my knowledge or belief, it is intended to signify that no information has come to my attention that would give me actual knowledge of the existence or absence of such facts. Except to the extent expressly set forth herein, I have not undertaken any independent investigation to determine the existence or absence of such facts or circumstances or the assumed facts set forth herein, I accept no responsibility to make any such investigation, and no inference as to my knowledge of the existence or absence of such facts or circumstances or of my having made any independent review thereof should be drawn from my representation of GDB.

In rendering this opinion letter to you, I have assumed with your permission:

1. The genuineness of all signatures, the legal capacity of natural persons executing the GDB Payment Guaranty, whether on behalf of themselves or other persons or entities, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as certified, conformed or photostatic copies, and the authenticity of the originals of such copies and the completeness of all records of corporate proceedings provided to me.

2. All official public records (including their proper indexing and filing) furnished to or obtained by me, electronically or otherwise, are accurate, complete and authentic.

3. The documents that have been or will be executed and delivered in consummation of the transactions contemplated by the GDB Payment Guaranty are or will be identical in all material and relevant respects with the copies of the documents I have examined and on which this opinion is based.

4. The Lessee (i) has been duly organized, is validly existing, and where applicable, is in good standing under its jurisdiction of incorporation or organization, as the case may be, (ii) has full power and authority to enter into, execute, deliver, receive and perform the GDB Payment Guaranty, and (iii) is qualified to do business in the Commonwealth.

5. PRPA has been duly created and is a validly existing body corporate and politic under and by virtue of the laws of the Commonwealth.

6. The entry into, execution, delivery, receipt and performance of the GDB Payment Guaranty by each of the Lessee and PRPA have been duly authorized by all requisite action on the part of the Lessee and PRPA.

7. The GDB Payment Guaranty will be duly entered into, executed, received and delivered by each of the Lessee and PRPA, and upon such execution and delivery constitutes the legal, valid and binding obligation of each of the Lessee and PRPA, so that the GDB Payment Guaranty has mutuality of binding effect on the parties thereto.

8. The factual representations, statements and warranties of GDB in the GDB Payment Guaranty, and in the other documents that I have reviewed, and upon which I have relied, are accurate, complete and truthful.

9. The execution and delivery of the GDB Payment Guaranty by all parties thereto will be free of intentional or unintentional mistake, misrepresentation, concealment, fraud, undue influence, duress or criminal activity.

10. The GDB Payment Guaranty has not been amended or modified by oral or written agreement or by conduct of the parties thereto.

11. Each party to the GDB Payment Guaranty will at all times exercise its rights and remedies under the GDB Payment Guaranty in good faith and in a manner that is commercially reasonable.

Based on and subject to the foregoing and the qualifications, exceptions and limitations referred to below, I am of the opinion that, on the date hereof:

(a) GDB has been duly created and is a validly existing body corporate and politic under and by virtue of the laws of the Commonwealth.

(b) GDB has duly authorized and approved (i) its execution and delivery of the GDB Payment Guaranty, and (ii) the performance by GDB of its obligations contained in the GDB Payment Guaranty. GDB has the corporate power and corporate authority under the laws of the Commonwealth to enter into the GDB Payment Guaranty and to do all acts and things and execute and deliver all other documents as are required under the GDB Payment Guaranty to be done, observed or performed by GDB in accordance with the terms thereof.

(c) The GDB Payment Guaranty has been duly authorized, executed and delivered by GDB and constitutes a valid and legally binding obligation of GDB, enforceable against GDB in accordance with the terms thereof.

Each of the opinions set forth above is limited by its terms and subject to the assumptions hereinabove stated and is further subject to the following qualifications, exceptions and limitations, none of which shall limit the generality of any other assumption, qualification, exception or limitation.

1. The legality, validity and enforceability of the GDB Payment Guaranty and the opinion expressed in paragraph (c) above may be limited or otherwise affected by:

a. bankruptcy, insolvency, reorganization, liquidation, readjustment of debt, receivership, moratorium, fraudulent conveyance, equitable subordination, equity of redemption, recharacterization or other similar legal principles now or hereafter in effect governing or affecting the rights and remedies of debtors and creditors generally, or general principles of equity, regardless of whether considered in a proceeding at law or in equity;

b. applicable laws or judicial decisions of the Commonwealth which may render certain of the rights, remedies, waivers, and attorney-in-fact appointments contained therein unenforceable or ineffective, but the inclusion of which do not render the GDB Payment Guaranty invalid as a

whole or make the remedies generally afforded thereunder inadequate for the practical realization of the principal benefits intended to be provided by those documents; and/or

c. the concepts of good faith and fair dealing, materiality and reasonableness, regardless of whether considered in a proceeding at law or in equity.

Notwithstanding the foregoing and without limiting the generality of the foregoing exceptions, I express no opinion with respect to (a) the availability of the remedies of specific performance or injunctive relief, (b) the availability of *ex parte* remedies and other self-help or non-judicial relief, or (c) the legality, validity, binding effect, or enforceability of provisions that provide for an event of default or availability of remedies predicated solely upon commencement of bankruptcy, reorganization or similar proceedings with respect to GDB.

2. Without limiting the generality of any other exception, limitation or qualification, I express no opinion in this letter with respect to (i) the enforceability of a set-off right, (ii) the application of any law, statute, rule or regulation relating to the environment, health or safety, (iii) any law, statute, rule, or regulation that may apply to any party as a result of its activities in the Commonwealth that are not directly related to the transactions contemplated by the GDB Payment Guaranty, (iv) the enforceability of any provision of the GDB Payment Guaranty pertaining to consent to jurisdiction in so far as it relates to federal courts or agreements stating that failure to exercise or delay in exercising rights will not operate as a waiver of the right or remedy, (v) the enforceability of any provisions of the GDB Payment Guaranty to the extent that any recovery of attorneys' fees is not limited to reasonable attorneys' fees, and (vi) the validity or enforceability of any purported waiver or purported consent relating to any other rights of any party, or duties owed to any of them, existing as a matter of law, including without limitation the purported waiver of any party's right to a jury trial.

3. I have not considered and do not express an opinion with respect to (i) any federal or state (including the Commonwealth) securities or antitrust laws and regulations, or (ii) the power and authority of each party to the GDB Payment Guaranty (other than GDB) to enter into the GDB Payment Guaranty or to carry out the transactions contemplated thereby. My opinions set forth in this letter are expressly subject to the effect of the application of all federal and state (including the Commonwealth) antitrust laws and regulations.

4. I express no opinion as to the applicability to the transactions contemplated by the GDB Payment Guaranty of Section 548 of the United States Bankruptcy Code relating to fraudulent transfers or obligations, and the opinions expressed herein are limited by and subject to the application of those statutes.

The opinions expressed herein are matters of professional judgment, are not a guarantee of result and are effective only as of the date hereof. I do not undertake to advise you of any matter within the scope of this letter that comes to my attention after the date of this letter and disclaim any responsibility to advise you of any future changes in law or fact that may affect the

opinions set forth herein. I express no opinion other than as hereinbefore expressly set forth. No expansion of the opinions expressed herein may or should be made by implication or otherwise.

I am informed that you are relying on this opinion letter in connection with the consummation of the actions and transactions contemplated by the GDB Payment Guaranty and the Agreement. The foregoing opinion shall not be relied upon for any other purpose or by any other party (other than [●], as administrative agent for a group of lenders, in connection with loans made to the Lessee by such lenders). The use or reliance upon this opinion letter by any other person or entity without my prior written consent is strictly prohibited.

Very truly yours,

SCHEDULE 10

LEGAL OPINION OF THE LESSEE

[Letterhead of Counsel to the Lessee]

[Closing Date]

Ladies and Gentlemen:

We have acted as special counsel to [_____], a [_____] organized and existing under the laws of [_____] (the "Lessee") in connection with the execution of the Luis Muñoz Marín International Airport Lease Agreement, dated as of [_____], 2012 (the "Agreement"), by and between the Puerto Rico Ports Authority (the "Authority") and the Lessee. This opinion is being delivered to you pursuant to Section 2.4(b)(iii) of the Agreement. Capitalized terms used and not otherwise defined herein shall have their respective meanings set forth in the Agreement.

We have examined originals or copies, certified or otherwise identified to our satisfaction, of (i) the Agreement and (ii) such other records and writings as we have deemed necessary as the basis of the opinions set forth herein.

In rendering this opinion, we also have examined such certificates of public officials, documents and records and other certificates and instruments as we have deemed necessary for the purposes of the opinion herein expressed and, with your permission, have relied upon and assumed the accuracy of such certificates, documents, records and instruments. We have made such examination of the laws of the Commonwealth as we deemed relevant for purposes of this opinion, but we have not made a review of, and express no opinion concerning, the laws of any jurisdiction other than the Commonwealth.

We have relied upon and assumed the truth and accuracy of the representations, certifications and warranties made in the Agreement, and have not made any independent investigation or verification of any factual matters stated or represented therein. Whenever our opinion or confirmation herein with respect to the existence or absence of facts is indicated to be based upon our knowledge or belief, it is intended to signify that no information has come to the attention of the members of our firm actively working on the Agreement that would give any of them actual knowledge of the existence or absence of such facts. Except to the extent expressly set forth herein, we have not undertaken any independent investigation to determine the existence or absence of such facts or circumstances or the assumed facts set forth herein, we accept no responsibility to make any such investigation, and no inference as to our knowledge of the existence or absence of such facts or circumstances or of our having made any independent review thereof should be drawn from our representation of the Lessee.

In rendering this opinion letter to you, we have assumed with your permission:

1. The genuineness of all signatures, the legal capacity of all natural persons, the authenticity of all documents submitted to us as originals, the conformity to authentic, original documents of all documents submitted to us via facsimile or otherwise as

certified, conformed or photostatic copies, and the completeness of all records of corporate proceedings provided to us.

2. All official public records (including their proper indexing and filing) furnished to or obtained by us, electronically or otherwise, are accurate, complete and authentic.

3. The documents that have been or will be executed and delivered in consummation of the transactions contemplated by the Agreement are or will be identical in all material and relevant respects with the copies of the documents we have examined and on which this opinion is based.

4. The Authority has been duly created and is a validly existing body corporate and politic created under the laws of the Commonwealth.

5. The entry into, execution, delivery, receipt, and performance of the Agreement by the Authority has been duly authorized by all requisite action on the part of the Authority.

6. The Agreement will be duly entered into, executed, received and delivered by the Authority, and upon such execution and delivery constitutes the legal, valid and binding obligation of the Authority, so that the Agreement has mutuality of binding effect on the parties thereto.

7. The respective factual representations, statements and warranties of the Authority made in the Agreement, and in the other documents that we have reviewed, and upon which we have relied, are accurate, complete and truthful.

8. The execution and delivery of the Agreement by each of the parties thereto will be free of intentional or unintentional mistake, misrepresentation, concealment, fraud, undue influence, duress or criminal activity.

9. The Agreement has not been amended or modified by oral or written agreement or by conduct of the parties thereto.

10. Each party to the Agreement will at all times exercise its rights and remedies under the Agreement in good faith and in a manner that is commercially reasonable.

Based on and subject to the foregoing and the qualifications referred to below, we are of the opinion that, on the date hereof:

(a) The Lessee is duly organized, validly existing and in good standing as [_____] under the laws of [_____].

(b) The Lessee has the power and authority to enter into the Agreement and to do all acts and things and execute and deliver all other documents as are required under

the Agreement to be done, observed or performed by the Lessee in accordance with the terms thereof.

(c) The Lessee has duly authorized, executed and delivered the Agreement, and the Agreement constitutes a valid and legally binding obligation of the Lessee, enforceable against it in accordance with the terms hereof.

Each of the opinions set forth above is limited by its terms and subject to the assumptions hereinabove stated and is further subject to the following qualifications, exceptions and limitations, none of which shall limit the generality of any other assumption, qualification, exception or limitation.

1. The legality, validity and enforceability of the Agreement and the opinion expressed in paragraph (c) above may be limited or otherwise affected by:

a. bankruptcy, insolvency, reorganization, liquidation, readjustment of debt, receivership, moratorium, fraudulent conveyance, equitable subordination, equity of redemption, recharacterization or other similar legal principles now or hereafter in effect governing or affecting the rights and remedies of debtors and creditors generally, or general principles of equity, regardless of whether considered in a proceeding at law or in equity;

b. applicable laws or judicial decisions of the Commonwealth, which may render certain of the rights, remedies, waivers, and attorney-in-fact appointments contained therein unenforceable or ineffective, but the inclusion of which do not render the Agreement invalid as a whole or make the remedies generally afforded thereunder inadequate for the practical realization of the principal benefits intended to be provided by those documents; and/or

c. the concepts of good faith and fair dealing, materiality and reasonableness, regardless of whether considered in a proceeding at law or in equity.

Notwithstanding the foregoing and without limiting the generality of the foregoing exceptions, we express no opinion with respect to (i) the availability of the remedies of specific performance or injunctive relief, (ii) the availability of *ex parte* remedies and other self-help or non-judicial relief or (iii) the legality, validity, binding effect, or enforceability of provisions that provide for an event of default or availability of remedies predicated solely upon commencement of bankruptcy, reorganization or similar proceedings with respect to the Lessee.

2. Without limiting the generality of any other exception, limitation or qualification, we express no opinion with respect to (i) the enforceability of a set-off right, (ii) the application of any law, statute, rule or regulation relating to the environment, health or safety, (iii) any law, statute, rule, or regulation that may apply to any party as a result of its activities in the Commonwealth that are not directly related to the transactions contemplated by the Agreement, (iv) the enforceability of any provisions of the Agreement to the extent that any recovery of attorneys' fees is not limited to reasonable attorneys' fees, and (v) the validity or enforceability of any purported waiver or purported

consent relating to any other rights of any party, or duties owed to any of them, existing as a matter of law, including without limitation the purported waiver of any party's right to a jury trial.

3. We have not considered and do not express an opinion with respect to (i) any Federal or state (including the Commonwealth) securities and antitrust laws and regulations or (ii) the power and authority of the Authority to enter into the Agreement or to carry out the transactions contemplated thereby.

The opinions expressed herein are matters of professional judgment, are not a guarantee of result and are effective only as of the date hereof. We do not undertake to advise you of any matter within the scope of this letter that comes to our attention after the date of this letter and disclaim any responsibility to advise you of any future changes in law or fact that may affect the opinions set forth herein. We express no opinion other than as hereinbefore expressly set forth. No expansion of the opinions expressed herein may or should be made by implication or otherwise.

This opinion is rendered solely for your information in connection with the transaction described above and may not be relied upon by you in any other capacity or for any other purpose and may not be used or relied upon by any other Person for any purpose without our express prior written consent.

Very truly yours,

[Counsel to the Lessee]

CLOSING AGREEMENT

CLOSING AGREEMENT PURSUANT TO THE INTERNAL REVENUE CODE FOR A NEW PUERTO RICO, AS AMENDED

This Closing Agreement is made in duplicate under and pursuant to Section 6051.07 of the Internal Revenue Code for a New Puerto Rico of 2011, as amended (the "New P.R. Revenue Code").

APPEAR

HONORABLE Harry Marquez, in his capacity as Acting Secretary of the Treasury of the Government of Puerto Rico (the "Secretary"), represented herein by Blanca Alvarez Ramírez, Undersecretary of the Treasury of the Government of Puerto Rico;

PUERTO RICO PORTS AUTHORITY (the "Authority"), an instrumentality of the Government of Puerto Rico, represented herein by its Executive Director, Jaime López Díaz, who has been duly designated by the Authority to act on its behalf and to represent it before the Department of the Treasury of the Government of Puerto Rico (the "Department"); and

AEROSTAR AIRPORT HOLDINGS, LLC, a limited liability company organized under the laws of the Commonwealth of Puerto Rico (the "Lessee"), represented herein by its Authorized Representatives, Agustín Arellano Rodríguez and Emmett McCann, who have been duly designated by the Lessee to act on its behalf.

WITNESSETH

The parties state that in accordance with the provisions of the New P.R. Revenue Code, they have full legal capacity to enter into this Agreement and they further state as follows:

REPRESENTATIONS

1. The Lessee has entered into a Lease Agreement (the "Lease Agreement") with the Authority, pursuant to Act No. 29 of the Legislative Assembly of Puerto Rico enacted on June 8, 2009, as amended (the "Public Private Partnership Act"), which grants the Lessee the right to operate, manage, maintain, and rehabilitate for a number of years the Luis Muñoz Marín International Airport (the "Airport");

2. In exchange for the rights granted under the Lease Agreement, the Lessee will pay the Authority a Leasehold Fee (the "Lump-Sum Payment") at the commencement of the term of the Lease Agreement;

3. Section 4010.01(nn)(2)(C) of the New P.R. Revenue Code excludes from the definition of "taxable services", for purposes of Puerto Rico's sales and use tax ("IVU"), services rendered by the Government of Puerto Rico;

4. Section 4010.01(p) of the New P.R. Revenue Code defines the term "Government of Puerto Rico" as departments, agencies, administrations, bureaus, boards,

commissions, offices, public corporations, public instrumentalities and municipalities of the Commonwealth of Puerto Rico, including the legislative and judicial branches. The term Government of Puerto Rico also includes those persons that operate or act on its behalf; and

5. At present, charges for the operation of the Airport are not subject to IVU because operation of the Airport is a service provided by the Puerto Rico Government, which makes it a non-taxable service under Section 4010.01(nn)(2)(C) of the New P.R. Revenue Code.

DETERMINATIONS AND AGREEMENTS

A. Based on the foregoing facts and representations, which are considered material facts, the parties determine and agree that:

1. The IVU imposed by the Government of Puerto Rico shall not apply to the Airport charges to be collected by the Lessee under the Lease Agreement.

2. Although the Lessee is empowered through the Lease Agreement to perform a key governmental function, the exemption for taxable items acquired by government agencies established in Section 4030.08 of the New P.R. Revenue Code shall not be applicable to the Lessee.

3. The Leasehold Fee and the Annual Authority Payment (as such terms are defined in the Lease Agreement) are exempt from IVU.

4. If the Lessee does not elect partnership treatment or any other flow-through regime, it will be subject to Puerto Rico income taxes at the rate of 10% on its net income derived from the operations covered under the Lease Agreement regardless of the jurisdiction in which it is organized.

5. Under Section 12(a) of the Public Private Partnership Act, if the Lessee does not elect pass through treatment:

   (a) distributions out of earnings and profits derived by the Lessee from the operations covered by the Lease Agreement will be subject to Puerto Rico income taxes at the rate of 10% regardless of whether its shareholders or partners are individuals, corporations or partnerships, or are residents or nonresidents of Puerto Rico;

   (b) the 10% income tax rate at the entity level and the 10% tax rate on distributions under such regime shall be the applicable income taxes in lieu of any other income tax imposed by the New P.R. Revenue Code on the income from the Lessee's operations; and

   (c) provided that Lessee's shareholders or partners are foreign entities, subsequent distributions of the earnings derived from the Lease

Agreement by the shareholders or partners of the Lessee shall not be subject to additional taxes under the New P.R. Revenue Code.

6. If the Lessee has pass-through treatment as a: (i) partnership subject to the provisions of Chapter 7 of Subtitle A of the New P.R. Revenue Code, or (ii) limited liability company electing partnership treatment pursuant to Section 1010.01(a)(3) of the New P.R. Revenue Code, or (iii) as stated in Section 1010.01(a)(3)(A) of the New P.R. Revenue Code has elected or is treated as a flow through entity under the provisions of the United States Internal Revenue Code or the Regulations issued thereunder, or under the laws of a foreign country, shareholders or partners of the Lessee will be subject to the 20% income tax rate provided in Article 12(a) of the Public Private Partnership Act on their distributive share of the Lessee's net income derived from the operations covered by the Lease Agreement. The 20% income tax rate provided by Section 12(a) of the Public Private Partnership Act shall be the applicable income tax in lieu of any other income tax imposed by the New P.R. Revenue Code on the income derived by the Lessee from the operations covered by the Lease Agreement. No further Puerto Rico income tax (including the branch profits tax) shall be imposed under the provisions of the New P.R. Revenue Code on subsequent distributions of such income.

7. For purposes of Sections 1033.07(a)(1)(D) and 1040.12(c)(1)(B) of the New P.R. Revenue Code, the portion of the Leasehold Fee allocable to the Lease Agreement shall be amortizable as an intangible over 15 years, and the portion of the Leasehold Fee allocable to the acquisition of personal property constituting Airport Assets (as defined in the Lease Agreement) shall be depreciable over the applicable lives of such property. All improvements made by the Lessee shall be depreciable over the shorter of their useful life or the remaining term of the Lease Agreement.

8. Any Termination Damages and Leasehold Compensation (as defined in the Lease Agreement) received by the Lessee, to the extent that all or a portion of them are considered ordinary income, shall be treated as net income derived from the operations covered by the Lease Agreement. As such, they shall be subject to the applicable special income tax rate provided under Section 12(a) of the Public Private Partnership Act.

9. The sale of partnership interests, membership interests or shares of stock of the Lessee, as applicable, shall be sourced based on the residence of the owner of such proprietary interests pursuant to Section 1035.03 of the New P.R. Revenue Code and for these purposes partners or members deemed engaged in business in Puerto Rico solely by reason of New P.R. Revenue Code Section 1071.01 would be treated as non-Puerto Rico residents.

10. Subject to compliance with Clause 11, foreign partners or members of the Lessee deemed engaged in business in Puerto Rico solely by reason of New P.R. Revenue Code Section 1071.01 would be exempt from filing a Puerto Rico

income tax return provided their entire applicable Puerto Rico income tax liability has been satisfied through income tax withholdings performed by the Lessee in accordance with Sections 1091.07(b) and 1092.06(b) of the New P.R. Revenue Code.

11. If the Lessee elects to be taxed in Puerto Rico as a pass-through entity under Chapter 7 of Subtitle A of the New P.R. Revenue Code, or as a limited liability company electing partnership treatment pursuant to Section 1010.01(a)(3) of the New P.R. Revenue Code, its non-Puerto Rico members or partners may file: (i) combined returns in the case of individual non-Puerto Rico resident partners or members and (ii) composite returns in the case of upper tier pass-through entities, in both cases in accordance with the provisions of Puerto Rico Treasury Department Administrative Determination No. 12-07 of March 14, 2012.

12. Whether the grants and similar aids to be awarded to Lessee will be considered as income from Puerto Rico sources or as a reduction to the basis of the assets so acquired, would be consistent to the treatment followed for US tax purposes when PR law is silent.

13. The qualification requirements of an employee retirement plan under the New P.R. Revenue Code would not take into consideration employees which continue to participate under a governmental retirement plan (the "Non-Participating Employees") and contributions made by Lessee to a governmental retirement plan on behalf of Non-Participating Employees would be deductible as ordinary and necessary business expenses under Section 1033.01 of the New P.R. Revenue Code.

14. Upward adjustments to the Leasehold Fee would be amortizable for the remaining term of the 15-year amortization period.

B. The parties hereto mutually agree that the matters determined in this agreement will be final and conclusive, subject, however, to reopening in the event of fraud, malfeasance or misrepresentation of material fact, in accordance with Section 6051.07 of the New P.R. Revenue Code.

Signature Pages Follow

IN WITNESS WHEREOF, the parties have subscribed and executed this closing agreement, at San Juan, Puerto Rico, this 11 day of 12, 2012.

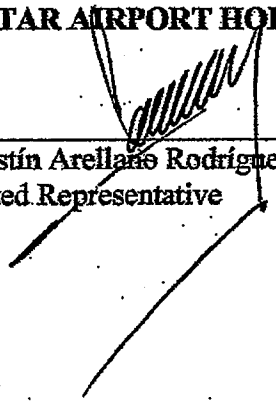
SECRETARY OF THE TREASURY

By: Blanca Alvarez Ramírez
Undersecretary of the Treasury of the Commonwealth of Puerto Rico

PUERTO RICO PORTS AUTHORITY

By: Jaime López Díaz
Executive Director

AEROSTAR AIRPORT HOLDINGS, LLC



By: Agustín Arellano Rodríguez
Authorized Representative

AEROSTAR AIRPORT HOLDINGS, LLC

By: Emmett McCann
Authorized Representative

SCHEDULE 12

OPERATING STANDARDS

[*See Attached*]

EXECUTION COPY

SCHEDULE A–OPERATING STANDARDS

Luis Muñoz Marín International Airport

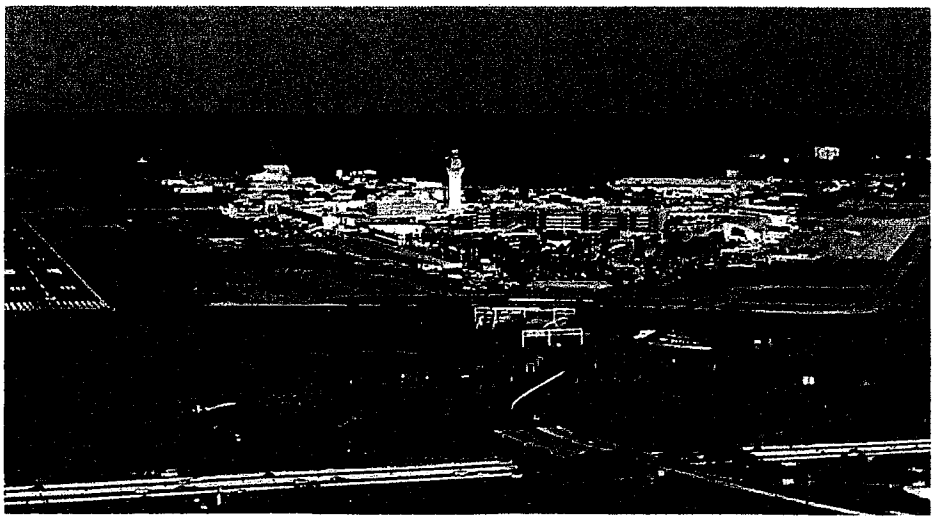
Prepared for

Puerto Rico Ports Authority and
Puerto Rico Public-Private Partnerships Authority
San Juan, Puerto Rico

July 24, 2012

PORTS AUTHORITY
COMMONWEALTH OF PUERTO RICO

PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY



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EXECUTION COPY

SCHEDULE A–OPERATING STANDARDS

Luis Muñoz Marín International Airport

Prepared for

Puerto Rico Ports Authority and
Puerto Rico Public-Private Partnerships Authority
San Juan, Puerto Rico

July 24, 2012

CONTENTS

Page

SECTION 1 INTRODUCTION AND BACKGROUND 1

1.1 Purpose of the Operating Standards 1
1.2 Operating Standards Overview 1
1.2.1 Objectives 2
1.2.2 Organizational Structure of this Document 2
1.2.3 Airport Certification Manual and Airport Emergency Plan 4
1.2.4 Coordination with Other Agencies 4
1.2.5 Required Reports 4
1.3 Operating Standards Subject to Lease Agreement and Airport Use Agreement 5
1.4 Relationship to Documents Required by Law 5
1.5 Applicable Law 6
1.6 Plan Submission and Revisions; Compliance with Best Industry Practices 6

SECTION 2 FACILITIES STANDARDS PLAN 8

2.1 Background 8
2.2 Regulatory Compliance 8
2.3 Existing Plans 8
2.4 Requirements of the Plan 8
2.4.1 Objectives of FSP 9
2.4.2 Essential Staffing 9
2.4.3 Stakeholders 9
2.4.4 Scope of Plan 9
2.4.5 Performance Schedule 18
2.4.6 Reporting Requirements 18

SECTION 3 AIRFIELD OPERATING STANDARDS PLAN 20

3.1 Background 20
3.2 Regulatory Compliance 20
3.3 Existing Plans 20
3.4 Requirements of the Plan 20
3.4.1 Objectives of AOSP 21
3.4.2 Essential Staffing 21
3.4.3 Stakeholders 21

3.4.4 Scope of Plan 21
3.4.5 Performance Schedule 27
3.4.6 Reporting Requirements 27

SECTION 4 CAPITAL ASSET MANAGEMENT PLAN 29

4.1 Background 29
4.2 Regulatory Compliance 29
4.3 Existing Plans 29
4.4 Requirements of the Plan 29
4.4.1 Objectives of CAMP 29
4.4.2 Essential Staffing 30
4.4.3 Stakeholders 30
4.4.4 Scope of Plan 30
4.4.5 Performance Schedule 31
4.4.6 Reporting Requirements 31
4.4.7 Retention of Engineering Firm for the FCA 36

SECTION 5 ENVIRONMENTAL SUSTAINABILITY PLAN 37

5.1 Background 37
5.2 Regulatory Compliance 37
5.3 Existing Plans 37
5.4 Requirements of the Plan 37
5.4.1 Objectives of ESP 37
5.4.2 Essential Staffing 38
5.4.3 Stakeholders 38
5.4.4 Scope of Plan 38
5.4.5 Performance Schedule 40
5.4.6 Reporting Requirements 40

SECTION 6 SAFETY PLAN 41

6.1 Background 41
6.2 Regulatory Compliance 41
6.3 Existing Plans 41
6.4 Requirements of the Plan 41
6.4.1 Objectives of the Safety Plan 41
6.4.2 Essential Staffing 42
6.4.3 Stakeholders 42
6.4.4 Scope of plan 42
6.4.5 Performance Schedule 45
6.4.6 Reporting Requirements 46

SECTION 7 WILDLIFE HAZARD MANAGEMENT PLAN 47

7.1 Background 47
7.2 Regulatory Compliance 47
7.3 Existing Plans 47
7.4 Requirements of the Plan 47
7.4.1 Objectives of WHMP 48
7.4.2 Essential Staffing 48
7.4.3 Stakeholders 48
7.4.4 Scope of Plan 48
7.4.5 Performance Schedule 49
7.4.6 Reporting Requirements 49

SECTION 8 AIRPORT SECURITY PROGRAM 50

8.1 Background 50
8.2 Regulatory Compliance 50
8.3 Existing Plans 51
8.4 Requirements of the Plan 51
8.4.1 Objectives of ASP 51
8.4.2 Essential Staffing 51
8.4.3 Stakeholders 51
8.4.4 Scope of Plan 51
8.4.5 Performance Schedule 54
8.4.6 Reporting Requirements 54

SECTION 9 AIRPORT EMERGENCY PLAN 56

9.1 Background 56
9.2 Regulatory Compliance 56
9.3 Existing Plans 56
9.4 Requirements of the Plan 57
9.5 Objectives of the AEP 57
9.6 Essential Staffing 57
9.7 Stakeholders 59
9.8 Scope of Plan 59
9.8.1 General Information 59
9.8.2 Basic Plan 59
9.8.3 Functional Annex Requirements 60
9.8.4 Hazard Specific Annex Requirements 62
9.8.5 SOPs and Checklists 63
9.8.6 Performance Schedule 63
9.8.7 Reporting Requirements 63

SECTION 10 CUSTOMER SERVICE PLAN 64

10.1 Background 64
10.2 Regulatory Compliance 64
10.3 Community Relations Programs 64
10.3.1 Artwork 64
10.3.2 Chapel 65
10.3.3 Tourism 65
10.4 Existing Plans 65
10.5 Requirements of the Plan 65
10.5.1 Objectives of CSP 65
10.5.2 Essential Staffing 65
10.5.3 Stakeholders 66
10.5.4 Scope of Plan 66
10.5.5 Performance Schedule 68
10.5.6 Reporting Requirements 68

APPENDIX A AIRPORT CERTIFICATION MANUAL 69

APPENDIX B AIRPORT EMERGENCY PLAN 70

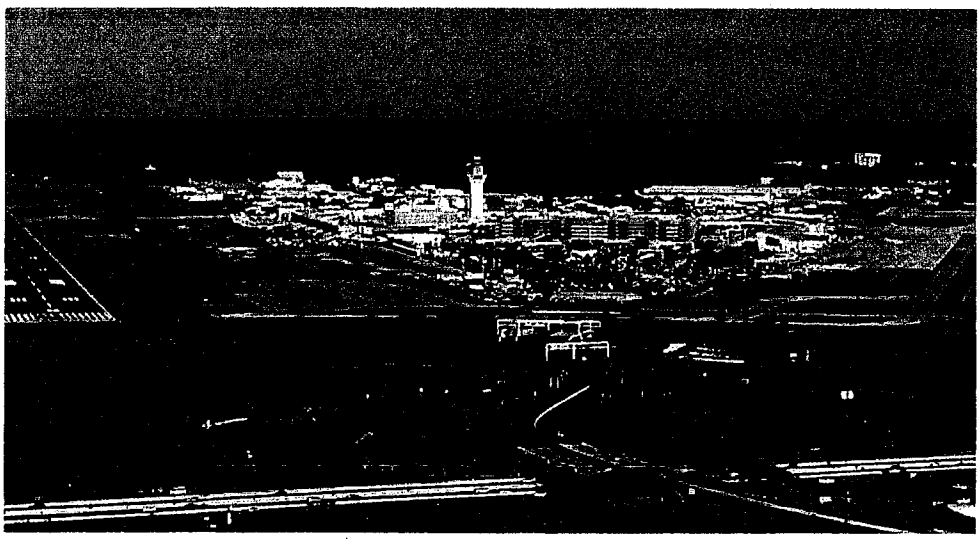
APPENDIX C AVAILABLE GUIDANCE AND STANDARDS 71

APPENDIX D FORM OF OPERATIONAL PERFORMANCE METRICS REPORT: 1

Section 1

INTRODUCTION AND BACKGROUND

This section of the Operating Standards describes the purpose of the Operating Standards, its approval mechanism, and an overview of the document's organizational structure.



1.1 PURPOSE OF THE OPERATING STANDARDS

The purpose of this document is to provide the minimum requirements the Lessee shall meet for the benefit of the Commonwealth of Puerto Rico, the Puerto Rico Ports Authority (the Authority), and the Airlines in the operation and maintenance of the Airport, how the achievement of those minimum standards will be determined, and the process for remedying any deficiencies of performance. As indicated in Section 3.4 of the Airport Use Agreement, this document:

> *[S]hall include requirements of safety, security, airfield operations, maintenance, ground access and other matters necessary and appropriate to assure that all aspects of the Airport are operated at the highest levels…The Lessee shall have in place procedures that are reasonably designed to achieve compliance with the Operating Standards.*

1.2 OPERATING STANDARDS OVERVIEW

This document provides guidance as to the development of an Operations Plan that will ensure that minimum operating standards are met or exceeded, ensuring the safe and continuous operation of the Airport.

1.2.1 Objectives

The Airport must be operated and maintained such that it meets or exceeds certain minimum standards. The Lessee shall comply with reasonable performance measures that are both quantitative and qualitative in nature, unless and except to the extent that acts or omissions of an Airline, the Authority, a Governmental Authority or a Force Majeure Event impede or prevent the Lessee from so complying. The Operating Standards shall be construed flexibly in light of their objectives. The quantitative measurements are based on operating statistics and physical inventories, while the qualitative measurements are based on user perceptions and expectations.

- Quantitative measurements will be collected and assessed by tracking a variety of airport operating and physical statistics.
- Qualitative measurements will be collected through surveys of airport users, visual observations, and by reporting procedures established by the Authority and the Lessee.

The performance measures identified in this report are separated into several categories intended to capture various aspects of the Airport's operating performance. They include trend data on air traffic demand and physical airport facilities, statistical performance metrics, quality of service measures, condition of airport facilities, regulatory compliance, community relations, and others. The Lessee is expected to collect all relevant data and to demonstrate compliance with all standards identified in this manual.

1.2.2 Organizational Structure of this Document

This document, coupled with the Airport Certification Manual (ACM) and Airport Emergency Plan (AEP), provides the Lessee with the minimum operating standards for the development and implementation of an Operations Plan for the Airport.

The Operations Plan must include specifications for the operation of all Airport facilities and systems, as well as reporting requirements for the same. The Operations Plan must address each of the following functional components of the Airport, as follows:

- Facilities Standards Plan (Section 2)
- Airfield Operating Standards Plan (Section 3)
- Capital Asset Management Plan (Section 4)
- Environmental Sustainability Plan (Section 5)
- Safety Plan and Safety Management Systems Plan (Section 6)

- Wildlife Hazard Management Plan (Section 7)
- Airport Security Program (Section 8)
- Airport Emergency Management Plan (Section 9)
- Customer Service Plan (Section 10)

This document also includes four appendices as follows:

- Airport Certification Manual (Appendix A)
- Airport Emergency Plan (Appendix B)
- Available Guidance and Standards (Appendix C)
- Form of Operational Performance Metrics Report (Appendix D)

Each individual component of the Operations Plan must address the following set of requirements:

- Objective of the plan – a straightforward statement of the objective of the plan
- Essential staffing – minimum staffing levels required and identification of key personnel, roles and responsibilities
- Stakeholder coordination – identification of the affected stakeholders and the Lessee's coordination plan
- Scope of plan – identification of the physical facilities or operating procedures that are covered by the plan and the efforts involved in executing the plan
- Performance schedule – the frequency/schedule for which various tasks must be executed for the requisite operation or procedure
- Reporting requirements – the scope of reporting and auditing that is required to ensure the plan requirements are being met or exceeded, as well as the specifications and methods for reporting.

Accordingly, this document provides an individual section including guidance as to the minimum requirements that must be addressed for each of these functional areas within the Operations Plan that the Lessee must develop.

1.2.3 Airport Certification Manual and Airport Emergency Plan

As a Part 139 certificated airport, the Airport has an approved Airport Certification Manual (ACM) in place. In addition, the Airport has an approved Airport Emergency Plan (AEP), as required by Part 139. The Lessee will maintain the Airport in compliance with Federal Aviation Regulation Part 139, the ACM, and the AEP. The Operations Plan, at a minimum, shall define the procedures that the Lessee should execute to meet the requirements of the ACM and AEP.

As a condition of Closing under the Lease Agreement, the FAA shall have approved the ACM and AEP, which shall apply to the Airport as of the Time of Closing and shall replace the existing Appendix A and Appendix B (it being understood that such appendices shall continue to be updated as revised documents are approved during the Term).

1.2.4 Coordination with Other Agencies

At a minimum, the Lessee must coordinate as appropriate with the following entities:

- Puerto Rico Ports Authority (the Authority)
- Federal Aviation Administration (FAA)
- Transportation Security Administration (TSA)
- Airport Security Coordinator (ASC)
- Customs and Border Protection (CBP)
- Passenger and cargo airlines
- General aviation tenants
- Airport concessionaires
- Other ancillary supporting third party companies
- United States Environmental Protection Agency (USEPA)
- United States Department of Agriculture (USDA)
- Local law enforcement

1.2.5 Required Reports

This document requires a number of reports to be generated on a regular basis. An Lessee Annual Report shall summarize the findings of each of the reports with the exception of the Security Assessment Report. The Lessee Annual Report will

summarize year over year traffic numbers, safety incidents, projects or other improvements undertaken or completed throughout the year, and the capital improvement program. The individual reports that comprise part of the Lessee Annual Report include:

- Operational Performance Report (see Section 2)
- Facilities Conditions Assessment (see Section 4)
- Air Traffic Summary (see Section 4)
- Capital Improvement Program (see Section 4)
- Sustainability Report (see Section 5)
- Safety Assessment Report (see Section 6)
- Emergency Report, if applicable, (see Section 9)
- Level of Service Report (see Section 10)

The Airport Lessee shall also prepare a Security Assessment Report; however, this need not be summarized in the Annual Report. In addition, the Sustainability Report, Safety Assessment Report, Emergency Report, and Level of Service Report need not be stand-alone documents. These can be produced as sections of the Lessee Annual Report. Outlines for each of these reports are provided in Appendix D.

1.3 OPERATING STANDARDS SUBJECT TO LEASE AGREEMENT AND AIRPORT USE AGREEMENT

The interpretation of these Operating Standards and the Airport Lessee's compliance with these Operating Standards (including any goals contained herein and any provisions where objective performance is described in absolute terms (i.e., "all", "every", "in all instances", "completely", etc.)) shall be subject to the provisions set forth in Section 6.1 of the Lease Agreement and Section 3.4 of the Airport Use Agreement. Furthermore the Operating Standards shall be subject to Section 8.5 of the Airport Use Agreement.

1.4 RELATIONSHIP TO DOCUMENTS REQUIRED BY LAW

To the extent the Lessee's compliance with any provision of these Operating Standards can be demonstrated by reference to any other document required by Law to be maintained by the Lessee, such as the Airport Certification Manual, the Airport Emergency Plan or the TSA-approved Airport Security Program, the Lessee's compliance with the relevant provisions of these Operating Standards may be demonstrated by cross-referencing any other such documents and providing such documents to the Authority and each of the Signatory Airlines, to the extent

permitted by applicable law, and provided further that neither the Airlines nor the Authority object to the process of cross-referencing and providing such documents to the Authority and Signatory Airlines.

To the extent that any term or provision of these Operating Standards conflicts with any term or provision otherwise specified in the Federal Aviation Regulations ("FARs"), FAA Orders, directives, Advisory Circulars, and other FAA guidance and the Airport Certification Manual (including any subsequently-issued amendments thereto as issued by the FAA or the TSA-approved Airport Security Program (including any subsequently issued requirements thereunder as issued by the TSA)), then such term or provision of the Operating Standards shall be construed flexibility in light of their objectives, and the Airport Certification Manual, the TSA-approved Airport Security Program, FARs, FAA Orders, directives, and mandatory FAA Advisory Circulars as applicable, shall govern and shall supersede any such conflicting term or provision of these Operating Standards.

Lessee's obligation to comply with the FAA's guidance or Advisory Circulars extends only to FAA guidance and Advisory Circulars for which the FAA has made compliance mandatory on airport operators. To the extent that any FAA guidance or Advisory Circular is not mandatory, the Lessee is not obligated to comply with it (by virtue of such FAA guidance or Advisory Circular), but may do so in its discretion.

To the extent that these Operating Standards refer to any particular law, regulation, ordinance, order, directive, FAA guidance or Advisory Circular, the reference is to the then-current version of the same, as it may have been amended, revised, replaced or succeeded from time to time.

1.5 APPLICABLE LAW

The provisions of the Operating Standards and of the Operations Plan established under them shall comply with all applicable laws, rules, regulations, ordinances, orders and directives. For convenience, these are referred to as "Legal Requirements" throughout this document.

1.6 PLAN SUBMISSION AND REVISIONS; COMPLIANCE WITH BEST INDUSTRY PRACTICES

The Operations Plan, each of its component sections and any modifications thereto must comply in all material aspects with best industry practices in effect at Comparable Public Airports and shall be developed by the Lessee in consultation with the Authority and the Signatory Airlines. The Operations Plan and each of its component sections shall be revised at such times as described herein; *provided however*, that (i) the initial Capital Asset Management Plan shall be submitted by the Lessee for approval to the Authority in accordance with Section 4.1, (ii) revisions to

the Capital Asset Management Plan shall be submitted by the Lessee annually for approval to the Authority in accordance with Section 4.4.5 and (iii) any payments for capital improvements by the Airlines shall be subject to Section 6.3 of the Airport Use Agreement.

Contemporaneously with the submission of the Lessee Annual Report, the Lessee shall submit any proposed modification to the Operating Standards to the Authority and the Airlines. Any changes to the Operating Standards and these documents are subject to the requisite approvals (if any) required under the Use Agreement and the Lease Agreement.

The Lessee is responsible for becoming familiar with future standards and regulations that may be applicable during the term of the concession, including best practices that apply to the design, operation, upkeep, and maintenance of the Airport. The Operations Plan, each of its component sections and any modifications thereto must comply in all material aspects with best industry practices in effect at Comparable Public Airports.

1.7 GENERAL STAFFING REQUIREMENTS

The staff levels required shall be determined by the needs of the Lessee to fulfill its maintenance, operation, and contractual obligations as well as statutory and regulatory requirements under the Use Agreement, applicable Law, the Operating Standards and the Operating Plan then in effect. The Lessee must also comply with the staffing and training requirements set forth in CFR Part 139.

The Airport is a 24-hours-per-day, 365-days-per-year operation. For this reason, the Lessee shall recognize the need to have variable work shifts, employees, supervisors, and personnel so as to maintain constant operations consistent with the levels of operations at the Airport at such times (with the understanding that the Lessee may make reasonable judgments as to when increased or decreased staffing levels are appropriate). The Lessee shall create work shifts that ensure the continual operation of the Airport. Staff requirements shall be based upon the actual and anticipated needs of the Airport.

Section 2

FACILITIES STANDARDS PLAN

2.1 BACKGROUND

The Facilities Standards Plan (FSP) shall provide assurance to the Authority and the airlines that the Lessee is executing appropriate and timely actions that maintain the safe and continuous operation of the Airport. The FSP shall be developed and executed by the Lessee, and submitted to the Authority for approval. The FSP shall address both the *operation* and *maintenance* of all airport facilities except for those located on the airfield.

2.2 REGULATORY COMPLIANCE

The FSP shall identify and comply with all Legal Requirements. The Lessee must ensure that employees and representatives responsible for the operation of airport facilities comply with the provisions of the FSP and all Legal Requirements.

Title 14 Code of Federal Regulations, Parts 139.307, 139.327, 139.333, 139.339, and 139.343 prescribe the specific issues that a FSP must address. The Lessee shall ensure that its employees and representatives conducting airport maintenance procedures on its behalf comply with the provisions of the FSP and all Legal Requirements.

Appendix C contains a list of standards and regulations with which the Lessee must comply, at a minimum. The list is not intended to include all applicable standards and regulations – it is the responsibility of the Lessee to identify and comply with all existing standards and regulations as well as future best practices applicable to airport operations.

2.3 EXISTING PLANS

The Lessee shall utilize any available existing plans and descriptions of Airport facilities, systems, and procedures provided to it in the development of the FSP. The Lessee shall ensure that the FSP complies with the relevant standards within the ACM and AEP which, in addition to the requirements described herein, shall be considered minimum standards. The FSP shall also be developed in a manner consistent with the LMM Rules and Regulations, Resolution 82-13, dated October 21, 1982.

2.4 REQUIREMENTS OF THE PLAN

The FSP shall identify the plan's objectives, essential staffing, stakeholders, scope, performance schedule, and reporting requirements as described below.

2.4.1 Objectives of FSP

The objective of the facilities section of the Operations Plan is to establish policies and procedures to ensure the organized, efficient, continuous, and safe *operation* of all Airport facilities and associated systems. The FSP shall also define the responsibilities, procedures, minimum requirements, and best practices for the *maintenance* of all major Airport facilities and systems. The maintenance section of the Operations Plan should also provide guidance regarding the training of essential staff responsible for the maintenance of critical facilities.

2.4.2 Essential Staffing

An organizational chart shall be included in the FSP which identifies the essential staff responsible for each of the facilities covered under the FSP. The organizational chart should identify the titles, roles, and duties for each of the individuals responsible for the operation and administration of the various facilities.

The organizational chart shall be supplemented by a summary of the levels of staffing that would be provided for each of the facilities operations. The levels of staffing shall be identified for each season of operation, as the requirements should vary throughout the year in accordance with the work effort.

Current contact information shall be included for each essential staff member.

2.4.3 Stakeholders

The FSP shall identify all stakeholders (both public and private) that may be affected by the performance of the FSP and define any necessary applicable coordination with individual stakeholders. Stakeholders would include, but not be limited to: FAA, TSA, CBP, local law enforcement, ASC, airline tenants, general aviation tenants, third party landlords and their tenants, and other entities that operate on the Airport.

2.4.4 Scope of Plan

The FSP shall identify and address the operation and maintenance of all current and planned Airport facilities. This plan shall address all facilities besides those within the aircraft movement area on the airfield. The facilities that must be addressed within the FSP include the following primary Airport functional areas:

- Access roadway system, terminal curb front, and all on-Airport roadways;
- Vehicle parking facilities;
- Transportation parking and storage facilities
- Passenger terminals and concourses;

- Other on-Airport facilities (cargo buildings and facilities, maintenance buildings, central utility plant, law enforcement facilities, fueling facilities, and other on-Airport buildings).

The Plan must address Performance standards for operations, including quantitative and qualitative standards for performance and methods for remediation of sub-standard performance. The Lessee shall, a minimum, include the relevant standards for performance and descriptions of facilities, systems and activities contained in Appendix D (Form of Operational Performance Metrics Report) as requirements under this section.

Note that airfield facilities, systems, and procedures shall be addressed by the Lessee within the Airfield Operations Plan component of the Operations Plan (see Section 3). Operations of all other facilities on the Airport and their respective systems, components, and procedures shall be defined within the FSP.

Given the Airport is operational on a 24 hour basis throughout the entire year, the Lessee must define the management and operation of all major facilities such that planned and unforeseen interruption of normal operations is minimized to the maximum extent possible.

The FSP must also document:

- The inventory of all major facilities and systems, including identification of the type of facility (e.g. office space, aircraft hangar, et cetera);
- The staff (or third party) dedicated to the operation of each major facility and system;
- The staff (or third party) dedicated to the maintenance of each major facility and system;
- The routine maintenance program for all major facilities and systems, thereby ensuring the condition of said facilities will permit the continuous operation of the Airport;
- The schedule for major maintenance as an input to the Capital Asset Management Plan.

Operation and Maintenance of Facilities

The Lessee shall provide descriptions of the procedures required for the operation and maintenance of each Airport facility and system. At a minimum, the FSP shall include the following for each facility:

- An exhibit of the location and key functional components of the facility;

- A brief narrative description of the facility and its components;
- The immediate-, near-, and long-term needs of the facility in terms of its capital requirements;
- The minimal and optimal resources required to operate the facility in terms of staffing and equipment;
- The identification of the essential staff that is responsible for the supervision and organization of the facility;
- The routine maintenance plan for the facility in accordance with manufacturers' preventive maintenance requirements, where applicable (e.g. passenger loading bridges).

For routine operation and maintenance activities, the Lessee may, from time to time, temporarily or permanently close roadways, doorways, and other areas at the Airport including within the passenger terminal buildings; *provided* that, if time permits, the Signatory Airlines shall be consulted with regard to such closings in order to minimize the disruption of services being provided.

The following procedures and facilities shall also be addressed within the FSP. The performance standards included in Appendix D (Form of Operational Performance Metrics Report) shall be included in the development of the FSP.

- Custodial procedures – define the duties of each type of staff member (or third party entity), including the frequency of each duty and the areas for which each party is responsible.
- Airport concessions – subject to existing contracts as of the Closing, develop, in consultation with the Authority and the Airlines, an appropriate concessions program that includes national and local brands and a diverse selection of products and services. The concessions program shall offer a variety of products and services and quality, and shall incorporate the surveying of Airport users for ongoing evaluation of the program. The concessions program shall also provide for an appropriate allocation of pre-security and post-security concessions based on available operational data, facility space and facility constraints.
- General terminal operations – define the duties of Lessee personnel responsible for operation of the systems supporting the ticketing lobby, departure holdrooms, public circulation areas, baggage claim, and restrooms. The delineation of duties of the Lessee staff versus tenant staff should be clearly defined in tenant leases.
- Terminal Facility Utilization, including gate scheduling procedures, is described separately in Schedule F of the Airport Use Agreement.

- Cargo facility utilization including the primary hours of operation, automobile, truck, and aircraft parking requirements.

- Airport parking and ground transportation – provide the appropriate share of hourly, short-term, and long-term parking to accommodate demand.

- Ground transportation facility utilization – taxi, bus, and rental car facilities.

- General administration – the Lessee shall provide an organizational chart of the staff responsible for administration and operation of the Airport. Further, the Lessee should identify which, if any, Airport operations may be performed or handled by third party vendors, including but not limited to: custodial services, professional consulting services, and other general Airport support services.

- Landscaping and aesthetic goals. The Lessee shall prepare and submit to the Authority for approval a landscaping plan for the entire Airport campus. The landscaping plan should indicate areas for future landscape improvements, including the public entrance to the Airport and other areas of high visibility to the traveling public. The landscaping plan should address specific objectives, one of which would be to improve the overall aesthetics of the Airport campus from its existing condition. Specifically, the landscaping plan shall provide detail including minimum standards for landscaping of all facilities, landscaping maintenance plans for existing and proposed facilities, materials to be used, erosion control measures, landscape buffers, et cetera. The landscaping plan shall require that all proposed facilities include a provision of landscaping to reflect aesthetic values consistent with the objectives set forth in the landscaping plan. In addition, any facility that undergoes redevelopment or rehabilitation shall also be subject to the landscaping plan's minimum standards.

Operation and Maintenance of Systems

The Lessee shall provide descriptions of the various systems required for the operation of each Airport facility. At a minimum, the FSP shall include a description of the following systems for each facility, as appropriate:

- Mechanical, electrical and plumbing;

- Communications and information technology;

- Life safety systems (e.g. emergency communications, fire protection, security, backup systems);

- Civil engineering systems, including pavement drainage, traffic signals, pavement maintenance standards;

- Architectural systems (e.g. signage and way finding, structural);
- Public and private utility corridors, including sewer and water systems;
- Landscape systems (e.g. drainage, landscaping, and erosion control). The Lessee shall require erosion control measures that will be used during construction to minimize sediment run-off from the site. Proactive mitigation measures will be defined as part of the landscaping plan.

With regard to landscaping, the Lessee must maintain a log of the specific materials used (i.e. mulch, fertilizer) and their rate of application. All plants used shall be nursery grown. Prior to any excavation for landscaping (i.e. tree stump removal), the Lessee shall ascertain the locations of all underground structures and utilities and require that the personnel take precautions so as not to damage the infrastructure. Further, the Lessee shall specify the procedures to be followed in the event that utility infrastructure or other obstructions are encountered during excavation.

The maintenance plan for each of the systems shall also be addressed by this plan. Table 2-1 lists the basic functional areas of the Airport that the maintenance plan must address. The maintenance plan shall address scheduled preventive maintenance.

Table 2-1
FACILITIES MAINTENANCE PLAN FUNCTIONAL AREAS

Functional Area	Major Facilities and Systems
Passenger terminal and concourses	Architectural elements and systems
	Signage (both internal and external)
	Flooring
	Roof
	Landscaping and trash removal
	Environmental
	Civil and structural systems (including apron, vehicle parking lot, terminal curbfront, access roadway pavements)
	Mechanical systems, including HVAC
	Electrical systems, including controls and other automated systems, including emergency lighting and electrical systems
	Plumbing systems
	Life safety, fire protection and other emergency systems
	Passenger conveyance systems (including transport carts, escalators, elevators, and moving walkways)
	Passenger loading bridges
	Utility systems
	Communications systems
	Security systems
	Ground power systems for aircraft
	Preconditioned air systems for aircraft
	Potable water for aircraft

Functional Area	Major Facilities and Systems
On-Airport utility plant	Environmental
	Structural systems
	Mechanical systems
	Electrical systems, including controls and other automated systems
	Plumbing systems
	Life safety, fire protection and other emergency systems
	Utility systems
	Communications systems
Landside, roadway, and parking facilities	Ground access elements
	Utility systems
	Stormwater sewer systems
	On-Airport pavement, roads, and parking lots
	Landscaping and trash removal
	Commercial vehicle staging areas
	Cell phone lots
	Roadway signage
	Communications systems
	Bridges and structures
	Roadway and parking facility lighting
	Public and employee parking, public and employee on-airport transportation

Functional Area	Major Facilities and Systems
Other on-Airport facilities	Ground access elements
	Aircraft and vehicle fueling systems and associated storage facilities
	Cargo facilities, buildings, and aircraft parking apron
	Pavement
	Landscaping
	Architectural elements and systems
	Structural systems
	Mechanical systems
	Electrical systems, including controls and other automated systems
	Plumbing systems
	Life safety, fire protection and other emergency systems
	Passenger conveyance systems (including transport carts, escalators, elevators, and moving walkways)
	Utility systems
	Triturators
	Communications systems
	Security systems

Additional Detail on Critical Systems

The continuous operation of the Airport requires that certain critical systems must have detailed plans for their operational integrity. Chief among these systems are the life safety systems. Additional detail regarding the life safety systems standards is provided in this section.

With regard to life safety systems, the FSP must address the following individual components:

- Emergency communications, including the emergency intercom, telephones, radios, and other mobile communication devices;
- Fire protection and suppression, including: sprinkler systems; heat, smoke, and carbon dioxide detectors; and fire alarms;
- First response medical stations, including: first aid supplies and personnel; and automated external defibrillators;
- Security systems (also addressed within the Security Plan section of the Operations Plan), including: Airport and airfield access control and fencing; passenger security screening; video surveillance, emergency personnel identification, and random security procedures.

For each of the above, the FSP shall indicate: the operational procedures and policies that would be routinely executed to ensure that these systems are capable of operating without interruption, tested regularly for functionality and proper performance; and upgraded or improved as necessary.

With regard to the energy distribution systems, the FSP must address the procedures and policies employed by the Lessee to ensure that the energy distribution systems remain fully operational at all times.

The Plan must also address the Lessee's plan for enhancing reliability, providing redundancy in depth, arranging for backup equipment, staff, power, and others and any other action required in order to safeguard continuous operations. The FSP must address the following individual components:

- Electrical supply, including emergency lighting, backup generators.
- Mechanical systems, including: (i) heating, ventilation, and air conditioning (HVAC) systems; and (ii) plumbing systems.
- Computer systems necessary for routine operations, including appropriate redundancy, data back-up procedures, and power supply backups.

As with the life safety systems, these systems should be routinely tested for functionality and proper performance, and upgraded or improved as necessary.

2.4.5 Performance Schedule

From time to time the FSP section of the Operations Plan shall be revised by the Lessee to reflect a good faith effort to update the FSP as appropriate to maintain an accurate assessment of current Airport facilities.

2.4.6 Reporting Requirements

The Lessee shall report on the performance of various facilities on an annual basis in the form of an Operational Performance Report (OPR). The Lessee shall report on the quantifiable performance measures contained in the Form of Operational Performance Metrics Report, attached as Appendix D.

Passenger terminal facilities shall be evaluated in terms of:

- Area per passenger for certain functions (departure holdrooms, security queue);
- Passenger wait times (security screening, baggage retrieval, ticketing lobby);
- Passengers within the peak hour in the average day of the peak month;
- Target level of service and actual level of service.

The International Air Transport Association (IATA) defines levels of service for various facilities in their *Airport Development Reference Manual*, 9th edition, dated January 2004. The levels of service A through F are defined as follows:

- A – An Excellent level of service. Conditions of free flow, no delays and excellent levels of comfort.
- B – High level of service. Conditions of stable flow, very few delays and high levels of comfort.
- C – Good level of service. Conditions of stable flow, acceptable delays and good levels of comfort.
- D – Adequate level of service. Conditions of unstable flow, acceptable delays for short periods of time and adequate levels of comfort.
- E – Inadequate level of service. Conditions of unstable flow, unacceptable delays and inadequate levels of comfort.

- F — Unacceptable level of service. Conditions of cross-flows, system breakdowns and unacceptable delays; and unacceptable levels of comfort.

For those areas where the level of service can be quantified, the Lessee shall provide a level of service consistent with IATA level of service C or better. Some of the facilities or measures that can be quantified include: ticketing lobby check-in queue; walking distances; circulation areas; passport control; departure holdrooms; baggage claim; terminal curb front; and airport access roads.

Airport parking facilities shall be evaluated in terms of:

- Average day of the peak month occupancy of short-term, long-term and other parking facilities;
- Peak hour occupancy of short-term parking facilities;
- Holiday occupancy of short-term, long-term and other parking facilities (for ultimate spatial requirements).

The OPR shall also provide:

- Comparison of past performance to current performance;
- Comparison of current performance to established minimum standards;
- Recommendations on how to resolve deficiencies or service level concerns
- Documentation of operational or procedural changes made to improve performance of various facilities.
- Recommendations as to those facilities that require capital improvements to expand, modernize or otherwise reconfigure the facility for improved efficiency.

The OPR will be used in concert with the Facilities Conditions Assessment (FCA) as described in Section 4 to develop the Capital Improvement Program. An outline for the OPR is provided in Appendix D.

Section 3

AIRFIELD OPERATING STANDARDS PLAN

3.1 BACKGROUND

The Airfield Operating Standards Plan (AOSP) provides guidance for the management of airfield facilities and systems operations in a manner that minimizes deterioration and unforeseen breakdowns of the facilities or the activities necessary for safe and uninterrupted operation of the facilities. The AOSP shall address both the *operation* and *maintenance* of all airfield facilities and systems.

3.2 REGULATORY COMPLIANCE

The Lessee is responsible for identifying and complying with all existing Legal Requirements as well as future best practices applicable to the AOSP. The Lessee must ensure that employees and representatives responsible for the operation of airfield facilities and system operations comply with the provisions of the AOSP and all Legal Requirements.

Appendix C contains a list of standards and regulations with which the Lessee shall comply, at a minimum. The list is not intended to include all applicable standards and regulations – it is the responsibility of the Lessee to identify and comply with all existing standards and regulations as well as future best practices applicable to airport operations.

3.3 EXISTING PLANS

Guidance presented in this section is not intended to replace measures identified in any existing airfield operating or maintenance plans currently in-force at the Airport. The Lessee shall utilize any available existing plans and descriptions of Airport facilities, systems, and procedures provided to it in the development of the AOSP. The Lessee must ensure that the AOSP complies with the relevant standards within ACM and AEP which, in addition to the requirements described herein, shall be considered minimum standards.

3.4 REQUIREMENTS OF THE PLAN

The AOSP is intended to address the Lessee's efforts to manage its airfield facilities operations, and must reflect the need for maintenance; advance planning for upgrading or replacement of systems; positioning and maintaining backup or auxiliary equipment; performing timely replacements of unreliable equipment; and anticipating staffing needs to support facilities operations in order that the facilities will continually support all airfield operations. The AOSP shall also be developed in

a manner consistent with the LMM Rules and Regulations, Resolution 82-13, dated October 21, 1982.

3.4.1 Objectives of AOSP

The objective of the AOSP is to ensure that the Lessee establishes and implements predetermined processes and procedures in order to sustain the safe and continuous operation of the airfield and associated facilities at the Airport.

3.4.2 Essential Staffing

An organizational chart shall be included in the AOSP which identifies the essential staff responsible for each of the facilities covered under the AOSP. The organizational chart shall identify the titles, roles, and duties for each of the individuals responsible for the operation and administration of the various airfield facilities.

The organizational chart shall be supplemented by a summary of the levels of staffing that would be provided for each of the facilities operations. The levels of staffing shall be identified for each season of operation, as the requirements should vary throughout the year in accordance with the work effort.

Current contact information should be included for each essential staff member.

3.4.3 Stakeholders

The AOSP shall identify all stakeholders (both public and private) that may be affected by the performance of the AOSP and define any necessary applicable coordination with individual stakeholders. Stakeholders would include, but not be limited to: FAA, TSA, ASC, local law enforcement, Puerto Rico Air National Guard, airline tenants, general aviation tenants, local utility companies, and other entities that operate on the airfield.

3.4.4 Scope of Plan

This AOSP is intended to address the Lessee's efforts to manage its facilities operations and must reflect the need for maintenance; advance planning for upgrading or replacement of systems; positioning and maintaining backup or auxiliary equipment; performing timely replacements of unreliable equipment; and anticipating staffing needs to support facilities operations to ensure that the facilities will continually support all airfield operations.

The Lessee shall, at a minimum, include the relevant standards for performance and descriptions of facilities, systems and activities contained in Appendix D (Form of Operational Performance Metrics Report) under this section.

For the avoidance of doubt, the Operating Standards shall apply to ramp areas used by Cargo operators, whether or not such areas are leased to third parties.

Identification of Airfield Facilities

The AOSP shall identify and address the operation of all current and future airfield facilities as well as all facilities constructed in the future by using the identifications established in the Facilities Conditions Assessment (FCA) as specified in the Capital Asset Management Plan.

Operations and Maintenance of Airfield Facilities

The Lessee shall provide a detailed description of the activities occurring in and systems required for the operation of each airfield facility. The Lessee shall, at a minimum, include a description of the following for each facility:

- An exhibit of the location and key functional components of the facility;
- A brief narrative description of the facility and its components;
- The immediate-, near-, and long-term needs of the facility in terms of its capital requirements;
- The minimal and optimal resources required to operate the facility in terms of staffing and equipment;
- The identification of the essential staff or parties that are responsible for the supervision, organization, and maintenance of the facility;
- The routine maintenance plan for the facility.

The performance standards included in Appendix D (Form of Operational Performance Metrics Report) shall be included in the development of the AOSP.

The description of the operational requirements for each facility shall also include descriptions of the maintenance routines. In the conduct of routine airfield operations and maintenance, the Lessee may require the closure of certain facilities. In the case of closure of airfield facilities, the Lessee shall provide advance notice in accordance with the following:

- Upon not less than 120 days prior notice to the Signatory Airlines, the Lessee may, from time to time, temporarily or permanently, close Taxiways, Runways and ramp areas at the Airport; *provided* that in an emergency situation, no such prior notice of closure shall be required.
- Except in an emergency situation, not less than 14 days prior to the closure of any Taxiway, Runway or ramp area at the Airport, the Lessee shall confirm to the Signatory Airlines in writing the dates of such closure.

Operations and Maintenance of Airfield Systems

The AOSP must address, describe, and outline the methods and procedures that the Lessee will employ in the operation and maintenance of airfield facility systems. The AOSP must include, at a minimum, the following concerning the various systems within each facility, and any relevant special considerations in developing the plan for that system:

- Airfield condition and navigation systems, including airfield pavements, navigational aids, pavement marking, runway and taxiway lighting, obstruction lighting, airfield signage, safety, stormwater management, and landscaping;
- Aircraft fueling storage and distribution system;
- Ground equipment fueling facilities;
- Life safety systems, including aircraft rescue and firefighting, fire protection, emergency systems, emergency communications systems, and security and access control systems;
- Electrical systems, including communications systems, lighting, and back up;
- Other utility systems;
- Architectural systems;
- Signage and graphical communications systems.
- Identification of improvements to enhance the capability of the airport to respond to natural or manmade disasters.

The description of the operational requirements for each system shall also include descriptions of the maintenance routines. Table 3-1 lists the basic functional areas of the airfield that the maintenance plan must address.

Table 3-1

AIRFIELD MAINTENANCE PLAN FUNCTIONAL AREAS

Major Facilities and Systems
Airfield condition and navigation systems, including airfield lighting and signage not maintained by FAA
Life safety systems
Electrical systems, including lighting, communications and backup equipment
Mechanical systems
Utility systems
Communications systems
Security systems
Airfield pavements, including runways, taxiways, aprons, and vehicle service roads
Landscaping
Aircraft and vehicle fueling systems and associated storage facilities
Ground equipment fueling facilities
Ramp handling equipment
Airfield drainage systems, including the stormwater sewer system
Trees/landscaping

Additional Detail on Critical Systems

The Lessee shall, at a minimum, describe a plan for the continuous operation of the following critical systems:

Life Safety Systems. These systems provide the safety, communication, and life preserving components that must be operated for the Airport to function as intended. The AOSP shall specify the operational procedures and policies that would be routinely executed to ensure that these systems are capable of operating without interruption, tested regularly for functionality and proper performance, and upgraded or improved as necessary.

Communication systems. These systems must be operated and maintained to ensure their continual operation. The system may include: (1) intercoms; (2) telephones; (3) communication radios; and (4) wireless and mobile communications.

Security and access control systems. These systems must be operated and maintained in accordance with the security plan (see Section 8). The system may include the following components: (1) access control; (2) video surveillance and closed-circuit television technology; and (3) video analytics and alarms. The operational plan for these systems should be developed in coordination with the ASC, airport security personnel, the TSA, local law enforcement, and Airport fire fighting personnel. The plan should outline procedures for random security checks, checkpoint procedures, and security surveillance. This operational plan will also address training requirements; the Airport credentials process for Airport employees, airline employees, tenant employees; and response requirements and a penalty program.

Energy distribution systems. The AOSP must address the procedures and policies employed by the Lessee to ensure that the energy distribution systems remain fully operational at all times. The AOSP must also address the Lessee's plan for providing redundant systems, including arranging for backup equipment and staff in the event of unforeseen interruptions to the energy distribution system. This section of the AOSP must address each component of the electrical supply, including (1) substations; (2) electrical panels; (3) circuit panels; and (4) backup equipment and generators. It must also address aircraft and ground equipment fueling and storage facilities. The operational plan for the energy distribution system should be coordinated with the local utility companies.

Operational Management of Airfield Procedures

The AOSP must address and describe how the Lessee will perform the airfield procedures and their utilization of Airport facilities and systems. In the description of each of the airfield procedures and their utilization of various facilities and systems, the AOSP shall include:

- An exhibit of the location(s) where the activity occurs;
- A brief narrative description of the activity;
- The required equipment necessary to execute the activity, including the purpose, ownership status, and condition of the equipment;
- Procedures for maintaining the equipment, including vehicles, machinery and tools;
- A method for accounting for any equipment needs;
- Staffing and training to execute the activity, including the list of essential staff, work schedules and shifts, job descriptions and responsibilities, and training schedules;
- Procedures for handling and disposing of hazardous or toxic materials, and the cleanup of any hazardous material spills;
- Standards for incident response and reporting;
- Standards for Occupational Safety and Health Administration (OSHA) compliance, health and safety, and training.

Description of Airfield Procedures

The Lessee shall address the airfield procedures listed below, at a minimum within the AOSP. The majority of airfield procedures involve the routine maintenance of the airfield's facilities and systems.

- Operations on the airfield and associated training requirements: this will describe the regulations regarding ground vehicle and pedestrian movement in the Air Operations Area (AOA) and other aircraft movement areas, including the terminal apron to prevent incursions and promote overall safety. It should also include procedures for expeditious removal of foreign object debris (FOD);
- Operations on the terminal apron and associated training requirements: the operation of ground service equipment and baggage handling to promote overall safety;
- Inspection of airfield facilities and systems by airport personnel: this will specify the regimen for inspection of facilities and systems in terms of timing and scope;

- Aircraft fueling and fuel storage: this will specify the procedures and best practices to be followed during aircraft fueling and the transport and storage of aircraft fuel, including fuel spill cleanup procedures;
- Wildlife hazard management: the procedures related to the management of wildlife hazards are addressed in detail within Section 7 of this document;
- Pavement friction testing and rubber removal;
- Routine and random security patrols;
- Coordination/management of relations with airline operators and other stakeholders.

3.4.5 Performance Schedule

From time to time the AOSP section of the Operations Plan shall be revised by the Lessee to reflect a good faith effort to update the AOSP as appropriate to maintain an accurate assessment of current airfield facilities and systems. Particular attention should be given to any new requirements or guidance issued by the FAA regarding airfield operations.

3.4.6 Reporting Requirements

The Lessee shall report on the performance of airfield facilities on an annual basis within the Operational Performance Report (OPR) as described in Section 2. The Lessee shall provide the quantifiable performance measures contained in the Form of Operational Performance Metrics Report, attached as Appendix D. The performance measures must address the following, at a minimum:

- Number of aircraft operations (yearly, monthly, peak hour);
- Number of aircraft operations by types of aircraft;
- Number of based aircraft;
- Peak hour operations/departures by commercial service aircraft;
- Operational delay statistics for departures and arrivals, including cause of delay;
- Aircraft diversions or other notable events, such as disabled aircraft;
- Identification of runway closures, including duration and cause;
- Summary of major airfield maintenance conducted, with special attention for any unforeseen maintenance.

The OPR shall also provide:

- Comparison of past performance to current performance;
- Comparison of current performance to established minimum standards;
- Documentation of operational or procedural changes made to improve performance of airfield facilities;
- Recommendations as to those facilities that require capital improvements to expand, modernize or otherwise reconfigure the facility for improved efficiency (i.e. taxiway improvements) or enhancements in response to disaster planning efforts.

The OPR will be used in concert with the Facilities Conditions Assessment (FCA) as described in Section 4 to develop the Capital Improvement Program.

Section 4

CAPITAL ASSET MANAGEMENT PLAN

4.1 BACKGROUND

The Capital Asset Management Plan (CAMP) section of the Operations Plan shall provide assurance to the Authority and the airlines that the Lessee is planning and implementing appropriate and timely actions that demonstrate fiscal responsibility and maintain and preserve the Airport assets while accommodating growth in aviation demand. The CAMP shall be developed and executed by the Lessee and submitted to the Authority for approval.

4.2 REGULATORY COMPLIANCE

The CAMP shall comply with all Legal Requirements. The Lessee must ensure that employees and representatives responsible for the operation of airport facilities comply with the provisions of the CAMP and all Legal Requirements.

Appendix C contains a list of standards and regulations with which the Lessee shall comply, at a minimum. The list is not intended to include all applicable standards and regulations – it is the responsibility of the Lessee to identify and comply with all existing standards and regulations as well as future best practices applicable to airport operations.

4.3 EXISTING PLANS

The Lessee shall utilize any available existing plans and descriptions of Airport facilities, systems, and procedures provided to it in the development of the CAMP. The Lessee must ensure that the CAMP complies with the relevant standards within the ACM and AEP which, in addition to the requirements described herein, shall be considered minimum standards.

4.4 REQUIREMENTS OF THE PLAN

The CAMP shall identify the plan's objectives, essential staffing, stakeholders, scope, performance schedule, and reporting requirements as described below.

4.4.1 Objectives of CAMP

The objective of the CAMP section of the Operations Plan is to preserve and provide for continuous improvement of all Airport facilities and systems by evaluating their conditions and planning their maintenance, rehabilitation, replacement, and/or modernization. The CAMP shall also provide guidance as to the priority of capital improvement projects and maintenance, with the most critical airport assets receiving the greatest attention.

4.4.2 Essential Staffing

An organizational chart shall be included in the CAMP which identifies the essential staff responsible for each of the facilities covered under the CAMP. The organizational chart should identify the titles, roles, and duties for each of the individuals responsible for the operation and administration of the various airfield facilities.

The organizational chart shall be supplemented by a summary of the levels of staffing that would be provided for each of the facilities operation. The levels of staffing should be identified for each season of operation, as the requirements should vary throughout the year in accordance with the work effort.

Current contact information shall be included for each essential staff member.

4.4.3 Stakeholders

The CAMP shall identify all stakeholders (both public and private) that may be affected by the performance of the CAMP and define any necessary applicable coordination with individual stakeholders. Stakeholders would include, but not be limited to: FAA, TSA, CBP, airline tenants, general aviation tenants, and other entities that operate on the Airport.

4.4.4 Scope of Plan

The CAMP shall identify and address all major capital assets on the Airport. The facility assets shall be described for the following primary airport functional areas:

- Airfield;
- Passenger terminals and concourses;
- Landside and roadway system;
- Other on-Airport facilities (maintenance buildings, central utility plant, other on-Airport buildings);
- Vehicle Parking facilities.

The CAMP shall outline asset management actions that are based on regularly scheduled conditions assessments, self-inspection routines, preventative and coordinated maintenance, capital improvements, expansion, modernization, and rehabilitation projects. The CAMP shall define the process for conducting regular condition assessments, reporting of results, and accounting for emerging trends at the Airport that could affect asset management.

4.4.5 Performance Schedule

The initial CAMP shall be submitted by the Lessee for approval to the Authority in accordance with Section 4.1. Revisions to the CAMP shall be submitted by the Lessee annually for approval to the Authority, and any payments for capital improvements by the Airlines shall be subject to Section 6.3 of the Airport Use Agreement.

4.4.6 Reporting Requirements

The CAMP shall specify the following reports to be prepared on an annual basis as described below in greater detail: Facilities Conditions Assessment (FCA) and Capital Improvement Program (CIP). In addition, as described below, the CAMP shall require the preparation of an Air Traffic Summary (ATS) on a monthly basis.

Facilities Conditions Assessment (FCA). The CAMP should outline the process for engaging a licensed professional engineering firm to prepare an annual FCA. All major facilities and systems shall be evaluated in the FCA. The FCA shall include, but not be limited to the following:

- Review of the prior year's FCA findings;
- Assessment of all on-Airport buildings relative to current codes and regulations, including those leased to third party landlords, from a safety and operational perspective: all health and safety issues must be identified for resolution by the Lessee as soon as possible;
- Assessment of all major equipment assets (e.g. tools and vehicles);
- Assessment of building mechanical, electrical, communication, and plumbing systems: this work should be carried out by a licensed engineering firm that specializes in building systems (see Section 4.4.7 for further information regarding the details regarding the retention of the licensed engineering firm);
- Field inspection of critical on-Airport utilities, including storm sewer, sanitary sewer, electrical, water, and communication;
- Field inspection of above and below ground storage tanks and maintenance recommendations;
- Field inspection of airfield pavements, including runways, taxiways, aircraft aprons, and vehicle service roads;
- Recommendations to the Lessee in terms of capital improvements that should be carried out immediately due to safety concerns, including, where appropriate, a reference to the applicable regulation regarding such improvements;

- Recommendations to the Lessee in terms of near-, intermediate- and long-term capital improvements.

The FCA shall be governed by a manual to be developed by the Lessee. The manual shall specify: the scope of the assessment, safety requirements for execution of the assessment, and the reporting standards for the deliverable. The findings of the FCA shall be communicated to the Authority and parties to the Airport Use Agreement.

The FCA shall classify the condition of the facilities assessed using the following categories:

- Excellent – no operational deficiencies, minimum standards exceeded;
- Good – minor operational deficiencies, minimum standards exceeded or met;
- Fair – minor operational deficiencies, most minimum standards met, some capital improvements or corrective actions should be considered, intermediate-term improvements should be identified;
- Poor – significant operational deficiencies, facility is failing to meet minimum standards, capital improvements or corrective actions must be taken in near-term;
- Critical – major operational deficiencies, urgent corrective action must be undertaken, and/ or safety issues are present. This category may also include improvements mandated by new laws or regulations.

The Lessee shall use all commercially reasonably efforts to maintain each facility or system in "Good" condition or better in the appropriate rating system used for inspection of that facility or system.

At a minimum, the inspection component of the FCA shall include the following categories of facilities and their respective major systems and elements as outlined in Table 4-1:

- Airfield
- Terminal and concourses
- Landside and other on-airport facilities

Table 4-1
FUNCTIONAL AREAS FOR INSPECTION

Functional Area	Major Systems and Elements
Airfield	Electrical systems, including airfield lighting, controls and other automated systems
	Mechanical systems
	Utility systems
	Communications systems
	Security systems
	Pavement
	Landscaping
	Aircraft and vehicle fueling systems and associated storage facilities
	Triturators
Terminal and concourses	Architectural elements and systems
	Signage
	Flooring
	Roofing
	Landscaping
	Environmental systems
	Structural systems
	Mechanical systems
	Electrical systems, including controls and other automated systems
	Plumbing systems
	Life safety systems: fire protection and other emergency systems

Functional Area	Major Systems and Elements
Terminal and concourses *(continued)*	Passenger conveyance systems
	Utility systems
	Communications systems
	Security systems
Cargo facilities	Automobile and truck parking areas
	Aircraft parking apron
	Buildings
Landside, roadway, and parking facilities	Ground access elements
	Utility systems
	Pavement
	Landscaping
	Commercial vehicle staging areas
	Cell phone lots
	Signage
	Communications systems
	Bridges and structures
	Roadway and parking facility lighting
	Vehicle parking lots

Air Traffic Summary (ATS). The Lessee shall supply the engineering firm engaged to conduct the FCA with a summary of the current year's capital improvements, as well as the ATS to inform the firm of emerging trends that could affect capital expenditures. The ATS shall provide monthly details regarding passenger enplanements, passenger deplanements, international passengers, domestic passengers, connecting passengers, origin-destination passengers, and passenger load factors. The ATS shall also include a monthly accounting of commercial aircraft operations (both passenger and cargo aircraft), general aviation aircraft operations, military aircraft operations, and landed weight for each. The ATS shall

also report enplaned and deplaned cargo tonnage. The ATS shall provide year-over-year and month-over-month comparisons for each of the data accounted therein.

Capital Improvement Program (CIP). The FCA and ATS shall form the basis of the CIP. The CIP shall outline the near-, intermediate-, and long-term projects planned to address the findings of the FCA and any other planning studies (e.g. master plan) conducted by the Lessees. The CIP should prioritize the projects, identify projects that are eligible for FAA funding, and identify the environmental requirements necessary for project implementation. The CIP shall be submitted to the Authority on an annual basis for their approval.

- For all facilities assessed within the FCA as fair, poor, or critical, a corrective action plan must be identified within the CIP. The improvements recommended as part of the action plan shall be prioritized, using the following categories:
- Critical – capital improvements shall be executed immediately or as soon as practical;
- High – capital improvements shall be executed in the near-term;
- Low – capital improvements may be warranted in the near-term to realize operational efficiencies, but may be elective to some extent.

The CIP shall provide a brief description of the planned capital improvements for the near-term (0-5 years), including the project justification. It shall also include a probable cost estimate for each of the planned capital improvements for all projects for the near- and intermediate-terms (0-10 years); including identification of probable funding sources. For the long-term, potential capital improvement projects (as they are identified) shall be listed along with order of magnitude cost estimates and ranked in terms of their priority.

The CIP shall include the following:

- Executive summary;
- Introduction and background;
- Summary of the methodology used to prioritize the capital improvements and identification of the studies or work done to identify the capital improvements;
- Recommendations for planned capital improvements for the next five years with the greatest detail regarding projects to be completed in the first year of the CIP.

4.4.7 Retention of Engineering Firm for the FCA

The Lessee must retain an independent and Licensed Professional Consulting Engineering Firm (Engineering Firm), not associated, owned or partnered with the Lessee, to perform the services associated with the conduct of the FCA. The Lessee shall engage firms that have experience with the kinds of structures, systems, and conditions consistent with the Airport's facilities. The Engineering Firm retained by the Lessee shall be registered and licensed with the Commonwealth of Puerto Rico, for Professional Engineering, Structural Engineering, and/or Architecture, for the appropriate Airport facilities.

The Lessee must submit the qualifications and experience of the Engineering Firm tasked to the Airport on an annual basis to the Authority. The Authority will retain the right to dismiss firms that do not meet the necessary requirements.

The same Engineering Firm can be retained for a maximum four-year duration at which time the Lessee must conduct a competitive based selection process to identify the Engineering Firm to be retained for the following term. The purpose of these requirements is to develop a fair, impartial, independent, and objective assessment of the condition of the Airport.

The Lessee and the Engineering Firm collectively shall be responsible for equipment, staffing, traffic control, outside testing services and supervision for all inspections associated with the conduct of the FCA. All inspection procedures and frequencies shall be in accordance with the policies of the Lessee and coordinated with stakeholders so as to result in the least operational disruption as reasonably possible. The Lessee and the Engineering Firm shall consistently inspect and regularly assess the current condition of all Airport structures and systems to ensure the continuous and uninterrupted operation of the Airport.

Section 5

ENVIRONMENTAL SUSTAINABILITY PLAN

5.1 BACKGROUND

Airports Council International-North America defines airport sustainability as *"a holistic approach to managing an airport so as to ensure the integrity of the Economic viability, Operational efficiency, Natural resource conservation, and Social responsibility (EONS) of the airport."*

Planning for sustainability generally means meeting the needs of the present without compromising the ability of future generations to meet their own needs.

5.2 REGULATORY COMPLIANCE

The Environmental Sustainability Plan (ESP) shall identify all Legal Requirements relevant to sustainability planning. Further, the Lessee will adopt the standards set forth by the United States Green Building Council (USGBC); Leadership in Energy and Environmental Design (LEED) as guiding criteria for achieving sustainable design in the development and remodeling of airport facilities. The Lessee must ensure that employees and representatives responsible for the sustainability planning comply with the provisions of the FSP and all Legal Requirements.

Appendix C contains a list of standards and regulations with which the Lessee shall comply, at a minimum. The list is not intended to include all applicable standards and regulations – it is the responsibility of the Lessee to identify and comply with all existing standards and regulations as well as future best practices applicable to Airport operations.

5.3 EXISTING PLANS

The Lessee shall utilize any available existing plans and descriptions of environmental sustainability standards in the development of the ESP section of the Operations Plan.

5.4 REQUIREMENTS OF THE PLAN

The ESP shall identify the plan's objectives, essential staffing, stakeholders, scope, performance timeframe, and reporting requirements as described below.

5.4.1 Objectives of ESP

The objective of the ESP section of the Operations Plan is to define responsibilities, procedures, and minimum requirements for the staff dedicated to sustainability,

thereby reducing the Airport's environmental footprint. The ESP shall also provide guidance regarding staff training targeted at sustainability.

5.4.2 Essential Staffing

An organizational chart shall be included in the ESP which identifies the essential staff responsible for each of the facilities covered under the ESP. The organizational chart shall identify the titles, roles, and duties for each of the individuals responsible for the operation and administration of the various airfield facilities.

The organizational chart shall be supplemented by a summary of the levels of staffing that would be provided for each of the facilities operations. The levels of staffing shall be identified for each season of operation, as the requirements should vary throughout the year in accordance with the work effort.

Current contact information shall be included for each essential staff member.

5.4.3 Stakeholders

The ESP shall identify all stakeholders (both public and private) that may be affected by the performance of the ESP and define any necessary applicable coordination with individual stakeholders. Stakeholders in the ESP, may include, but not be limited to the following:

- Airlines;
- Other Airport tenants and third party landlords;
- Passengers;
- Vendors;
- Federal/ State/ Regional/ Local government representatives;
- FAA, TSA, & U.S. Department of Transportation (USDOT);
- United States Environmental Protection Agency (USEPA);
- Non-governmental/ public interest organizations;
- Local businesses and community leaders.

5.4.4 Scope of Plan

Airport development and operations can become more sustainable by incorporating the following considerations into everyday practices: economic sustainability, operational efficiency, natural resource conservation, and social improvement.

Consistent with those considerations, the ESP will cover the following topics:

- Goal definition;
- Sustainability assessment;
- Program evaluation;
- Development / redevelopment;
- Staff training;
- Airport recycling plan.

Goal definition: This section of the ESP shall identify the Lessee's sustainability policies, including goals and objectives associated with the ESP. Goals and objectives for the landside and airside operations may include (but are not limited to): reducing emissions and noise exposure, water conservation, sustainable land use planning, disposal of hazardous materials, minimizing vehicular traffic, sustainable construction practices, maximizing renewable energy, sustainable waste disposal, and encouraging public participation. The goals definition should be informed by a baseline assessment of the existing condition. Potential goals include:

- "Net zero" waste management;
- Facility and building related goals;
- Use of green building materials and reuse and recycling of building materials;
- Landscaping and erosion control;
- Alternative energy and fuel sources;
- Ground handling, vehicle, and equipment related goals.

Sustainability assessment: This section of the ESP shall document current Airport operations, Airport sustainability practices, and environmental practices related to waste, recycling, energy use and conservation, water recycling, and materials procurement. The assessment must document all Lessee and tenant practices relevant to sustainability planning, including (but not limited to) aircraft movements, ground transportation vehicle movements, and maintenance activities.

Program evaluation: This section of the ESP shall define requirements for reviewing and evaluating all new Airport programs and projects. These requirements will ensure all four Sustainability Elements (EONS) are addressed in a balanced, holistic and measurable approach.

Development / redevelopment. The ESP shall identify criteria for reviewing tenant development/redevelopment projects and methods for providing incentives to encourage sustainable design features. This section will also include standards for all new leases, agreements, and contracts that support the Airport's sustainability goals.

Staff training. This section of the ESP shall identify the training program for the employees responsible for sustainability management. The goal of the training is to establish a work environment that supports innovation, productivity, pride, and a personal commitment to sustainability.

Recycling Plan. This section of the ESP shall provide the details of a recycling plan for waste disposal campus-wide. The plan should be developed consistent with the guidelines provided in "Developing and Implementing an Airport Recycling Program," authored by U.S. Environmental Protection Agency. At a minimum, the plan should provide for recycling of paper, plastic, glass, corrugated cardboard, and aluminum. The plan should include the placement of recycle bins for the collection of waste throughout the passenger terminal area, especially in high-traffic areas. The plan may also provide for the recycling of construction waste (e.g. concrete, wood), wooden pallets, tires, and electronics. The recycling plan should also provide the goals of the program, and a system for the annual monitoring of its performance, including the quantification of the generation of waste. Finally, the plan may also identify goals with regard to the procurement of recycled-content products.

5.4.5 Performance Schedule

From time to time the ESP shall be revised by the Lessee to reflect a good faith effort to make improvements in areas where sustainability goals have not been met to the standards of the Lessee, as identified in the annual reporting described in the following section.

5.4.6 Reporting Requirements

Reporting on sustainability performance allows the Lessee to measure and therefore manage Airport performance. Reporting on environmental, economic, and social sustainability performance annually demonstrates a commitment to accountability and ongoing improvement.

The Lessee shall prepare a Sustainability Report as part of the overall Annual Report. This report shall document the Airport's environmental goals and achievements, and measure progress against environmental goals and historical performance.

Section 6

SAFETY AND SAFETY MANAGEMENT SYSTEMS PLAN

6.1 BACKGROUND

The Safety Plan section of the Operations Plan shall provide the Authority the assurance that the Lessee will conduct all operations in a safe manner, protecting both employees and the general public. The Safety Plan should be developed and executed by the Lessee and submitted to the Authority for its approval.

6.2 REGULATORY COMPLIANCE

The Safety Plan shall identify and comply with all Legal Requirements. The Lessee must ensure that employees and representatives responsible for the operation of airport facilities comply with the provisions of the Safety Plan and all Legal Requirements.

Appendix C contains a list of standards and regulations with which the Lessee shall comply, at a minimum. The list is not intended to include all applicable standards and regulations – it is the responsibility of the Lessee to identify and comply with all existing standards and regulations as well as future best practices applicable to airport safety.

6.3 EXISTING PLANS

The Lessee shall utilize any available existing plans and descriptions of Airport facilities, systems, and procedures provided to it in the development of the Safety Plan. The Lessee must ensure that the Safety Plan complies with the relevant standards within the ACM and AEP which, in addition to the requirements described herein, should be considered the minimum standard.

6.4 REQUIREMENTS OF THE PLAN

The Safety Plan shall identify the plan's objectives, essential staffing, stakeholders, scope, performance schedule, and reporting requirements as described below.

6.4.1 Objectives of the Safety Plan

The objective of the Safety Plan is to ensure that the Lessee's practices prevent unsafe conditions for the general public and all airport employees and to provide the framework for identifying and mitigating safety issues as they arise.

The Safety Plan shall be modified or revised by the Lessee as appropriate to address specific issues, needs, or concerns related to the Airport that develop over time and as required by relevant authorities with jurisdiction.

6.4.2 Essential Staffing

An organizational chart shall be included in the Safety Plan which identifies the essential staff responsible for various components of its execution. The organizational chart shall identify the titles, roles, and duties for each of the individuals responsible for the operation and administration of the airfield, passenger terminal, and other major Airport facilities.

The organizational chart shall be supplemented by a summary of the levels of staffing that would be provided for each component of the Safety Plan. Current contact information shall be included for each essential staff member. In addition, the Safety Plan shall clearly designate the non-Lessee personnel that will be coordinated with in execution of the plan.

6.4.3 Stakeholders

The Safety Plan shall identify all stakeholders (both public and private) that may be affected by the performance of the Safety Plan and define any necessary applicable coordination with individual stakeholders. Stakeholders would include, but not be limited to: Lessee employees, FAA, TSA, airline tenants, general aviation tenants, general public, and other entities that operate on the Airport (e.g. ground service personnel).

6.4.4 Scope of plan

At a minimum, the Safety Plan shall provide:

- Guidance as to the necessary safety training that various Airport employees shall receive, including first aid training;
- A plan for implementation of a Safety Management System (SMS) addressing the safety of both the general public and Airport employees;
- Best practices for Airport employees to increase awareness of potential safety issues before they arise;
- Development and implementation of appropriate Letters of Agreement or other means of establishing appropriate safety practices and policies;
- A policy manual for Airport construction zones and other potentially hazardous areas, including guidance as to the use of information signage, physical barriers, traffic control infrastructure and other equipment to maintain a safe environment for the general public;
- A manual for self-inspection of facilities for safety issues in accordance with FAA Advisory Circular 150/5200-18C.

The Safety Plan shall also provide a graphical depiction of the areas that will be subject to execution of the plan.

Staff Training and Education

The Lessee shall conduct training to establish a safety culture and educate employees regarding safety issues. The training shall address the requirements and workplace standards of the OSHA.

The Safety Plan shall include the following at a minimum:

- Training that incorporates findings from the execution of the SMS;
- General training that covers OSHA standards and overall safety awareness for all Lessee employees, including executives;
- Training specific to the responsibilities of the employee, including identification of equipment required to execute specific tasks safely, safe driving of vehicles, and safe operation of equipment;
- Provision of safety training for new employees and the provision of recurrent safety training for all employees along with a typical schedule for such training;
- Provision of a lessons learned/case histories component;
- Establishment of procedures aimed at ensuring employees understand the safety policies and adhere to safe work practices;

The training shall also provide background regarding anticipated work activities and hazards, and the protocol that shall be followed should an incident occur.

Safety Management System

The Lessee shall prepare a comprehensive SMS in accordance with FAA Advisory Circular 150/5200-37 as the centerpiece of the Safety Plan. An SMS is critical to detect and correct safety problems before they happen. FAA defines an SMS as,

> *the formal top-down business-like approach to managing safety risk. It includes systematic procedures, practices, and policies for the management of safety (including safety risk management, safety policy, safety assurance, and safety promotion).*

In accordance with FAA Advisory Circular 150/5200-37, the SMS shall be defined in the Safety Plan and include the following elements: (1) safety policy and objectives; (2) safety risk management; (3) safety assurance; and (4) safety promotion. A brief synopsis of each is provided below.

Safety policy and objectives. The SMS shall include a formally expressed statement of the Lessee's safety policy. It shall indicate the Lessee management's commitment to the implementation of the SMS, continuous safety improvement, and the provision of the necessary resources. Further, the safety policy shall provide

encouragement of employees to report safety issues without fear of reprisal. The safety policy and objectives shall be prepared in accordance with Chapter 2 of FAA Advisory Circular 150/5200-37.

Safety risk management. The safety risk management (SRM) process identifies the hazards, determines potential risks, and designs appropriate risk mitigation strategies. The Safety Plan shall define the Lessee's plan to execute the SMS through the implementation of SRM principles. The SRM should be conducted in five phases: (1) describe the system being addressed; (2) identify potential hazards; (3) determine the risk; (4) assess and analyze the risk; and (5) treat the risk through mitigation and tracking. The SRM shall be prepared in accordance with Chapter 3 of FAA Advisory Circular 150/5200-37.

Safety assurance. Safety assurance includes self-auditing, external auditing, and safety oversight. Safety auditing provides a system for assessment of the Lessee's ability to meet its safety objectives. The safety audit shall be conducted to provide feedback to essential staff and managers regarding the safety of various operations conducted on the Airport. Further information regarding safety assurance can be found in Chapter 2 of FAA Advisory Circular 150/5200-37.

Safety promotion. Safety promotion includes safety training, safety communication, safety competency and continuous improvement. The Lessee shall define, as part of it safety promotion initiatives, workplace best practices to increase awareness of safety issues. Further information regarding safety assurance can be found in Chapter 2 of FAA Advisory Circular 150/5200-37.

Self-Inspection Program

The Lessee shall describe the self-inspection program as part of the Safety Plan in accordance with FAA Advisory Circular 150/5200-18C. The FAA recommends that the self-inspection program include:

- Regularly scheduled inspection of physical facilities which must be conducted daily at the airport in accordance with the ACM. If the Airport serves air carriers after dark, there should also be a nighttime inspection of lighting;
- Continuous surveillance inspection of certain Airport activities, such as fueling operations, construction, and airfield maintenance;
- Periodic condition inspection program for such things as surveying approach slopes, obstructions, et cetera; and
- Special condition inspections during unusual conditions or situations, such as changing weather or days with an unusually high number of aircraft operations.

Each of these types of inspections and their scope is described in detail within FAA Advisory Circular 150/5200-18C. The self-inspection program also shall indicate the procedure for reporting and correcting any deficiencies.

Additional Safety Plan Requirements

The Safety Plan shall address the following:

- Personal safety procedures for all major tasks for which Lessee employees are responsible, including identification of the protective equipment (e.g. hard hats, reflective vest, hearing protection, respiratory protection, and protective clothing/footwear);

- Work zone safety procedures, including identification of the minimum requirements for work zones (e.g. barricades to prevent incursion by public Airport patrons). The procedures shall identify necessary safety equipment that should be available for work zones, such as traffic cones, barricades, and signage;

- Medical treatment information, including identification of the location of medical treatment facilities at the Airport and procedures to follow in the event medical treatment is needed. Training in first aid shall also be required of all field Lessee employees;

- Safety incident protocol, including the steps that Lessee employees should follow in the event of an incident. The protocol shall include: (1) emergency contact information for immediate response, (2) forms for documenting incidents to provide a record of safety incidents to measure against and feedback for training purposes, and (3) information as to the Lessee staff that should be responsible for collecting said documentation;

- Hazardous or toxic materials protocols, including protocol for both spill prevention and spill cleanup. Further, the procedures and equipment necessary for the safe storage and handling of hazardous material should be specified. It shall also provide decontamination procedures for both Lessee employees and their equipment. The protocol should make reference to the Airport Emergency Plan as appropriate.

6.4.5 Performance Schedule

From time to time the Safety Plan shall be revised by the Lessee to reflect a good faith effort to make improvements in any areas which have been subject to safety incidents throughout the applicable time frame. The revisions shall be made in an attempt to prevent the same type of incident from recurring.

6.4.6 Reporting Requirements

The Lessee shall prepare a summary of safety performance on an annual basis for inclusion in the Annual Report. The reporting shall indicate the rate of safety incidents relative to historical data as well as identify any deficiencies that need to be corrected and projects undertaken during the year to correct any safety issues. Finally, the reporting shall summarize the findings from the self-inspection program.

Section 7

WILDLIFE HAZARD MANAGEMENT PLAN

7.1 BACKGROUND

In recognition of the increased risk of serious aircraft damage or the loss of human life that can result from a wildlife strike, greater emphasis is being placed on preparing airport Wildlife Hazard Management Plans (WHMP) that effectively deal with the problem.

7.2 REGULATORY COMPLIANCE

The WHMP shall identify all Legal Requirements. FAA Advisory Circular (AC) 150/5200-33, Hazardous Wildlife Attractants on or Near Airports, contains standards and procedures for wildlife hazard management at airports. The Lessee must ensure that employees and representatives responsible for the wildlife hazard management comply with these requirements.

Title 14 Code of Federal Regulations, Part 139.337, Wildlife Hazard Management, prescribes the specific issues that a wildlife hazard management plan must address for FAA approval and inclusion in the ACM.

Appendix C contains a list of standards and regulations with which the Lessee shall comply, at a minimum. The list is not intended to include all applicable standards and regulations – it is the responsibility of the Lessee to identify and comply with all existing standards and regulations as well as future best practices applicable to airport operations.

7.3 EXISTING PLANS

The Lessee shall utilize any available existing plans and descriptions of Airport facilities, systems, and procedures provided to it in the development of the WHMP. This document shall also comply with all measures specified within the existing Airport Safety Plan. The Lessee must ensure that the WHMP complies with the relevant standards within ACM and AEP which, in addition to the requirements described herein, should be considered the minimum standard.

7.4 REQUIREMENTS OF THE PLAN

The first step in preparing the Airport WHMP is to conduct a Wildlife Hazard Assessment. The Wildlife Hazard Assessment, conducted by a wildlife damage management biologist, provides the scientific basis for the development, implementation, and refinement of a WHMP.

When complete, the Wildlife Hazard Assessment is submitted to the FAA for evaluation and a determination of whether a WHMP needs to be developed for the Airport. In reaching this decision, the FAA will consider the Wildlife Hazard Assessment, the aeronautical activity at the Airport, the views of the certificate holder and Airport users, and any other pertinent information (14 CFR 139.337 (d)(1-6)).

At a minimum, the Lessee shall develop and implement a plan to deal with any hazardous wildlife attractants or situations identified in the Wildlife Hazard Assessment.

7.4.1 Objectives of WHMP

The objective of the WHMP is to promote aviation safety for passengers and flight crews by reducing wildlife hazards and associated risks to aircraft and Airport operations caused by wildlife activities on and in the vicinity of the Airport.

7.4.2 Essential Staffing

An organizational chart shall be included in the WHMP which identifies the essential staff responsible for each of the facilities covered under the WHMP. The organizational chart shall identify the titles, roles, and duties for each of the individuals responsible for the operation and administration of the various airfield facilities.

The organizational chart shall be supplemented by a summary of the levels of staffing that would be provided for each of the facilities operation. The levels of staffing shall be identified for each season of operation, as the requirements should vary throughout the year in accordance with the work effort.

Current contact information shall be included for each essential staff member.

7.4.3 Stakeholders

The WHMP shall identify all stakeholders (both public and private) that may be affected by the performance of the WHMP and define any necessary applicable coordination with individual stakeholders. Stakeholders include: airline and general aviation pilots, United States Department of Agriculture, and FAA.

7.4.4 Scope of Plan

The WHMP shall include, at a minimum, the following information:

- The persons who have authority and responsibility for implementing the plan;
- Priorities for needed habitat modification and changes in land use identified in the ecological study with target dates for completion;

- Habitat/population management recommendations;
- Requirements for and, where applicable, copies of local, state and Federal wildlife control permits;
- Identification of resources to be provided by the certificate holder for implementation of the plan;
- Procedures to be followed during air carrier operations;
- Assignment of personnel responsibilities for implementing the procedures;
- Conduct of physical inspections of the movement areas and other areas critical to wildlife hazard management sufficiently in advance of air carrier operations to allow time for wildlife controls to be effective;
- Wildlife control measures, both lethal and non-lethal;
- Communication, coordination and training for wildlife control personnel and any air traffic control tower in operation at the Airport;
- Coordination with off-Airport businesses to prevent the proliferation of wildlife attractants in the vicinity of the Airport.

Periodic evaluation and review of the wildlife hazard management plan for:

- Effectiveness in dealing with the wildlife hazard
- An understanding of the current data trends, including the number of bird strikes and other wildlife hazard events that occur on or near the Airport;
- Indications that the existence of the wildlife hazard, as previously described in the ecological study, should be reevaluated;
- A training program to provide Airport personnel with the knowledge and skills needed to carry out the wildlife hazard management plan.

7.4.5 Performance Schedule

From time to time the WHMP shall be revised by the Lessee to reflect a good faith effort to update the WHMP as appropriate to maintain an accurate assessment of wildlife hazards on or near the Airport.

7.4.6 Reporting Requirements

The Lessee shall notify the FAA in writing of known or reasonably foreseeable land use practices on or near the Airport that either attracts or may attract hazardous wildlife.

Section 8

AIRPORT SECURITY PROGRAM

8.1 BACKGROUND

An Airport Security Program (ASP) identifies the roles and security responsibilities of the Lessee, law enforcement participation, and other Airport users in terms of what each must do, how they must do it, and what resources must be committed to security, including the qualifications of security and law enforcement personnel.

8.2 REGULATORY COMPLIANCE

The ASP shall identify and comply with all Legal Requirements. Specifically, the measures contained in the ASP must comply with 49 Code of Federal Regulations (49 CFR), Transportation Security Regulations, section 1542.101(a). This regulation is applicable to operators within the United States regularly serving operations of an aircraft operator or foreign air carrier 49 CFR, sections 1544.101(a) or 1546.101(a). The Lessee must ensure that employees and representatives conducting security procedures on its behalf comply with the provisions of the ASP and all Legal Requirements.

As a condition of Closing under the Lease Agreement, the TSA shall have approved the ASP of the Lessee, which shall apply to the Airport as of the Time of Closing.

The Lessee will maintain the Airport in compliance with the TSA-approved ASP and will prepare and comply with revisions as directed by the TSA. The requirements included in the TSA-approved ASP are incorporated by reference. In the event of an inconsistency between the requirements within this document and the TSA-approved ASP or any applicable Legal Requirements, the TSA-approved ASP or such applicable Legal Requirements shall take precedence.

In the future, under the Lease Agreement, the Lessee may be required to revise the TSA-approved ASP and seek approval of such revisions from the TSA. In order to meet the requirements of the TSA in reviewing and approving the ASP, the ASP shall be maintained as a separate document.

Appendix C contains a list of standards and regulations with which the Lessee shall comply, at a minimum. The list is not intended to include all applicable standards and regulations - it is the responsibility of the Lessee to identify and comply with all existing standards and regulations as well as future best practices applicable to airport operations.

8.3 EXISTING PLANS

The Lessee must ensure that the ASP complies with the relevant standards within the ACM and AEP which, in addition the requirements described herein, should be considered the minimum standard.

8.4 REQUIREMENTS OF THE PLAN

The Lessee shall establish a comprehensive ASP that provides for the safety and security of persons and property on the Airport against acts of criminal violence, aircraft piracy, and the introduction of an unauthorized weapon, explosive, or incendiary onto an aircraft.

8.4.1 Objectives of ASP

The objective of the ASP is to ensure that the Lessee establishes minimum requirements to ensure public safety and security.

8.4.2 Essential Staffing

The Lessee shall designate a responsible person for the coordination of all security procedures and communications and provide point-of-contact information to the Airport Security Coordinator (ASC) including the name of its primary and secondary contacts and a 24-hour telephone number for both individuals.

An organizational chart shall be included in the ASP which identifies the essential staff responsible for each of the facilities covered under the ASP. The organizational chart shall identify the titles, roles, and duties for each of the individuals responsible for the operation and administration of the various airfield facilities.

The organizational chart shall be supplemented by a summary of the levels of staffing that would be provided for each of the facilities operation. The levels of staffing shall be identified for each season of operation, as the requirements should vary throughout the year in accordance with the work effort. Current contact information shall be included for each essential staff member.

8.4.3 Stakeholders

The ASP shall identify all stakeholders (both public and private) that may be affected by the performance of the ASP and define any necessary applicable coordination with individual stakeholders. Stakeholders on the ASP, will include, but not be limited to: TSA, FAA, ASC, local law enforcement, Airport police, and airline tenants.

8.4.4 Scope of Plan

In the formulation and operation of the ASP, the Lessee must coordinate with the requirements developed under the other relevant sections of the Operations Plan,

including the Safety Plan, Emergency Management Plan, and overall Operations Plan. The ASP shall be submitted to the TSA for review and approval.

The items listed below are provided solely as a general overview and are not intended to be a complete listing of the applicable Federal requirements. The Lessee will be required to review the existing approved ASP and make all applicable changes to the existing document reflecting anticipated changes to operating procedures based upon the Lease Agreement and assumption of responsibilities. All requested changes will require TSA review and approval prior to official inclusion in the revised ASP preceding formal implementation.

The Lessee shall develop and maintain a security plan which shall include, at a minimum, the following elements:

i. Procedures for security facilities, vehicles, equipment, and aircraft during hours of operation.
ii. Employees background checks required by the ASP and security awareness training including procedures to report suspicious personnel or situations to the proper law enforcement agencies.
iii. Customer, visitor and baggage identification.
iv. Procedures for preventing tampering with facilities, vehicles, equipment and aircraft.
v. Procedures for handling threats by phone and in person.
vi. Procedures for controlling access to Lessee-controlled premises and ensuring that vehicles, equipment, and personnel allowed to access through Lessee's access point(s) are authorized and properly identified or under escort or other approved method of control, as established by the ASC.
vii. Procedures for securing unattended facilities, vehicles, equipment and aircraft.
viii. Procedures for prohibiting passengers or baggage from being left unattended in or near aircraft, within the public-restricted areas of the Air Operations Area (AOA), or within the Security Identification Display Area (SIDA).
ix. Procedures for transient flight crew members and passengers including:
    a. Ensuring proper escort or other method of control approved by the ASC.
    b. Crewmember contact information and verification procedures.
    c. Verification of pilot certificate and government issued photo IDs for flight crew members.
x. Vendor procedures including:
    a. Positive identification of all vendors having access to Lessee-controlled premises.
    b. Security check-in procedures for all vendors.

c. Procedures for ensuring all vendors are aware of security requirements for the Lessee-controlled premises.

The Lessee shall maintain fencing, doors, gates, lighting and locks in good condition at all times. The Lessee shall be required to keep an active log of keys, access cards, and other media issued that allows access to the Lessee-controlled premises or identities of authorized persons. The log shall be made available to the ASC upon request, and any lost or stolen access/identification media shall be reported to the ASC immediately.

Facilities

The ASP shall identify all the facilities covered by the ASP, including the access roadways, passenger terminal, airfield access checkpoints, terminal concourses, aircraft apron, CBP, SIDA, and other applicable areas. An exhibit(s) should be prepared that identifies the facilities and the location of operations that are to occur under the provisions of the ASP. Any facilities dedicated to the execution of security operations shall be described and inventoried.

The ASP shall outline the daily operational security functions and provide an overview of the approach to security operations. It shall further identify the roles of the various parties responsible for execution of the security operations. At a minimum, it shall contain information on the security policies and procedures set forth by the Lessee and the standards for operations in each facility.

The ASP shall identify the following for maintaining security in each facility and areas of responsibility in the Airport:

- Physical areas of the Airport to be secured and monitored;
- The party with primary responsibility for the security of said areas;
- Frequency of security monitoring and patrols;
- The methods of securing an area using staff, checkpoints, guards, barriers, or other means;
- Lessee staff responsible for supervision of security personnel;
- Schedule for security coverage.

The Lessee understands that each Airline or Airlines shall continue to control its or their own security access points.

Equipment

The equipment required to execute the security operations shall be identified and described in the ASP. The following shall be provided for each significant type of equipment: its purpose and function, the party that owns and operates it, and the condition and quantity.

The equipment specified by the ASP shall include, but not be limited to: video camera and closed circuit television surveillance systems, alarm systems, access control systems, security vehicles, and communication systems. Non-functioning or under-performing equipment should be identified and reported within the Security Assessment Report, as described in Section 8.4.6 below.

Prevention of Trespass

The Lessee shall use reasonable efforts to prevent unauthorized persons from gaining access to restricted flight and public aircraft operational areas through its facilities. If required, the Lessee shall provide proper fencing of size and quality acceptable to the Authority that shall deter trespassing upon the operational areas of the Airport.

8.4.5 Performance Schedule

From time to time the ASP shall be revised to reflect a good faith effort to update the ASP as appropriate to maintain an accurate assessment of Airport security.

8.4.6 Reporting Requirements

In addition to reporting required under the AEP and the ACM, the Lessee shall specify a system for documenting security incidents. The specifications of the system shall dictate:

- The Lessee personnel and other parties responsible for recording any security incidents;
- The Lessee personnel and other parties that would be privy to the review of the documentation;
- Descriptions of the various types of security incidents, including their severity;
- Documentation regarding the maintenance and inspection of the system and its components;
- The particular data that is required for documentation for a given incident (e.g. response time, date, parties involved, et cetera);
- Definitions of the different types of security incidents and their severity.

The Lessee shall prepare a Security Assessment Report that will aggregate the security incidents for an appropriate time period to be conveyed to the Authority and other appropriate parties (e.g. airport police). The Lessee shall specify any proposed changes to the ASP to prevent or mitigate future incidents. The parties responsible for the approval of the ASP shall provide the Lessee commentary regarding the proposed changes in addition to approval.

Section 9

AIRPORT EMERGENCY MANAGEMENT PLAN

9.1 BACKGROUND

Natural disasters (e.g. hurricanes), manmade disasters, and terrorist attacks require airport operators to focus on improving Airport emergency management. The Airport Emergency Plan shall address essential emergency response actions planned to ensure the safety of and emergency services for all Airport stakeholders and employees.

9.2 REGULATORY COMPLIANCE

The AEP must meet the requirements outlined in Title 14 Code of Federal Regulations (CFR) §139.325, Airport Emergency Plan and all other applicable Legal Requirements. Because the Airport is a certificated airport under Part 139, the use of the guidelines and standards in Advisory Circular (AC) 150/5200-31C is mandatory. Accordingly, the AEP shall be prepared in conformance with AC 150/5200-31C. The Lessee must ensure that employees and representatives responsible for the emergency management comply with the provisions of the Airport Emergency Plan and all Legal Requirements.

9.3 EXISTING PLANS

The existing Airport Emergency Plan dated December 1, 2004 shall be updated as appropriate to conform with current FAA guidance documents. In addition, lessons-learned should be gathered from previous emergency drills and exercises and debriefs following actual emergencies to further establish requirements. Finally, the AEP shall involve review of the following documents to ensure that the AEP is comprehensive:

- Airport Security Plan;
- Airline Emergency Plan(s);
- Airport Tenant Emergency Plan(s);
- Local/regional/federal Emergency Operations Plan(s);
- Local/regional Emergency Services Plans;
- Local Industry OSHA/EPA Compliance Plans;
- Air Carrier Aviation Disaster Family Assistance Act Plans;
- Existing Mutual Aid Agreements/ Memoranda of Understanding;
- Local emergency response agreements;

- Private sector organization agreements;
- Military installation agreements.

9.4 REQUIREMENTS OF THE PLAN

As defined by FAA AC 150/5200-31C and airport emergency is:

> *any occasion or instance, natural or man-made that warrants action to save lives and protects property and public health. The AEP should address those emergencies that occur on or directly impact, an airport or adjacent property that:*
>
> > *Is within the authority and responsibility of the airport to respond; or*
> >
> > *May present a threat to the airport because of the proximity of the emergency to the airport; or*
> >
> > *Where the airport has responsibilities under local/regional emergency plans and by mutual aid agreements.*

The Lessee shall revise the existing AEP to ensure that it conforms to the latest version of FAA AC 150/5200-31C, dated June 2009. The AEP shall provide the Lessee with the minimum standards relating to planning for emergencies.

9.5 OBJECTIVES OF THE AEP

The objective of the AEP is to ensure that the Lessee has planned for potential manmade or natural disasters and to ensure that the Lessee has established appropriate protocols, procedures, responsibilities, and minimum requirements to mitigate for, prepare for, respond to, and recover from an emergency event. The objectives of the AEP shall be developed consistent with Comprehensive Emergency Management (CEM) principles set forth in FAA AC 150/5200-31C.

9.6 ESSENTIAL STAFFING

An organizational chart shall be included in the AEP which identifies the essential staff responsible for each of the facilities covered under the AEP. The organizational chart shall identify the titles, roles, and duties for each of the individuals responsible for the operation and administration of the various airfield facilities.

The organizational chart shall be supplemented by a summary of the levels of staffing that would be provided for each of the facilities operations. The levels of staffing shall be identified for each season of operation, as the requirements should vary throughout the year in accordance with the work effort.

Current contact information shall be included for each essential staff member.

Table 3-1, from FAA AC 150/5200-31C is included below. This table indicates the parties that shall be a part of the CEM process. The Lessee shall coordinate with the entities listed below in preparing their AEP and updating the existing AEP.

AEP Planning Team Members		
1 Air carriers	13 Emergency Medical Services	25 National Weather Service
2 Air Traffic Control	14 EPA	26 NTSB
3 Aircraft operators	15 EOD	27 Police/Security
4 Airport Authority/Mgmt.	16 FAA	28 Post Office
5 Airport employees	17 Firefighting & Rescue	29 Public Information/Media
6 Airport tenants	18 Government authorities (e.g. local community emergency planners, TSA and FEMA, as appropriate)	30 Public Works & Engineering
7 Animal Care/Control	19 HAZMAT Response Team	31 Public Utilities
8 Clergy	20 Health & Medical	32 Red Cross
9 Coast Guard/Harbor Patrol	21 Hospitals	33 Resource Support
10 Communications Services	22 Mental Health Agencies	34 Search & Rescue
11 Coroner	23 Military/National Guard	35 State Aviation Authority
12 Emergency Mgmt Agency	24 Mutual Aid Agencies	36 Civil Air Patrol
		37 Morgue

The Lessee's Airport Manager, Airport Authority Chair, or other appropriate executive(s) should also be a part of the team. Preparation for a disaster requires team leaders to understand the hazards analysis process and its associated results, and their respective roles during emergencies. Team leaders shall also review information describing past disasters similar to those which could occur on the Airport, as well as readiness assessments and exercise critiques, and potential liability issues.

9.7 STAKEHOLDERS

The AEP shall identify all stakeholders (both public and private) that may be affected by the performance of the AEP and define any necessary applicable coordination with individual stakeholders. Stakeholders in the AEP, will include, but not be limited to potential team members listed in Section 9.6.

9.8 SCOPE OF PLAN

The following is a high-level outline of the Lessee's responsibilities that shall be included and addressed in the revised AEP. The outline is not all-inclusive and only identifies the minimum requirements for the AEP. The AEP must also include provisions for annual and periodic updates, training, and supervision of staff and adherence to all policies and procedures.

9.8.1 General Information

The AEP shall consist of the following four major components:

- Basic plan – provides an overview of the Lessee's emergency response organization and policies;
- Functional annexes – individual plans organized around the performance of operations-oriented tasks;
- Asset inventory – facilities, assets, equipment and supplies, including advance identification of certain supplies not readily available to support the mission or response to an emergency;
- Hazard-specific sections – provides detailed information applicable to the performance of particular functions in support of a particular hazard;
- Standard Operating Procedures (SOPs) and Checklists – provides detailed instructions for Lessee personnel to follow in their execution of responsibilities assigned in the AEP.

Additional information on each of these sections is provided in the following sections.

9.8.2 Basic Plan

The Basic Plan provides an overview of the Lessee's approach to emergency operations, defines related policies, describes response organization, and assigns tasks. Its primary objective is to meet the informational needs for the Lessee's executives.

As described in FAA AC 150/5200-31C, section 5-2, the Basic Plan must include the following introductory information:

- Promulgation document;

- Signature page;
- Dated title page;
- Record of changes;
- Record of distribution; and
- Table of contents.

As described in FAA AC 150/5200-31C, paragraph 5-2, the Basic Plan must include the following information:

- **Purpose.** A statement of the purpose of the AEP, with a brief synopsis of the entire document (including the functional annexes and hazard-specific sections;
- **Situation and assumptions.** A section documenting the hazards the AEP addresses, the characteristics of the Airport that may affect response activities, and how they affect them; and the information used in the preparation of the AEP that should be treated as assumption rather than fact;
- **Operations.** This section should describe the Airport's overall approach to an emergency situation (i.e. what should happen, when and at whose direction);
- **Organization and Assignment of Responsibilities**. This section identifies all individuals and organizations that may be involved responding to an emergency incident;
- **Administration and Logistics.** This section addresses the general support considerations, including the availability of services and support for all types of emergencies. It should also identify general policies for management of resources; references to mutual aid agreements; authorities for and policies regarding augmenting Lessee staff; and general policies on financial record keeping, reporting, and tracking resources;
- **Plan Development and Maintenance.** This section includes: identification of the schedule for review of each part of the AEP; identification of training, drills, and exercises; and identification of the personnel responsible for reviewing the AEP and planning the training.

9.8.3 Functional Annex Requirements

In preparation of the functional annex requirements, the Lessee shall perform an airport hazards analysis. The findings of the assessment will, in part, dictate the level of planning for various emergencies. Functional annexes are plans organized

around the performance of broad tasks, including: command and control, communications, health and medical, etc.

Since functional annexes are operations oriented, their target audiences are those who perform the tasks. They should not repeat general information contained in the Basic Plan. At a minimum, the AEP shall include a functional annex that addresses how the Airport shall perform each of the following functions:

- Command and control;
- Communications;
- Alert notification and warning;
- Emergency public information;
- Protective actions;
- Law enforcement/security;
- Fire fighting and rescue;
- Health and medical services;
- Resource management; and
- Airport operations and maintenance.

In addition, the following functions shall be addressed as required depending on the findings of the airport hazards analysis:

- Initial and follow-on damage assessment;
- Search and rescue;
- Incident mitigation and recovery;
- Mass care; and
- Chemical, biological, radiological, nuclear, and high yield explosive (CBRNE) protection.

Each functional annex shall:

- Focus on the specific operations, including what the function is and who or what agency has the responsibility for the execution of the function;

- Emphasize specific responsibilities, tasks, and operational actions pertaining to the function being performed;
- Address the activities to be performed by individuals with responsibilities under the function and the schedule for such activities;
- Identify the actions that will ensure effective response and aid in the event of an emergency;
- Define and describe the policies, processes, roles and responsibilities inherent to the various functions for mitigation/preparedness prior to an emergency, response during an emergency, and recovery from an emergency;
- Identify clear lines of authority, incident command structure, and appropriate communications.

Further detail regarding the functional annex requirements is specified in Chapter 6 of FAA AC 150/5200-31C.

9.8.4 Hazard Specific Annex Requirements

The need for a hazard-specific annex will be determined as a result of the airport hazards analysis (see Appendix 1 of FAA AC 150/5200-31C) conducted to inform the development of the functional annexes. Hazard-specific annexes must follow the same structure and similar content as the Basic Operations Plan and the Functional Annexes. FAA AC 150/5200-31C requires that the following specific hazards be addressed within the AEP:

- Aircraft incidents and accidents;
- Bomb incidents, including designated parking areas for the aircraft involved;
- Structural fires;
- Fires or other emergencies at fuel farms or fuel storage areas;
- Natural disasters (e.g. hurricanes, heavy rains and flooding);
- Hazardous materials/dangerous goods incidents;
- Sabotage, hijack incidents or other unlawful interference with operations;
- Failure of power for movement area lighting;
- Water rescue situations.

The content of a hazard-specific section of the AEP shall focus on the special planning needs associated with the particular hazard being addressed. Further detail regarding the hazard-specific annex requirements is specified in Chapter 7 of FAA AC 150/5200-31C.

9.8.5 SOPs and Checklists

SOPs and Checklists provide detailed instructions that an individual or organization needs to fulfill responsibilities and perform tasks assigned in the AEP. Most SOPs and Checklists are hazard-specific and are attached to each Section. For example, the airport law enforcement agency may have a general SOP for Traffic and Access Control or for Terminal Evacuation with supporting individual checklists for the Shift Supervisor, Ramp Patrol, etc. Additionally, these documents shall provide enough detail to cover the basic response and recovery functions necessary to get the job done, but still be general enough to be flexible since no two emergencies are the same.

9.8.6 Performance Schedule

From time to time the AEP shall be revised by the Lessee to reflect a good faith effort to update the AEP as appropriate to maintain an accurate assessment of emergency operations at the Airport.

9.8.7 Reporting Requirements

The Lessee shall prepare a summary of emergency incidents, training, drills, and exercises performed on an annual basis for inclusion in the Lessee's Annual Report. The reporting shall identify any deficiencies that need to be corrected and projects undertaken during the year to correct any issues that arise from training, drills or other activities.

Section 10

CUSTOMER SERVICE PLAN

10.1 BACKGROUND

The Customer Service Plan (CSP) section of the Operations Plan shall provide assurance to the Authority and the airlines that the Lessee is planning and implementing appropriate measures to ensure high levels of customer service. The CSP shall be developed and executed by the Lessee, and submitted to the Authority for approval.

10.2 REGULATORY COMPLIANCE

The Operations Plan shall identify all Legal Requirements relevant to customer service. The Lessee must ensure that employees and representatives responsible for customer service comply with the provisions of the CSP and all Legal Requirements.

Appendix C contains a list of standards and regulations with which the Lessee shall comply, at a minimum. The list is not intended to include all applicable standards and regulations – it is the responsibility of the Lessee to identify and comply with all existing standards and regulations as well as future best practices applicable to airport operations.

10.3 COMMUNITY RELATIONS PROGRAMS

The Authority, on behalf of itself or another governmental entity, reserves the right to operate its own community relations programs in addition to any community relations program conducted by the Lessee.

10.3.1 Artwork

The Airport currently has several different art exhibits and sculptures on display throughout the terminal and concourse areas. Some are fixed displays, while others are rotated on a periodic basis.

The Lessee shall, throughout the Term, maintain all permanent art exhibits and sculptures existing at the Airport as of the Bid Date in a manner at least consistent with that followed by the Authority as of the Bid Date. No such art exhibits or sculptures shall be removed or altered during the Term without the approval of the Authority, which shall be granted in cases of reasonable relocation, and which may be reasonably withheld, conditioned, or delayed in the Authority's discretion in the case of permanent removal. Notwithstanding the foregoing, the Lessee shall have the right to remove or alter such art exhibits or sculptures if required by Law or if necessary (either temporarily or permanently) in conjunction with construction work required or permitted under the Lease Agreement.

10.3.2 Chapel

The Lessee shall, at all times during the Term and at no cost to the airlines or the public, provide a chapel at the Airport Facility substantially similar to the chapel provided at the Airport Facility as of the Bid Date.

10.3.3 Tourism

The Lessee shall, at all times during, the Term provide the Compañía de Turismo de Puerto Rico with space to conduct its activities at the Airport Facility substantially similar to the space it is provided as of the Bid Date, under no less favorable terms as provided in the current agreement AP-04-05-4-203 between the Authority and Compañía de Turismo de Puerto Rico, which agreement will be assumed by the Lessee pursuant to the Lease Agreement.

10.4 EXISTING PLANS

The Lessee shall utilize any available existing plans and descriptions of customer service standards provided to it in the development of the CSP section of the Operations Plan.

10.5 REQUIREMENTS OF THE PLAN

The CSP shall identify the plan's objectives, essential staffing, stakeholders, scope, performance schedule, and reporting requirements as described below.

10.5.1 Objectives of CSP

The objective of the customer service section of the Operations Plan is to define the responsibilities, procedures, and minimum requirements for the staff dedicated to customer service; and shall also provide guidance regarding staff training relating to customer service. Further, the customer service section of the Operations Plan shall define a system for: (1) identifying customer concerns; (2) documenting and tracking concerns; and (3) establishing the action plan to mitigate and correct concerns.

10.5.2 Essential Staffing

An organizational chart shall be included in the CSP which identifies the essential staff responsible for each of the facilities covered under the CSP. The organizational chart shall identify the titles, roles, and duties for each of the individuals responsible for the operation and administration of the various airfield facilities.

The organizational chart shall be supplemented by a summary of the levels of staffing that would be provided for each of the facilities operations. The levels of staffing shall be identified for each season of operation, as the requirements should vary throughout the year in accordance with the work effort.

Current contact information shall be included for each essential staff member.

10.5.3 Stakeholders

The CSP shall identify all stakeholders (both public and private) that may be affected by the performance of the CSP and define any necessary applicable coordination with individual stakeholders. Stakeholders on the CSP will include, but not be limited to, the following: airline customer service representatives, airport customer service personnel, airline passengers, and other members of the general public.

10.5.4 Scope of Plan

The CSP shall address the following topics:

- Staff training and recurrent training;
- Customer concern system;
- Passenger assistance protocols;
- Information services;
- Airport web site;
- Minimum standards;
- Level of Service Report.

Staff training. This CSP section of the Operations Plan shall identify the training program for the employees responsible for customer service. The goal of the training shall be to ensure that all employees that interact with Airport patrons will provide courteous, efficient, and helpful service. This training will provide a protocol for interactions with customers to guide Airport customer service representatives to ensure high levels of customer satisfaction.

Customer concern system. This CSP section of the Operations Plan shall identify the system used to identify, track, mitigate, and resolve customer concerns. The system shall be capable of identifying the priority of the concerns and the timeframe for their resolution. The system shall also identify the procedure for follow-up communication to the customer in the event a formal complaint or concern arises. If the customer concern resolution involves physical improvements or procedural modifications, these shall be documented in revisions to the Operations Plan. Physical improvements recommended shall be addressed in the Capital Asset Management Plan; procedural modifications shall be folded in the Facilities Standards Plan.

Passenger assistance protocols. This CSP section of the Operations Plan shall identify the protocol for provision of passenger assistance. This assistance includes provisions for: (1) the transportation for the elderly and disabled patrons to and

from their aircraft, as necessary; (2) overnight kits in the event of an emergency or extreme aircraft delays requiring overnight stay in the passenger terminal; (3) lost and found; and (4) customer paging.

Information services. This CSP section of the Operations Plan shall identify the minimum requirements for the provision of information to airport patrons. Information services include: provision of an airport website (as defined below) and on-site information kiosks. On-site information kiosks would be located in the passenger terminal both pre- and post-security. At a minimum, these kiosks shall provide information regarding: (1) regional transportation options; (2) local and regional lodging; (3) maps of the airport facilities and surrounding region; (4) dates for major public events in the city of San Juan; (5) information on San Juan venues (e.g. convention center, tourist attractions, museums, et cetera), (6) current weather information, (7) information regarding airport concessions, and (8) facts about the Airport. To the extent possible, customer service representatives with multilingual expertise shall be provided.

Airport website. This CSP section of the Operations Plan shall identify the minimum requirements for the public Airport website. The website shall follow international standards for public websites and include at a minimum: (1) passenger terminal map; (2) Airport map showing main access roadways; (3) directions to and from the Airport; (4) contact information for the airport and airlines customer service departments; (5) a customer service page; (6) a site map for web site navigation; and (7) information regarding Airport security for passenger awareness.

Minimum standards. For each function of the Airport, the Lessee shall define the minimum level of service that must be met for compliance with the Operations Plan. For example, the Lessee shall target a level of service C or better for the departure holdrooms. This level of service C shall be consistent with the appropriate International Air Transport Association (IATA) definitions.

Level of Service Report. A Level of Service Report shall be prepared annually as described in the reporting requirements section below. The findings of the level of service report shall be folded into the Capital Asset Management Plan to ensure that facilities that are operating below a minimum level of service as defined by the Lessee are earmarked for improvements.

10.5.5 Performance Schedule

From time to time the customer services section of the Operations Plan should be revised by the Lessee to reflect a good faith effort to make improvements in areas where customer service has not met the standards of the Lessee, as identified in the annual reporting described in the following section.

10.5.6 Reporting Requirements

The Lessee shall prepare a Level of Service Report on an annual basis. This report shall document the findings of an annual survey of passengers regarding: airport access, automobile parking, terminal curb front, passenger check-in, passenger security screening, terminal concessions, departure holdrooms, baggage claim, and airport way finding. The Level of Service Report shall indicate whether the function is providing excellent, good, fair, or poor levels of service. The Level of Service Report shall report the percentage of responses for each of the categories. Functions that receive a grade of poor from 20% or more respondents must be addressed. The goal of the Lessee shall be to receive excellent or good feedback on each facility from at least 80% of respondents.

The Authority and the Lessee may agree to modify the Level of Service Report goals of excellent or good feedback on each facility from at least 80% of respondents to take into account periods of Airport construction and other events that may affect users of the Airport. It is acknowledged that the Level of Service Report goals are intended to be a target and that, in the event that target is not reached in a given year, it will not provide an independent basis for declaring a Lessee Default under the Lease Agreement but, rather, the Lessee's compliance shall be subject to the provisions set forth in Section 6.1 of the Lease Agreement.

For each of the areas surveyed, the Lessee shall establish a history of customer feedback by reporting the historical results adjacent to the current year's results. The survey must also capture feedback regarding passenger comfort level, convenience, quality of service, and overall traveling experience at the Airport. For those areas with reported poor levels of service, the Lessee shall develop an action plan to address the concerns, either through a combination of training for staff, physical improvements, procedural changes, or further study.

APPENDIX A

AIRPORT CERTIFICATION MANUAL

To be inserted in final document.

APPENDIX B

AIRPORT EMERGENCY PLAN

To be inserted in final document.

APPENDIX C

AVAILABLE GUIDANCE AND STANDARDS

Airport Operation Guidance Documents	
Number	**Title**
General Reference: (Airfield, Security, Safety, Emergency)	
150/5000-15A	Announcement of Availability of Airport-Related Research and Development Products
150/5070-6B	Airport Master Plans
150/5100-14D	Procurement of Professional Services
150/5190-4A	A Model Zoning Ordinance to Limit Height of Objects Around Airports
150/5190-7	Minimum Standards for Commercial Aeronautical Activities
150/5200-12C	First Responders_ Responsibility for Protecting Evidence at the Scene of an Aircraft Accident/Incident
150/5200-18C	Airport Safety Self-Inspection
150/5200-28D	Notices to Airmen (NOTAMS) for Airport Operators
150/5200-29A	Announcement Of Availability Of Airport Self-Inspection DVD
150/5200-30C	Airport Winter Safety And Operations
150/5200-31C	Airport Emergency Plan (Consolidated AC includes Change 2)
150/5200-32A	Reporting Wildlife Aircraft Strikes
150/5200-33B	Hazardous Wildlife Attractants On or Near Airports
150/5200-34A	Construction or Establishment of Landfills near Public Airports
150/5200-35A	Submitting the Airport Master Record in Order to Activate a New Airport
150/5200-36	Qualifications for Wildlife Biologist Conducting Wildlife Hazard Assessments and Training Curriculums for Airport Personnel Involved in Controlling Wildlife Hazards on Airports
150/5200-37	Introduction to Safety Management Systems (SMS) for Airport Operators
150/5210-13C	Airport Water Rescue Plans and Equipment

Airport Operation Guidance Documents	
Number	**Title**
General Reference: (Airfield, Security, Safety, Emergency) *(continued)*	
150/5210-14B	Aircraft Rescue Fire Fighting Equipment, Tools and Clothing
150/5210-15A	Aircraft Rescue and Firefighting Station Building Design
150/5210-17B	Programs for Training of Aircraft Rescue and Firefighting Personnel
150/5210-18A	Systems for Interactive Training Of Airport Personnel
150/5210-19A	Driver's Enhanced Vision System (DEVS)
150/5210-20	Ground Vehicle Operations on Airports
150/5210-22	Airport Certification Manual (ACM)
150/5210-23	ARFF Vehicle and High Reach Extendable Turret (HRET) Operation, Training and Qualifications
150/5210-24	Airport Foreign Object Debris (FOD) Management
150/5210-5D	Painting, Marking, and Lighting of Vehicles Used on an Airport
150/5210-6D	Aircraft Fire and Rescue Facilities and Extinguishing Agents
150/5210-7D	Aircraft Rescue and Fire Fighting Communications
150/5220-10D	Guide Specification for Aircraft Rescue and Fire Fighting Vehicles
150/5220-17B	Aircraft Rescue and Fire Fighting (ARFF) Training Facilities
150/5220-21B	Guide Specification for Devices Used to Board Airline Passengers with Mobility Impairments
150/5220-22A	Engineered Materials Arresting Systems (EMAS) for Aircraft Overruns
150/5220-25	Airport Avian Radar Systems
150/5220-4B	Water Supply Systems for Aircraft Fire and Rescue Protection
150/5220-9A	Aircraft Arresting Systems
150/5230-4A	Aircraft Fuel Storage, Handling, and Dispensing on Airports
150/5300-13	Airport Design

Airport Operation Guidance Documents	
Number	**Title**
General Reference: (Airfield, Security, Safety, Emergency) ***(continued)***	
150/5300-16A	General Guidance and Specifications for Aeronautical Surveys: Establishment of Geodetic Control and Submission to the National Geodetic Survey
150/5300-17B	General Guidance And Specifications For Aeronautical Survey Airport Imagery Acquisition And Submission To The National Geodetic Survey
150/5300-18B	General Guidance And Specifications For Submission Of Aeronautical Surveys To NGS: Field Data Collection And Geographic Information System (GIS) Standards
150/5320-6E	Airport Pavement Design and Evaluation
150/5340-18F	Standards for Airport Sign Systems
150/5340-1K	Standards for Airport Markings
150/5370-2E	Operational Safety on Airports During Construction
70/7460-2K	Proposed Construction or Alteration of Objects That May Affect the Navigable Airspace
Wildlife Hazard Management	
Certalert No. 09-10	Wildlife Hazard Assessments in Accordance with Part 139 Requirements
Certalert No. 98-05	Grasses Attractive To Hazardous Wildlife
Certalert No. 04-09	Relationship Between FAA And Wildlife Services
Certalert No. 04-16	Deer Hazard to Aircraft and Deer Fencing
Certalert No. 06-07	Requests by State Wildlife Agencies to Facilitate and Encourage Habitat for State-Listed Threatened and Endangered Species and Species of Special Concern on Airports
150/5200-32A	Reporting Wildlife Aircraft Strikes
150/5200-33B	Hazardous Wildlife Attractants On Or Near Airports
150/5200-34A	Construction or Establishment of Landfills Near Public Airports
150/5200-36	Qualifications for Wildlife Biologist Conducting Wildlife Hazard Assessments and Training Curriculums for Airport Personnel Involved in Controlling Wildlife Hazards on Airport

Airport Operation Guidance Documents	
Number	**Title**
Environmental Management and Public Relations	
150/5020-1	Noise Control and Compatibility Planning for Airports
150/5050-4	Citizen Participation in Airport Planning
150/5050-8	Environmental Management Systems for Airport Operators
Additional Reference Documents	
ICAO Annex 14 - Aerodromes	
IATA Airport Development Reference Manual, 9th Edition	
Federal Regulations and Orders	
49 CFR Parts 1540 and 1542, Airport Security	
FAR Part 139, Certification of Airports	
FAR Part 150, Noise Compatibility Program	
FAR Part 161, Noise Compatibility Program	
FAR Part 77, Objects Affecting Navigable Airspace	
FAA Order 405, Standards for Aeronautical Surveys	
FAA Order 5100.38C, Airport Improvement Program Handbook	
FAA Order 1050.1E, Environmental Impacts: Policies and Procedures	
FAA Order 5050.4B, National Environmental Policy Act (NEPA)	
23 CFR Part 772, Procedures for Abatement of Highway Traffic Noise and Construction Noise	
29 CFR Part 1926 (Originally CFR Part 1518) Safety and Health Regulations for Construction of the Williams Steiger Occupational Safety and Health Act of 1970 (Federal, OSHA)	
29 Code of Federal Regulations (CFR) Parts 1910 and 1926	
29 CFR Part 1926, Construction Safety and Health Regulations	
29 CFR 1926.62, Lead Exposure in Construction	
Federal Regulations and FAA Orders *(continued)*	

Airport Operation Guidance Documents	
Number	**Title**
40 CFR Part 280, Technical Standards and Corrective Action Requirements for Owners and Operators of Underground Storage Tanks (USTs)	
40 CFR 763 Asbestos	
49 U.S.C. Section 44718	
Americans with Disabilities Act of 1990	
Atomic Energy Act (42 U.S.C. Sec. 2011, et seq.)	
Aviation and Transportation Security Act of 2001	
Clean Air Act (42 U.S.C. ' 7401 et seq.) 42 U.S.C. 87401	
Clean Water Act (33 U.S.C. ' 1251 et seq.)	
Comprehensive Environmental Response and Compensation and Liability Act (42 U.S.C. ' 9601 et seq.)	
Council of Environmental Quality regulations on compliance with the National Environmental Policy Act of 1969, as amended	
Determining Conformity of Federal Actions to State or Federal Implementation Plans, 40 C.F.R. Part 93	
Emergency Planning and Community Right-to-Know Act (42 U.S.C. ' 11001 et seq.)	
Executive Order No. 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations," 59 Fed. Reg. 7629, Feb. 16, 1994	
Federal Insecticide Fungicide and Rodenticide Act (7 U.S.C. Sec 136, et seq.)	
Federal requirements for the use of ULSD fuel for both on-road (2007) and off-road (2010) vehicles	
Federal Trade Commission's "Guide for the Use of Environmental Marketing Claims," 16 CFR 260.7(e)	
Federal Transit Act, 40 C.F.R. Part 51, Subpart T Hazardous Material Transportation Act (49 U.S.C. ' 1801 et seq.)	
National Emission Standards for Hazardous Air Pollutants (NESHAP), under Section 112 of the Clean Air Act	
Occupational Safety and Health Act of 1970 (29 U.S.C. ' 651 et seq.)	
OSHA's lead-in-construction rule, contained in 29 CFR 1926.62 33 U.S.C. 8651	
Federal Regulations and FAA Orders (continued)	

Airport Operation Guidance Documents	
Number	**Title**
Resource Conservation and Recovery Act of 1976 (42 U.S.C. ' 6901 et seq.)	
Safe Drinking Water Act (42 U.S.C. ' 300f)	
Toxic Substances Control Act of 1976 (15 U.S.C. ' 2601 et seq.) 8261	
U.S. DOT regulations, "Environmental Impact and Related Procedures," 23 C.F.R. Part 771 and 49 C.F.R. Part 622	
U.S. DOT statutory requirements on environmental matters at 49 U.S.C. § 5324(b)	
U.S. EPA regulations, Conformity to State or Federal Implementation Plans of Transportation Plans, Programs, and Projects Developed, Funded or Approved Under Title 23 U.S.C.	
Worker's Compensation Act	
Asbestos Hazard Emergence Response Act, 15 U.S.C. 82641	

APPENDIX D

FORM OF OPERATIONAL PERFORMANCE METRICS REPORT: LUIS MUÑOZ MARÍN INTERNATIONAL AIRPORT

This appendix provides outlines for the various reports required by these Operating Standards. The reports may include material beyond that listed, but they should at a minimum address the items listed in the following tables.

Operational Performance Report		
Category	**Metric**	**Standard**
Airfield		
Airfield / Airport operations	Visual airfield inspections	Once per 8 hour shift
	Visual terminal / landside inspections	Once per 8 hour shift
	Fueling inspections	Observation during fueling operation
	Field condition reports—standard day	Once per 8 hour shift
	Pavement friction testing—standard day	Weekly
	Airfield lighting and signs maintenance	Daily in accordance with ACM; airfield lighting must be routinely checked for continuous operation; immediate repairs required
Runways	Unscheduled runway closures	Less than the historical mean for the last five years
	Incursions by vehicles or pedestrians	Zero
	Pavement rubber removal	See FAA Advisory Circular 150/5320-12C

Operational Performance Report		
Category	**Metric**	**Standard**
Passenger terminal complex		
Check-in queue	Area per passenger	IATA level of service C, at a minimum *(a)*
Waiting/circulation area	Area per passenger	IATA level of service C, at a minimum
Passport control	Area per passenger	IATA level of service C, at a minimum
Baggage claim area	Area per passenger	IATA level of service C, at a minimum
Maximum queue time	Minutes	See IATA Table F9.7 *(a)*
Public restrooms	Cleanliness – average number of cleanings per day per restroom	16 cleanings per day, 1 attendant per bathroom
	Supervisor inspections of restrooms per 8 hour shift	2 inspections per restroom per shift
Aircraft apron	Lead-in line markings	Twice per year
	Stop line markings	Twice per year
	Safety envelope markings	Twice per year
	Ramp lighting	Weekly inspection, repair lights within 24 hours notice
	Lightning protection	Monthly inspection, repair within 24 hours notice
Loading bridges	Doors	5 minute response time, 1 hour repair
	Overall functionality	Response time: 5 minutes; Repair: 2 hours, when possible
	Ground power	Response time: 15 minutes; Repair: 2 days

Operational Performance Report		
Category	**Metric**	**Standard**
	Potable water	Response time: 15 minutes; Repair: 2 hours
	Pre-conditioned air	Response time: 15 minutes; Repair: 2 days
Baggage handling system	Outbound baggage; Inbound baggage; Baggage claim devices	Response time: 5 minutes; Repair: 2 hours
Passenger conveyance systems	Elevators/escalators/moving walkways	Response time: 30 minutes; Repair: 4 hours
USDA Booths	Hours of operation	4 hours prior to first departure of the day through the time of the last scheduled departure of the day
Federal Inspection Services	Hours of operation	From the first scheduled arrival time to the last scheduled arrival
Flight information displays	Overall functionality	Response time: 2 hours; Repair: 2 hours
Paging systems	Gate paging system	Response time: 5 minutes; Repair: 2 hours
	Terminal-wide paging system	Response time: 5 minutes; Repair: 2 hours
Terminal building climate	Temperature between 70 and 74 degrees Fahrenheit	Response time: 30 minutes; Repair time: 3 days
Terminal building power	Emergency generators	Inspection: bi-weekly
Terminal building janitorial	Clean floors of public walkways, departure holdrooms, passenger loading bridges, and all public areas	Daily; respond to spill incidents as required

Operational Performance Report		
Category	**Metric**	**Standard**
Terminal building waste removal	Empty waste receptacles; replace liners	As needed on a daily basis

Operational Performance Report		
Category	**Metric**	**Standard**
Ground transportation and parking		
Vehicle departures curb	Percentage of double-parked vehicles	10%
Vehicle arrivals curb	Percentage of double-parked vehicles	10%
Taxicabs	Maximum wait time (minutes)	5
Parking lot shuttles	Maximum wait time (minutes)	10
Hourly vehicle parking	Maximum number of hours per year the lot is full or closed	1%
Daily vehicle parking	Maximum number of hours per year the lot is full or closed	10%
Economy vehicle parking	Maximum number of hours per year the lot is full or closed	0%
(a) International Air Transport Association Airport Development Reference Manual, 9th Edition.		

Facilities Condition Assessment	
Assessed facilities should be classified using the following categories: Excellent – no operational deficiencies, minimum standards exceeded; Good – minor operational deficiencies, minimum standards exceeded or met; Fair – minor operational deficiencies, most minimum standards met, some capital improvements or corrective actions should be considered, intermediate-term improvements should be identified; Poor – significant operational deficiencies, facility is failing to meet minimum standards, capital improvements or corrective actions must be taken in near-term; Critical – major operational deficiencies, urgent corrective action must be undertaken, and/or safety issues are present. This category may also include improvements mandated by new laws or regulations.	
Buildings	Inspect all on-Airport buildings from a safety and operational perspective: all safety issues must be identified for resolution by the Lessee as soon as possible.
Building systems	Inspect all on-Airport building systems from a safety and operational perspective. Building systems include mechanical, electrical, communication, and plumbing systems. This work should be carried out by a licensed engineering firm that specializes in building systems (see Section 4.4.7 for further information regarding the details regarding the retention of the licensed engineering firm).
Equipment	Inspect all Airport equipment (e.g. maintenance equipment) from a safety and operational perspective: all safety issues must be identified for resolution by the Lessee as soon as possible.
Utilities	Inspect critical on-Airport utilities, including storm sewer, sanitary sewer, electrical, water, and communication.
Airfield pavements	Field inspection of airfield pavements, including runways, taxiways, aircraft aprons, and vehicle service roads.
Capital improvement recommendations (immediate)	Recommendations to the Lessee in terms of capital improvements that should be carried out immediately due to safety concerns.
Capital improvement recommendations (future)	Recommendations to the Lessee in terms of near-, intermediate- and long-term capital improvements.

Air Traffic Summary	
The Air Traffic Summary (ATS) would provide monthly detail and month-over-month / year-over-year comparisons for each of the data listed below.	
Aircraft Operations	
Annual Operations	All commercial operations (both passenger and cargo)
	All general aviation operations
	All military operations
	All operations
Peak Month Operations	All commercial operations (both passenger and cargo)
	All general aviation operations
	All military operations
	All operations
Peak Month Average Day Ops (Peak Month/31 days)	All commercial operations (both passenger and cargo)
	All general aviation operations
	All military operations
	All operations
Peak Hour Operations	All commercial operations (both passenger and cargo)
	All general aviation operations
	All military operations
	All operations
Commercial Fleet Mix	Wide body jet (%)
	Narrow body jet (%)
	Regional jet (%)
	Turboprop (%)
General Aviation Fleet Mix	Jet (%)
	Turboprop (%)
Non-stop Markets	Number of domestic markets
	Number of int'l markets
Commercial Activity	
Passenger load factor	The number of revenue passengers expressed as a percentage

	of available seats, which represents the proportion of airline output that is actually consumed.
Annual Passengers	Domestic passengers
	International passengers
	O&D passengers
	Connecting passengers
	Total passengers
Peak Month Passengers	Domestic passengers
	International passengers
	O&D passengers
	Connecting passengers
	Total passengers
Peak Month Average Day Passengers	Domestic passengers
	International passengers
	O&D passengers
	Connecting passengers
	Total passengers
Peak Hour Passengers	Domestic passengers
	International passengers
	Departing passengers (1)
	Arriving passengers (1)
	All passengers
Cargo activity	Enplaned cargo tonnage
	Deplaned cargo tonnage
	Total cargo tonnage
Airport Users (Tenants)	
Passenger Airlines	US-based airlines
	Foreign-based airlines
Cargo Airlines	All-cargo airlines
General Aviation (GA)	Based aircraft (GA)
	Fixed Base Operators

Capital Improvement Program	
The Capital Improvement Program (CIP) should outline the near-, intermediate-, and long-term projects planned to address the findings of the Facilities Condition Assessment (FCA) and any other planning studies (e.g. master plan) conducted by the Lessee, and should be submitted to the Authority on an annual basis for their approval.	
Executive summary, introduction, and background	Description and summary of CIP contents.
Methodology	Summary of the methodology used to prioritize the capital improvements and identification of the studies or work done to identify the capital improvements.
Corrective action plan	For all facilities assessed within the FCA as fair, poor, or critical, a corrective action plan must be identified within the CIP. The improvements recommended as part of the action plan should be prioritized, using the following categories: Critical – capital improvements should be executed immediately or as soon as practical; High – capital improvements should be executed in the near-term; Low – capital improvements may be warranted in the near-term to realize operational efficiencies, but may be elective to some extent.
Near-term capital improvement project descriptions	Recommendations for planned capital improvements for the next five years with the greatest detail regarding projects to be completed in the first year of the CIP.
Cost estimates	Probable cost estimate for each of the planned capital improvements for all projects for the near- and intermediate-terms (0-10 years); including identification of probable funding sources. For the long-term, potential capital improvement projects (as they are identified) should be listed along with order of magnitude cost estimates.

Sustainability Report	
The Sustainability Report* shall document the Airport's environmental goals and achievements, and measure progress against environmental goals and historical performance.	
Introduction	This section should describe the Airport's sustainability policy and sustainability program.
Sustainability goals and achievements	Descriptions of the Airport's goals and achievements, which may include, but are not limited to, the following categories:
• Climate change	• Goals and achievements related to reducing contributions to climate change.
• Energy conservation	• Goals and achievements related to reducing energy use - including use of renewable resources.
• Water conservation	• Goals and achievements related to reducing consumption of water resources.
• Natural resources management	• Goals and achievements related to the protection of natural habitats and wildlife populations.
• Solid waste reduction / recycling	• Goals and achievements related to minimizing solid waste and recycling collected waste products.
• Air quality	• Goals and achievements related to the Airport's efforts to minimize emissions.
• Noise	• Goals and achievements related to reducing aircraft noise impacts in areas surrounding the Airport.
• Hazardous materials	• Goals and achievements related to the reduction of hazardous materials use by the Airport and tenants.
• Historical performance	• Comparison of current and historical sustainability achievements.
*The Sustainability Report may be included as a subsection of an Annual Report prepared by the Lessee.	

Safety Report	
The Safety Report* shall document the Airport's safety performance on an annual basis.	
Introduction	Description of the Airport's safety policy and historical performance.
Safety incidents	Identification of safety incidents relative to historical data.
Safety risks	Safety deficiencies to be corrected in the upcoming period.
Self-inspection summary	Results of self-inspection program conducted in accordance with FAA Advisory Circular 150/5200-18C.
*The Safety Report may be included as a subsection of an Annual Report prepared by the Lessee.	

Security Assessment Report	
The Security Assessment Report* shall document the Airport's security performance on an annual basis.	
Introduction	Summary of the Airport Security Plan.
Security incidents	Summary of all security incidents occurring during the reporting period.
Proposed program changes	Identification of potential changes to the Airport Security Program to prevent or mitigate future incidents.
*The Security Assessment Report may be included as a subsection of an Annual Report prepared by the Lessee.	

Emergency Report	
The Emergency Report* shall document the Airport's actual and simulated emergency response performance on an annual basis.	
Introduction	Summary of the Airport's Emergency Plan. This section should also include significant historical emergency incidents.
Emergency incidents	Emergency incidents occurring during the reporting period.
Training	Summary of emergency incidents, training, drills, and exercises performed during the reporting period.
Deficiencies	Deficiencies noted during emergency incidents, training, drills, and exercises.
Corrective measures	Correction of deficiencies noted, and emergency related projects to be undertaken during the next reporting period.
*The Emergency Report may be included as a subsection of an Annual Report prepared by the Lessee.	

Level of Service Report	
A Level of Service Report* should be prepared annually and address the following functional areas and summarize the results of the customer service survey.	
Airport functional area	**Component**
Airport access / parking	Signage and way finding to and from Airport
	Economy parking availability
	Short-term parking availability
	Terminal curb front congestion
	Way finding to / from rental car facilities
Passenger ticketing	General appearance and cleanliness
	Customer service from airport employees
	Wait times and congestion
	Overall ticketing lobby experience
	Signage and way finding
Passenger security screening	Customer service from security personnel
	Wait time and congestion
Departure holdrooms	General appearance and cleanliness
	Access to flight information
	Availability of seating
	Space available and passenger circulation
	Availability of concessions

Airport functional area	Component
Terminal concessions	General appearance and cleanliness
	Adequacy of food and beverage options
	Adequacy of retail options
	Adequacy of news and gift options
	Customer service by Lessee employees
Terminal restrooms	General appearance and cleanliness
	Adequacy pre-security and post-security
	Walking distance to restrooms (accessibility)
Baggage claim	General appearance and cleanliness
	Information regarding baggage claim device
	Wait time for retrieval of luggage
	Space available and passenger circulation
	Way finding from gate to baggage claim area
	Way finding from baggage claim area to ground transportation
	Availability of concessions
*Report may be included as a subsection of an Annual Report prepared by the Lessee.	

SCHEDULE 13

GENERAL ACCELERATED UPGRADES

Section 1. General Accelerated Upgrades. Pursuant to Section 4.1 of this Agreement, the Lessee, in addition to the Initial Capital Projects required under the Use Agreement and in accordance with all other requirements of this Agreement, shall fund and complete the following improvements and upgrades on the LMM Airport Facility at its sole cost and expense; *provided* that the Lessee shall not be required to carry out any improvement or upgrade or portion thereof to the extent that such improvement or upgrade is located in an area of the LMM Airport Facility that is permanently closed in accordance with the Use Agreement:

(a) *Improve Landscaping.* The Lessee shall conduct landscaping work that includes: eliminating dangerous trees and vegetation, providing and installing erosion control elements, ensuring safe sight distance criteria, controlling invasive and noxious weeds and plant habitat, creating new or improving existing landscaping areas, and revamping all landscaping at the LMM Airport Facility in accordance with good industry practice. This work will improve, enhance and generally beautify the appearance of the LMM Airport Facility and minimize current or future potential safety issues caused by overgrown or unkempt vegetation.

(b) *Repair and Refurbish Jet Bridges.* The Lessee shall repair or remove and replace all elements or components of the jet bridges that are damaged, deficient or that otherwise do not conform to good industry practice. The purpose of this work is to ensure that the jet bridges are in optimal condition in order to minimize potential safety issues in enplaning and deplaning passengers.

(c) *Repair Damaged Roadways and Markings, Curbs, and Walkways.* The Lessee shall (A) improve and upgrade the existing pavement surfaces to ensure that all pavements of the roadway at the LMM Airport Facility comply with good industry practice; and (B) replace and upgrade the pavement delineation and markings to comply with good industry practice. The purpose of this work is to ensure the safe and orderly movement of traffic by creating a safe, smooth, durable, able and stable wearing surface; improve the user experience; and enhance the aesthetic appearance and safety of the LMM Airport Facility.

(d) *Replace Deteriorating Flooring Throughout the Interior of the Terminal and Buildings at the LMM Airport Facility.* The Lessee shall replace all flooring throughout the LMM Airport Facility that is deteriorating or that otherwise does not conform to good industry practice. This work will improve, enhance and generally beautify the LMM Airport Facility and minimize potential safety issues and injuries caused by defective premises.

(e) *Install Wi-Fi Connectivity Throughout the Terminal.* The Lessee shall install Wi-Fi connectivity throughout the terminal in a manner that is consistent with the connectivity and connection speed available at Comparable Public Airports. The installation of Wi-Fi will enhance user experience at the LMM Airport Facility and enable the LMM Airport Facility to provide the amenities to its users that are consistent with those provided at Comparable Public Airports.

(f) *Install Electrical Outlets Throughout the Terminal for Passenger Use.* The Lessee shall install electrical outlets for passenger use throughout the terminal in areas including passenger waiting areas in accordance with good industry practice. This work will improve user experience at the LMM Airport Facility and enable the LMM Airport Facility to provide the amenities to its users that are consistent with those provided at Comparable Public Airports.

(g) *Upgrade, Enhance, Repair and Replace Deficient and Unsafe Areas of Lighting.* The Lessee shall (A) upgrade, enhance, repair and replace deficient and unsafe areas of roadway, concourse, cargo and terminal lighting work in part or in whole; and (B) remove and replace all elements or components of the lighting system that are damaged, deficient, or that otherwise do not meet good industry practice or as otherwise defined, identified or referenced in the Operating Standards. The purpose of this work is to ensure that all elements and components of existing lighting are in optimal condition, enhance and add lighting such that poorly lit areas are improved, and improve the safety of the LMM Airport Facility users.

(h) *Repair or Replace Elevators, Escalators and Stairwells.* The Lessee shall repair or replace all elevators, escalators and stairwells throughout the terminal and buildings at the LMM Airport Facility in a manner consistent with good industry practice. The purpose of this work is to improve efficiency in the use of the LMM Airport Facility and to enhance LMM Airport Facility user safety and experience.

Section 2. Requirements Related to the Accelerated Upgrades

(a) *Compliance with Agreement.* All design, plan development and construction work related to the General Accelerated Upgrades set forth in Section 1 of this Schedule 13 shall comply with the requirements of this Agreement, including the applicable chapters of the Operating Standards and the most updated construction codes, manuals and guidelines.

(b) *Submission of Scope of Work.* The Lessee shall submit a written and detailed scope of work, including sketches, drawings and other supporting documentation in accordance with the Lease Agreement for review and Approval, conformance verification with the intended level of work prior to the start of preliminary and final development of plans and construction.

(c) *Submission of Construction Documents.* The Lessee shall prepare and submit preliminary and final construction documents in accordance with the Lease Agreement for review and Approval, and subsequently obtain all applicable Authorizations prior to the start of construction.

(d) *Timing for Completion of Projects.* The Lessee shall commence work on the improvements set forth in Section 1 of this Schedule 13 no later than three months after the Closing Date, and shall complete such improvements no later than 18 months after the Closing Date.

SCHEDULE 14

INITIAL BUSINESS PLAN

[*To be attached*]

Initial Business Plan

Some of the statements contained in this Operating Plan discuss future expectations or state other forward-looking information. Actual developments could differ significantly from those contemplated in these forward-looking statements. The forward-looking information is based on various factors and was derived using numerous assumptions. Forward-looking statements speak only as of the date they are made. References to prior performance by equity participants in Aerostar are for illustrative or informational purposes only and do not represent any commitment or promise by Aerostar to replicate that performance or that such performance could be replicated at LMM.

Overview of Aerostar's Vision and Goal

Aerostar's vision is to transform LMM into a gateway befitting the world-class offerings of Puerto Rico. We intend to transform the Airport into a "like-new" facility through enhancement of Terminal A, an overhaul of Terminals B and C, as well as expanded check-in facilities, improved concession offerings, and upgraded parking. At the same time, we plan to streamline and enhance operations to best serve passengers, airlines, and Puerto Rico. Our goal is to build a lasting and iconic airport that will become the gateway to the Puerto Rico economy, create high-quality, well-paying jobs and spur business and tourist growth for decades to come.

Airport Management

Aerostar believes that one of the keys to a successful P3 investment is a best-in-class management team with deep operational experience in the airport sector and strong relationships with public sector officials, the local community and customers. Aerostar's equity participants, ASUR and Highstar, have long histories of management and business transition leadership. We are currently building our management team for LMM, with a focus on the following key characteristics:

- **Culture Change:** The Airport requires a culture change in order to align with the significant changes in operations.
- **Entrepreneurial:** The opportunity at LMM requires visionary leaders with the ability to innovate and deliver creative management solutions to improve Airport operations, community partnership and financial sustainability.
- **Industry Knowledge:** Deep and strong relationships with the airlines and other key stakeholders will be an important part of the long-term strategic growth of the Airport.

A best-in-class management team will work with the combined resources of ASUR's senior management from its finance, commercial and airport operations teams, and Highstar's team of infrastructure investment professionals to manage the Airport on a day-to-day basis.

The key Aerostar airport management functions within the Initial Business Plan are:

1. Transition management team organized to implement the handover, maintain security, safety and operations, and begin capital improvement efforts;

2. Transition management team required to deliver solutions to meet the need for new personnel departments, new airport systems and procedures as back office services shift away from the central PRPA offices;
3. Post-transition management team to complete the execution of the handover, implement the capital improvements, and enhance customer service through new management structure, stakeholder relationships, and high-quality operating standards; and
4. Both transition and post-transition management team to engage the community and local entities in the continuous performance of the Lease. Aerostar has already solicited over $10 million in firm price proposals from local companies for services related to the Agreement and the ongoing operation of the Airport.

With this in mind, Aerostar has developed the following management transition plan.

1. Transition of Airport Leadership

Aerostar has a team of airport executives staffed from the existing resources of the Sponsors with the capacity to devote the time required to a successful management handover. We currently believe this will take between three and nine months from financial close. We feel an experienced, predominantly Spanish-speaking airport transition team is the only way to lead a transition of this type. Upon signing, we envision the following Airport leadership structure to be staffed primarily by ASUR and Highstar:

Transition Director – This position will serve as the interim CEO of LMM as we work through financial close. The Transition Director will work with Aerostar and the lenders to complete the financing process, while at the same time working with the FAA and local authorities to complete any necessary regulatory approvals. The role of the Transition Director will be fulfilled by ASUR's Chief Infrastructure and Regulations Officer, Agustin Arellano Rodriguez. Before joining ASUR, Mr. Arellano was Director General of the Mexican Air Traffic Control Service (SENEAM) and has over 30 years of experience in airport and aviation management. He was part of SENEAM during the initial privatizations of Mexico's airports in the 1990s and has worked with the FAA for more than a decade.

Airport Director – The transition Airport Director will concentrate on defining the best airport management practices for managing the entire Airport. Ideally, the Airport Director would spend time working alongside the current Airport Director, Arnie DeLeo, and learn the procedures in place at LMM Airport. The role of transition Airport Director will be filled by Carlos Trueba Coll, the current Director of Cancún Airport. Mr. Trueba has more than 20 years of experience in airport operations and has spent much of his career in the culture of success found at Cancún Airport.

Operations Manager – The Operations Manager is responsible for overseeing the maintenance and operations for the airside of the Airport, as well as the underlying physical plant. The manager will spend the first months in this role determining the combined operations

plan and start initial discussions with capex advisors and contractors to ensure that all required projects are completed within the timeline prescribed in the Lease. The Operations Manager will also be responsible for coordinating any additional contract workers required at the Airport. Mauricio Haua will fulfill this role during the transition period. Mr. Haua currently serves as the Manager for Terminal 2 at Cancún Airport.

Commercial Manager – The Commercial Manager is responsible for overseeing the commercial program at the Airport, including the review of current concessionaires, negotiations with additional concessionaires and all concession-related renovation. All current concessionaires with expired leases will be reviewed. At the same time, Aerostar will initiate a robust revenue control system and will likely bring in a wider diversity of concessionaires to the Airport. For the transition period, Manuel Gutiérrez Sola Aguilera will serve as the Commercial Manager. Mr. Gutiérrez has served as the Commercial Director of ASUR since 2000. In this capacity he has been in charge of design and development of the entire commercial strategy for ASUR's nine airports.

General Counsel – The General Counsel is responsible for the review and overview of all legal agreements related to the Airport. During the transition period, the General Counsel will be responsible for coordinating the transition of airport employees as well as negotiating any expired contracts. For the transition period, this position will be fulfilled through the legal departments of the Sponsors with close communication with local Puerto Rico counsel. Both ASUR's and Highstar's legal teams have experience in transportation assets and public private partnerships. The legal effort will be led by Mr. James Burchetta from Highstar. Mr. Burchetta has worked for over 12 years as an attorney and worked closely with the Port Authority of New York and New Jersey, the Maryland Port Administration and the Port of Oakland during P3 transitions involving Highstar's investment in Ports America.

Finance Manager – The Finance Manager is responsible for overseeing the finance, audit and control processes at the Airport as well as managing financing relationships with lenders and concessionaires. During the transition period, the Finance Manager will hire and train the finance staff and evaluate the current controls processes and financial systems in place at the Airport. Aerostar intends to install a best-in-class finance and controls process as soon as possible in order to effectively track revenues and expenses during the transition. The Finance Manager will also be responsible for working with the Airport Director and all other Managers to create and manage the Airport's operating budget, and managing relationships with the Airport's lenders and concessionaires. Brent Tasugi from Highstar Capital will fulfill this role during the transition period. Mr. Tasugi currently serves as a Principal at Highstar Capital and has over 11 years of experience in the finance industry. He is actively involved in Highstar's ongoing financial management of its 40-year concession in the Port of Baltimore and has performed in a similar capacity across several of Highstar's portfolio companies in the past.

2. Transition of Airport Systems

A transition from PRPA systems and procedures will also be a critical part of the transition process. The transition management team will be supplemented by additional specialty management staff from the Sponsors and specialty contractors. This additional management staff will focus on the design, procurement, installation, and training for new stand-alone systems to replace the Airport systems that currently are based at the PRPA central offices. These systems include enterprise accounting software, HR software, IT network, and telephone systems. The Sponsors have existing systems that can also be leveraged during the transition to provide resources to the transition management team.

3. Post-Transition Management

Aerostar has already begun conducting an international search for the full-time management positions listed above, with the exception of Transition Director. During this search, Aerostar has used both relationships within the aviation industry as well as a best-in-class executive recruitment firm, Korn/Ferry, to source candidates.

We plan to tap our executive search firm and our industry contacts to find experienced, best-in-class managers with the following criteria:

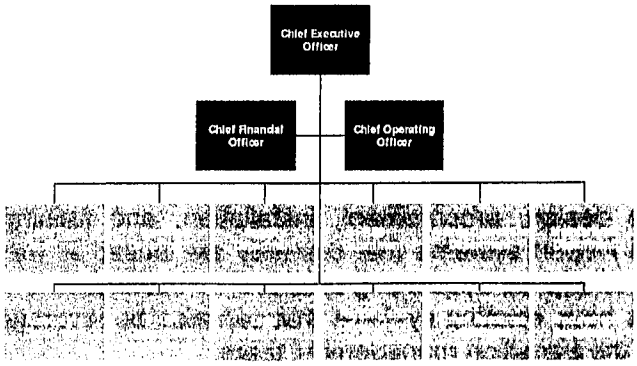
- **US Airport Experience** – LMM's managers must have more than a decade of experience in the aviation field so that they can identify both problems and solutions without relying on outside assistance, particularly in regards to achieving proper levels of federal grants.
- **Bilingual** – All, of LMM's managers must be able to communicate in Spanish and English.
- **Commercial Experience** – LMM's managers must have private sector commercial and finance experience.
- **Airline Relationships** – LMM's managers must have deep and well-established relationships with all current and potential airline customers.

After the best-in-class management team is hired, they will work alongside ASUR's transition team to develop Aerostar's operating staff and execute its philosophy and vision. It is expected that the transition team will still be in place at financial close, but we anticipate the Airport will operate completely independently within six months of financial close based on the close cooperation of the transition team with Aerostar's full-time management team and the PRPA staff.

Staffing Requirements

While the sourcing of the management team has been previously discussed, all other employees will likely be sourced within Puerto Rico and from existing staff. The Aerostar team commits to interview all current Airport employees who apply for jobs and will likely hire certain current Airport employees, both union and non-union. However, before these interviews take place, Aerostar cannot state any intention to employ any current employees, as all positions will be open for employment and may attract former employees of other airports or American Airlines operations staff. For current employees that are not retained, we intend to take advantage of the Transition Service clause, Section 2.5(h), of the Lease Agreement, including services of employees that are retained by the PRPA. The PRPA has advised us that all employees not retained by Aerostar will remain employed by the PRPA.

At this time, the current, proposed full-time organization plan is as follows:



Outline of Airport Transition Plan

The following are the key deliverables for the Airport transition:

1. **Appointment of key personnel, transition / Airport managers, and management team**
   a. Establishment of the transition task force, assisted by Aerostar staff and advisors, by field of expertise (e.g., operations, security, maintenance, administration)
   b. Implementation of the new organizational chart, and reassigning of functions, tasks, and personnel
   c. Establishment of Stakeholder relationships between management and government authorities (including FAA, TSA, CBP, USDA, APHIS, State police, PRPA police and others), airlines, service providers, tenants
   d. Establishment of relationships with outside vendors for key systems (e.g., baggage handling systems ("BHS"), CCTV and security, air conditioning)
   e. Establishment of a human resources department
   f. Establishment of central office functions (e.g., accounting, procurement), including office space and equipment
   g. Development of a of first-year capex program
2. **Short-term goals definition**
   a. Continuity; safe and secure operations and passenger flow
   b. Operational transition; customer service, operations, maintenance, security, administration
   c. Headcount optimization; staff reorganization and contract services
   d. Contract third-party suppliers, including HVAC, BHS, general maintenance
   e. Restructuring of the maintenance team into high-efficiency multitask teams
   f. Cost reduction; energy, saving procedures
   g. Administrative control implementation
   h. Mandatory manual/procedure preparation and official approval for security, operations, etc.
   i. Establishment of key performance indicators ("KPIs") and the resulting critical process and training guidelines
3. **Troubleshooting**
   a. All areas should immediately initiate a troubleshooting analysis and prepare a prioritized list of tasks to be conducted
   b. All findings during the troubleshooting analysis should be prioritized, and corrective actions should be designed for each of them
   c. A work program for both personnel and infrastructure, which will include training, repairs and replacement analysis, should be issued with clear time frames and cost metrics
4. **Mid- & long-term goals definition**
   a. Achieve minimum level of service quality

b. Analysis and redesign or renewal of all procedures and practices

c. Cost control

d. Execution of the company vision, mission, values, principles and philosophy

5. Employee relationships established

a. Union employees

i) Begin new collective bargaining negotiations

b. All employees

i) Introduction of management and assessment team

ii) Vision, mission and expectations of Aerostar

iii) Other relevant information

c. Establishment of the first-year training sessions (leadership, team work, vision and philosophy changes, etc.) for all personnel

6. Establishment of 5 year capital plan

a. Project definition

b. Phasing of capital plan

i) Establishment of Airport Capital Improvement Plan

c. Evaluation of architects, engineers, and contractors

i) Creation of Scope of Work

ii) Release of RFP

Transition Staffing

The Aerostar team began planning a transition process earlier this year and has begun to allocate staff and resources to facilitate a seamless transition. The team has made more than a dozen visits to Puerto Rico and has already met with local and national service providers, potential concessionaires, construction firms, and potential management team hires. At this time, the transition plan outlined below is indicative due to the closing timeline and other variables.

1. Administration

Due to the fact that the many of the key administrative functions are currently managed by the PRPA, it will be necessary to build a new administrative team and hire administrative personnel for accounting, billing, payments, procurement, warehouse control and other areas prior to the first operational day for Aerostar.

The key functions that we plan to implement within the administration department prior to day one of operation (at a minimum) are:

a. Accounting (Billing, Payments);

b. Treasury – Cashiers;

c. Human Resources;

d. Procurement; Warehousing

Additional departments that will need to be formed prior to the first operational day are:

2. **Information Technology**

   Due to the fact that IT processes are currently managed by the PRPA, it will be necessary to select and hire IT personnel immediately after financial close. We will also work to ensure that any IT service currently performed by the PRPA is transitioned to LMM before close.

3. **Landside Operation**

   This department will work before financial close to transition parking lot operations prior to day one. We have already completed initial work to identify contractors for medical services, waste disposal and cleaning. Contracts for ground handling and airlines are already in place at the Airport, and no immediate action is required at early stages of the transition.

4. **Quality**

   This department can be implemented once the first stage of the transition is complete, and control of security, operations and maintenance is established. During the second stage, this department will be very helpful for the management team in supporting the design and implementation of the KPIs and service standards that will prevail at LMM.

5. **Security**

   As security at LMM is a high priority, the transition of this area will begin upon award and will be ready for turnover at financial close. The security transition plan will be closely coordinated with the relevant public sector authorities including FAA, TSA (includes transition of the Airport Security Plan ("ASP")), CBP and USDA as well as local and Puerto Rico and PRPA Police. The transition should be divided into two primary tasks (security operations and administrative control) followed by a third task (transition of special procedures):

   a. Transition of operational control on the field in accordance with the approved ASP; will be accomplished by the security manager, and should take no longer than seven days to accomplish. During this period, management must implement any changes involving the current working team.

   b. Transition of administrative procedures in accordance with the approved ASP; this process could follow the operational control transition, and will consist of learning all actual procedures, manuals and equipment, personal files, security badge system, reports, maintenance records, training records, private security (St. James) records and manuals.

   c. Transition of special procedures; at LMM there are some special procedures, such as tow truck operation, that should be transitioned as soon as possible.

6. **Airside Operations**

   Currently, the LMM airside operations team plays an important role that is primarily limited to safety operations. We believe that with ASUR's expertise and guidance, airside operations can be further expanded and improved while maintaining all safety and security requirements. The transition of airside operations should be straight forward, but due to the size of the Airport, this transition will be executed over an extended time.

   a. Transition of operational control of the field. This transition will be led by the Operations Manager, and should take no longer than 14 days. An important part of this transition will be to work with every airline individually to learn their operational preferences.

b. Transition of administrative procedures; following the operational transition, and consisting of learning all actual procedures, personal files, maintenance, reports, records, emergency procedures and manuals.

c. Transition of special procedures; at LMM there are some special procedures, such as fee collection, that should be transitioned as soon as possible. In addition, agreements with airlines and FBOs should be finalized in order to collect passenger and airlines fees.

7. Maintenance

The maintenance transition will be an important part of the Airport transition. The transition of maintenance will require dramatic changes in vision, organization, skills, culture and teamwork.

Currently, the department is organized into highly specialized working teams, divided by technical specialty. There are a large number of personnel required. The new philosophy and organization of the maintenance team is planned to be converted to "high-performance, multitask teams" with support of outsourced technical specialty companies on each of the maintenance specialties needed.

The main function of the multitask teams will be to maintain the Airport infrastructure and equipment at a high level of operation, image and quality according to international standards. The multitask personnel will respond to all reports of malfunctioning equipment or any causes of service interruption, and will quickly restore and repair Airport equipment and infrastructure. The requisite skills of the teams and the technical specialty companies will cover a variety of areas including electricity, plumbing, HVAC, BHS, emergency power plants, visual aids, painting, jetbridge maintenance and elevator/escalator repairs, among others. Within each team, there will be individuals with high technical skills in one or more of the specialties described above, but they will not constrain their activity to their specialty, and will collaborate in all maintenance works, and become leaders when their specialty is called upon.

This maintenance approach will require that the management team have a group of suppliers that can cover the preventive and corrective maintenance of the critical systems and other specialty areas of the maintenance. This approach may also require that a union agreement is negotiated to convert the actual duties of the current staff from unique specialty to multitask workers. At least a three- to six-month period will be necessary to gather the outsourcing maintenance companies, during which time the maintenance staff at the Airport will be evaluated for purposes of determining retention.

The new management team will transition the facilities and quickly familiarize themselves with every aspect of the Airport facilities and operations within two months. In parallel, the training of the staff for the new organization will take place upon hiring, and will need to be delivered via on-the-job training.

Because of the complexity of the personnel issues involved, these changes will occur over 12 to 15 months once the final organization is in place.

8. Baggage Handling System

BHS will be treated as a new department. It will be formed as soon as the transition is initiated, and personnel from other departments such as electrical and building services will also be allocated to this department.

Coordination with the Airlines

Aerostar anticipates partnering with the airlines that serve LMM to improve the operating environment at LMM. During the transition period, the executive team will be responsible for working closely with the airlines. Many of the members of the transition executive team have extensive experience working with all of the airlines currently serving the Airport. After the conclusion of the transition period, the permanent executive team will be responsible for managing successful relationships with all of the airlines.

Aerostar took the opportunity to meet with the airlines that serve LMM on two occasions, in April and May 2012 to discuss Aerostar's experience and operating plan for LMM. These two sessions were instrumental in helping Aerostar further refine the operating plan. Both ASUR and Highstar have excellent relationships with the airlines that currently serve their airports in Mexico and the UK, and will continue to do so throughout the closing process.

Aerostar expects to engage and work with the airlines to continuously improve and develop the Airport, while closely collaborating with the airlines for all material Airport improvement projects. ASUR leads several operational committees on a monthly basis. Highstar and the LCY Board meet on a regular basis with all of its major airline customers. Aerostar anticipates forming several key committees including operations, technical and airport affairs.

Airport Affairs Committee (AAC)

- Members: All signatory airlines, who will designate a chairperson. Airport represented by Airport Director, General Counsel, Finance Manager and other staff as required.
- Certain decisions on Airport development plans
- Airport MII requests.

Airline Technical Committee (ATC)

- Members: All signatory airlines, who will designate a chairperson. Airport represented by Airport Director and appropriate project staff.
- Participation in project definition.
- Provide input on airline facility and operational requirements and standards.
- Provide input on construction phasing and participate in design and construction workshops.
- Participate in commissioning activities.

Airline Operations Committee (AOC)

- Members: Airline station managers and other airline stakeholders. Airport represented by Operations Manager, Operations Department and construction management staff (during phasing and construction activities) and other staff as required. Also includes ground handling firms.
- Provide look-ahead schedules during phased work.
- Provide safe, efficient airline operations.
- Participate in commissioning activities.

Apart from closely working with the airlines on day-to-day operational issues at the Airport, Aerostar will also maintain regular dialogue with the airlines regarding further route development and expansion at the Airport.

Locally Sourced Labor Commitment

Aerostar looks forward to fostering participation of local suppliers, contractors, designers, architects, and engineers throughout the Lease wherever possible through regular engagement between the business community and the airport management. Aerostar staff will participate in local industry events and host networking events to introduce its management team to the local business community. Aerostar expects to locally source contracts for services and capital improvements when reasonably possible and to include partnering opportunities for local firms for larger programs. Aerostar has already met with local businesses regarding the Airport opportunity and has received over $10 million of firm price proposals from local companies.

Commitment to the Community

Aerostar's commitment extends beyond employment and contracting. As LMM Airport is the gateway to Puerto Rico, Aerostar will also investment in the community to promote education and culture across Puerto Rico. As part of the activities proposed, Aerostar will sponsor cultural, social and philanthropic events. We believe that community involvement is critical in a long-term partnership and we expect to play an active role in the San Juan and Puerto Rico community.

SCHEDULE 15

GDB GUARANTY

This Payment Guaranty, dated as of July ___, 2012, is made by Government Development Bank for Puerto Rico (the "Guarantor"), a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico (the "Commonwealth"), created by virtue of Act No. 17 of the Legislative Assembly of Puerto Rico enacted on September 23, 1948, as amended (the "Act"), to and for the benefit of Aerostar Airport Holdings, LLC, a limited liability company organized under the laws of the Commonwealth of Puerto Rico (the "Lessee"). Capitalized terms not defined herein have the meanings provided in the Lease Agreement (as defined below).

WITNESSETH:

WHEREAS, pursuant to that certain Luis Muñoz Marín International Airport (the "Airport") Lease Agreement, dated as of July ___, 2012, made by and between the Lessee and the Puerto Rico Ports Authority (and together with its successors and permitted assigns, the "Authority") as amended from time to time (the "Lease Agreement"), the Authority has granted to the Lessee a lease of the Airport to conduct LMM Airport Facility Operations in connection therewith; and

WHEREAS, as a condition precedent to the consummation of the Closing, and to induce the Lessee to enter into the Lease Agreement and pay the Leasehold Fee thereunder, the Guarantor is required to execute and deliver this Payment Guaranty; and

WHEREAS, the Guarantor is willing to act as a guarantor, as set forth herein, as of and effective from the Closing on the Closing Date, for any Termination Damages due and payable in cash by the Authority under the Lease Agreement, including, without limitation, the payment of any interest with respect to any and all such amounts as determined under the Lease Agreement (the "Guaranteed Obligations").

NOW THEREFORE, in consideration of the premises and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, as an inducement to the Lessee to enter into the Lease Agreement and pay the Leasehold Fee thereunder, the Guarantor agrees as follows:

Section 1. Guaranteed Obligations. Subject to the terms of this Payment Guaranty, the Guarantor hereby irrevocably guarantees to the Lessee the payment in full by the Authority of the Guaranteed Obligations. The Guarantor shall have no obligations to the Lessee or any other Person hereunder other than for the Guaranteed Obligations. The Guarantor shall be entitled to assert any and all legal or equitable rights or defenses against the Lessee that are available to the Authority under or arising out of the Lease Agreement. The Guarantor shall have no obligations (without regard to any bankruptcy, insolvency, moratorium or other similar laws of which the Authority might avail itself) that exceed those of the Authority under the Lease Agreement and shall have no obligations directly under the Lease Agreement other than those that arise under or through this Payment Guaranty. The obligations of the Guarantor under this Section 1, to the fullest extent permitted by applicable Law, are absolute, irrevocable and

unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of the obligations of the Authority under the Lease Agreement or the Closing Agreement and irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor other than payment in full of the Guaranteed Obligations.

Section 2. Nature of Obligation.

2.1. Payment Guaranty.

(a) This Payment Guaranty is a guaranty of payment, as set forth herein, and not merely of collection.

(b) Subject to Section 13, with respect to all Guaranteed Obligations, the Lessee shall first make a written demand for payment against the Authority in accordance with the procedures set forth in the Lease Agreement (a "Claim") and shall within five Business Days, provide a copy of such Claim to the Guarantor.

(c) In the event that a Claim is made and the Authority has neither (i) submitted such Claim to the dispute resolution procedure provided in Article 19 of the Lease Agreement nor (ii) paid such Claim in full in cash on or before the expiry of all applicable grace and cure periods provided for under the Lease Agreement (including any period provided to obtain financing or required approvals for such payment), the Lessee shall promptly notify the Guarantor of such failure in writing and thereupon the Guarantor, within 20 Business Days of receipt of such notice and written demand by the Lessee for payment, shall satisfy such Claim in full in cash, including any interest accrued thereon from the date such payment was due from the Authority to the date of such payment by the Guarantor, at a rate per annum equal to the Bank Rate, calculated annually and payable monthly.

(d) If a Claim is submitted to the dispute resolution procedure provided in Article 19 of the Lease Agreement, and a final, non-appealable decision is issued pursuant to such procedure ordering payment by the Authority to the Lessee (a "Final Decision"), but the Authority does not make such payment on or before the expiry of all applicable grace and cure periods provided for such payment under the Lease Agreement (including such periods provided to obtain financing or required approvals for such payment), then within 20 Business Days of receipt of evidence of such Final Decision, together with a written notice of the Authority's failure to pay and written demand by the Lessee for payment, the Guarantor shall make such payment in full in cash to the Lessee, including any interest accrued thereon from the date such payment was due from the Authority to the date of such payment by the Guarantor, at a rate per annum equal to the Bank Rate, calculated annually and payable monthly. The Guarantor acknowledges that such Final Decision shall be final and binding on the Guarantor and that, notwithstanding Section 1, the Guarantor shall have no defense that the amount adjudicated in the Final Decision is not due and owing (other than payment having been made in full), whether or not an available defense was raised in the dispute resolution procedure that resulted in the Final Decision.

2.2. Delivery of Notices.

(a) Except as provided in Section 2.2(b) below, the Lessee shall, within five Business Days of providing the Authority any required notice under the Lease Agreement, provide a copy of such notice to the Guarantor, and no such notice to the Authority shall be effective against the Guarantor until a copy thereof is duly provided to the Guarantor at its address specified in Section 12 (or any subsequent change of address notice given in writing to the Lessee).

(b) The Lessee shall provide to the Guarantor, within two Business Days from the date of the Lessee's delivery thereof to the Authority, a copy of any notice or demand required to be delivered to the Authority in accordance with the terms and conditions of the Lease Agreement with respect to any Claim, including but not limited to any AA-Preliminary Notice, AA-Notice, CE-Preliminary Notice, CE-Notice, Delay Event Notice, and any notice contemplated by Section 16.2 of the Lease Agreement, and no such notice to the Authority shall be effective against the Guarantor until a copy thereof is duly provided to the Guarantor at its address specified in Section 12 (or any subsequent change of address notice given in writing to the Lessee).

(c) Notwithstanding any provision to the contrary contained in the Lease Agreement, the Lessee shall not terminate the Lease Agreement as a result of any Authority Default or Adverse Action without first giving to the Guarantor a copy of any notices required to be given in connection with such termination pursuant to Article 14 or Article 16 of the Lease Agreement, such notices to be accompanied by a statement of the period available to the Guarantor to cure or remedy any such Authority Default or Adverse Action, as applicable, which period shall be of the same length as the cure period provided to the Authority under the Lease Agreement and shall run from the date that such notice is provided to the Guarantor; *provided* that if such notice is provided to the Guarantor within the two Business Day period set forth in Section 2.2(b) above, the cure period available to the Guarantor shall end on the same date as the cure period provided to the Authority under the Lease Agreement. No termination of the Lease Agreement by the Lessee shall be of any effect without such notice provided to the Guarantor. Except as provided by the terms of this Payment Guaranty, the Guarantor may, but shall be under no obligation to, make any payment or to perform any act required of the Authority under the Lease Agreement with the same effect as if the payment or act had been made or performed by the Authority. If the Guarantor fails to cure or is unable or unwilling to cure or remedy an Authority Default or Adverse Action, as applicable, within the cure period provided herein, the Lessee shall have all of its rights and remedies with respect to such Authority Default or Adverse Action as set forth in the Lease Agreement.

2.3. Dispute Resolution. The parties hereto expressly acknowledge and agree that nothing contained in this Payment Guaranty or in the Lease Agreement shall obligate any party to initiate any dispute resolution procedure under the Lease Agreement with respect to any Claim. Each of the Lessee and the Authority acknowledges and agrees that the Guarantor (or any Designated Person appointed by it) shall be authorized to participate in or act for and on behalf of the Authority in any dispute resolution proceeding contemplated by Article 19 of the Lease Agreement from and after the Lessee's receipt of notice from (i) if the Guarantor participates in such proceeding, the Guarantor or (ii) if the Guarantor acts for and on behalf of the Authority in

such proceeding, the Authority and the Guarantor, in each case confirming such participation or authority to act; *provided* that if the Guarantor participates in any proceeding pursuant to clause (i) above, in each case where Article 19 of the Lease Agreement provides for the selection of an arbitrator by the Authority, such arbitrator shall be mutually agreed upon by the Guarantor and the Authority (or if the Guarantor and the Authority cannot agree, such arbitrator shall be selected by the American Arbitration Association).

2.4. Reinstatement of Payment Guaranty. The payments made pursuant to this Payment Guaranty shall be deemed not to have been made, and the Guarantor's obligations hereunder in respect thereof shall continue and not be discharged, to the extent that any such payment by the Guarantor is recovered from or paid over by or for the account of the Lessee for any reason, including as a preference or fraudulent transfer or by virtue of any subordination (whether present or future or contractual or otherwise) of such payment, whether such recovery or payment over is affected by any judgment, decree or order of any court or governmental agency, by any plan of reorganization or by settlement or compromise by the Lessee (whether consented to by the Guarantor or any other guarantor) of any claim for any such recovery or payment over. The Guarantor hereby expressly waives the benefit of any applicable statute of limitations or prescriptive term and agrees that it shall be liable hereunder whenever such recovery or payment over occurs.

Section 3. Conditions and Waiver. Without limiting the generality of Section 1, this Payment Guaranty shall not be affected, modified, released or impaired by any of the following circumstances or conditions, and the Guarantor hereby waives any rights which may arise with respect thereto, except as otherwise agreed upon in writing by the Guarantor, and the Lessee at the time of occurrence of any such circumstance or condition, and the occurrence of one or more of the following shall not preclude the exercise by the Lessee of any right, remedy or power in respect of this Guaranty that, to the fullest extent permitted by applicable Law, shall remain absolute, irrevocable and unconditional:

(a) any other preconditions aside from the occurrence of a Closing and payment of the Leasehold Fee under the Lease Agreement;

(b) any term or provision of any instrument or agreement applicable to the Lessee other than the Lease Agreement ("Other Agreements"), or any assignment or transfer of any Other Agreement or the Lease Agreement, in accordance with the terms of the Lease Agreement;

(c) the occurrence of any Authority Default under the Lease Agreement;

(d) any assignment of this Payment Guaranty by the Lessee in accordance with the terms hereof, including the assignment of this Payment Guaranty to a Leasehold Mortgagee;

(e) except as otherwise provided in Section 4, any amendment, restatement, extension of time, acceleration, waiver, consent, extension, indulgence, release or discharge or other action or inaction (including, without limitation, any lack of diligence or failure to mitigate

damages or failure to seek recovery under other guarantees) under or in respect of the Lease Agreement or any Other Agreement;

(f) the voluntary or involuntary liquidation, dissolution, receivership, insolvency, bankruptcy, sale or other disposition of all or substantially all of the assets of, or marshaling of assets and liabilities, including any taking of possession of all or substantially all assets by a secured party or otherwise or other distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all assets, assignment, arrangement or composition with or for the benefit of creditors, reorganization, arrangement, composition or readjustment of, or admission in writing of inability generally to pay debts as they become due, other similar proceeding or any institution of a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditor's rights, or presentment of any petition for winding-up or bankruptcy, in each case provided in law or otherwise affecting the Authority, or any proceeding under applicable Laws of any jurisdiction that has an analogous effect to any of the foregoing events affecting the Authority, or any action taken by any trustee, receiver, custodian, administrator, provisional liquidator, conservator or similar official or by any court in any such proceeding, including the rejection of the Lease Agreement or any Other Agreement by a trustee, receiver, custodian, administrator, provisional liquidator, conservator or similar official for the Authority or for all or substantially all its assets in any such proceeding, or the disaffirmance, rejection or postponement in any such proceeding of any of the obligations or undertakings of the Authority set forth in any such instrument or agreement including the Lease Agreement or any Other Agreement (each of the foregoing, an "Insolvency Proceeding");

(g) any delay or failure of the Authority beyond any applicable grace and cure periods to pay the Guaranteed Obligations or perform any provision of the Lease Agreement or the Closing Agreement;

(h) any Transfer of any or all of the Authority's interests in the Airport or the Lease Agreement to another Governmental Authority, including as contemplated by Section 17.4 of the Lease Agreement;

(i) any consolidation, amalgamation, arrangement or reorganization of the Authority with, any merger of the Authority with, or transfer of all or substantially all its assets to, another Person, any change in the legal or beneficial ownership of the Authority, or any other change whatsoever in the objects, capital structure, constitution or business of the Authority;

(j) the failure or breach of any representation or warranty made by the Authority in the Lease Agreement; or any event or circumstance constituting fraud in the inducement arising by any act or omission of the Authority;

(k) any action or failure to act by the Lessee (or any lender to the Lessee) that adversely affects the Guarantor's right of subrogation arising by reason of any performance by the Guarantor of this Payment Guaranty;

(l) any failure or breach by the Lessee of its obligations under Section 2.2(a) of this Payment Guaranty; *provided* that such failure or breach does not adversely affect the

Guarantor's ability to cure any breach or failure of the Authority pursuant to the terms of this Payment Guaranty or increase the Guarantor's obligation to pay under this Payment Guaranty;

(m) any suit or other action brought by, or any judgment in favor of, any beneficiaries or creditors of, the Authority;

(n) any lack or limitation of status or of power, incapacity or disability of the Authority or any other guarantor or obligor in respect of any of the Guaranteed Obligations; or

(o) any change in Law of any jurisdiction, or any present or future action or order of any Governmental Authority, amending, varying or otherwise affecting any of the Guaranteed Obligations, including any thereof affecting the validity or enforceability of any of the Guaranteed Obligations or the obligations of any other guarantor or obligor in respect of any of the Guaranteed Obligations or the currency in which the Guaranteed Obligations are denominated or payable.

Except as expressly set forth in Sections 2.1 and 4 of this Payment Guaranty, the Guarantor hereby expressly waives any requirement that the Lessee exhaust any right, power or remedy (including filing any proof of claim relating to the Guaranteed Obligations in any Insolvency Proceeding) or proceed against the Authority under the Lease Agreement (*derecho de excusión*), or against any other Person under any other guarantee of, or security for, any of the Guaranteed Obligations, it being understood that this Guarantee is a guarantee of payment and not just collection.

Section 4. Certain Consent Rights of Guarantor. The Guarantor, the Lessee and the Authority hereby agree that, notwithstanding any provision to the contrary in this Payment Guaranty, the Guarantor's obligation to pay any Claim to the Lessee pursuant to Section 2.1 above shall be subject to compliance with the following conditions:

(a) The Authority may not modify, extend, amend, change, compromise, settle, release, terminate, waive or surrender any provision of the Lease Agreement without the Guarantor's prior written consent, such consent not to be unreasonably or arbitrarily withheld, delayed or conditioned;

(b) no amount shall be payable by the Guarantor hereunder for any Claim that results from any of the following Compensation Events unless the Guarantor shall have first approved in writing such Compensation Event: (i) any Required Modification and (ii) any change or modification of any Operating Standard with which the Lessee is required to comply under the Lease Agreement;

(c) the following provisions shall govern the procedure for requesting the approval or consent by the Guarantor of or to any action, Person, Document or other matter contemplated in Sections 4(a), or (b) above: (1) such request for approval or consent must (A) contain or be accompanied by any documentation or information required for such approval or consent in reasonably sufficient detail, (B) clearly set forth the matter in respect of which such approval or consent is being sought, (C) form the sole subject matter of the correspondence containing such request for approval or consent, and (D) state clearly that such approval or consent is being sought; (2) such approval or consent shall not be unreasonably or arbitrarily

withheld, conditioned or delayed; (3) the Guarantor shall, within 15 days (subject to the Guarantor's right to extend such period for an additional seven days) after the later of (x) the receipt by the Guarantor of a written notice from the Lessee requesting an approval or consent and (y) the delivery by the Authority of its consent or approval to such matter, advise the Lessee by written notice either that it has no objection to such consent or approval or that it does object to such consent or approval, in which latter case it shall set forth, in reasonable detail, its reasons for such objection, which reasons may include the insufficiency, as determined by the Guarantor acting reasonably, of the information or documentation provided; (4) if the responding notice mentioned in clause (3) of this Section 4(c) indicates that the Guarantor has an objection to such consent or approval, the Lessee may take whatever steps may be necessary to satisfy the objections of Guarantor set out in the responding notice and, thereupon, may submit a revised request for approval or consent from time to time and the provisions of this Section 4(c) and Section 1.16(a) of the Lease Agreement shall again apply until such time, if ever, as the approval or consent of the Authority is finally obtained, if at all, with no objection from the Guarantor; (5) if the objection mentioned in clause (3) of this Section 4(c) is subsequently determined, pursuant to Article 19 of the Lease Agreement, to have been improperly withheld, conditioned or delayed by the Authority or the Guarantor, such approval or consent shall, unless otherwise determined pursuant to Article 19, be deemed to have been given on the date on which such approval or consent was originally required; and (6) any dispute as to whether or not a consent or approval has been unreasonably withheld, conditioned or delayed shall be resolved in accordance with the provisions of Article 19 of the Lease Agreement as provided in Section 2.3 herein.

Section 5. Obligations Absolute. Notwithstanding anything in Section 1 or Section 2 above, or elsewhere in this Payment Guaranty to the contrary, except as expressly set forth in Sections 2.1 and 4 above, before making a demand against the Guarantor or enforcing the Guarantor's obligations hereunder, the Lessee need not exhaust its remedies against the Authority (*derecho de excusión*) or take any other action against the Authority, and there shall be no requirement that the assets of the Authority first be applied in satisfaction of the Lessee's demand for payment.

Section 6. No Third Party Beneficiaries. This Payment Guaranty is for the benefit of the Lessee and the Guarantor exclusively and shall not create any rights in favor of any other Person whatsoever, except as expressly provided herein to the contrary (including, without limitation, with respect to such rights as are expressly granted to each Leasehold Mortgagee pursuant to Section 21 of this Payment Guaranty).

Section 7. Consent to Jurisdiction. Subject to Section 2.3, each of the Guarantor and the Lessee hereby irrevocably submits to the jurisdiction and venue of the Commonwealth Court of First Instance, San Juan Part over any suit, action or proceeding arising out of and relating to this Payment Guaranty, and irrevocably waives, to the fullest extent permitted by applicable Law, any objection it may now or hereafter have to the jurisdiction and venue of any such action or proceeding therein and any claim that any such action or proceeding brought therein has been brought in an inconvenient forum.

Section 8. Guarantor Claim Against the Authority. The Guarantor shall have the right of subrogation against the Authority for any payments to the Lessee that the Guarantor shall make hereunder, which right shall be subordinate to all claims made by the Lessee against the

Authority under the Lease Agreement; *provided, however*, that each amount that the Guarantor is required to pay hereunder shall be paid without set-off, deduction or counterclaim (except for such set-off, deduction or counterclaim that the Authority had available or is required to be made by applicable Law) and no set-off, deduction or counterclaim to any obligation that the Guarantor may have against the Authority shall be available to the Guarantor against the Lessee to reduce its obligations to the Lessee under this Payment Guaranty. The Guarantor hereby agrees that until the payment and satisfaction in full of all Guaranteed Obligations and the expiration or termination of all obligations of the Authority to make any payment to the Lessee under the Lease Agreement it shall not exercise any right or remedy (including the filing of any proof of claim in any Insolvency Proceeding) against the Authority or any other guarantor or obligor in respect of any of the Guaranteed Obligations or any security therefor arising by reason of any performance by the Guarantor of this Payment Guaranty, whether by subrogation or otherwise.

Section 9. Guarantor's Representations and Warranties. The Guarantor represents and warrants to the Lessee as follows:

(a) Corporate Organization. The Guarantor is a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico duly created and validly existing under the laws of the Commonwealth of Puerto Rico, and has full power, authority and legal right to execute and deliver this Payment Guaranty, to comply with the terms hereof and perform its obligations hereunder.

(b) Due Authorization. The execution, delivery and performance by the Guarantor of this Payment Guaranty have each been duly authorized by all necessary action on the part of the Guarantor and do not require any other approval or other action.

(c) Enforceability. This Payment Guaranty constitutes a valid and legally binding obligation of the Guarantor, enforceable against the Guarantor in accordance with the terms hereof, subject only to (i) the effect of bankruptcy, insolvency, reorganization, moratorium, or other similar requirements of Law and judicial decisions now or hereafter in effect affecting, generally, the enforcement of creditor's rights and remedies; (ii) the effect of requirements of Law governing equitable remedies and defenses, and the discretion of any court of competent jurisdiction in awarding equitable remedies; and (iii) the effect of requirements of Law governing enforcement and collection of damages against the Guarantor; *provided, however*, that the enforcement of any Claims presented in accordance with this Payment Guaranty shall be resolved as provided herein.

(d) No Conflicts. The execution and delivery of this Payment Guaranty by the Guarantor, the consummation of the transactions contemplated hereby and the performance by the Guarantor of the terms, conditions and provisions hereof has not and will not contravene or violate or result in a breach of (with or without the giving of notice or lapse of time, or both) or acceleration of any obligations of the Guarantor under (i) any applicable Law or (ii) any agreement, instrument or document to which the Guarantor is a party or by which the Guarantor is bound.

(e) Certain Consents; Notice. No Consent or authorization is required to be obtained by the Guarantor from, and no notice or filing is required to be given by the Guarantor to or made by the Guarantor with, any Person (including any Governmental Authority) in connection with the validity, enforceability, execution or delivery of or performance under this Payment Guaranty.

(f) Litigation. There is no action, suit, arbitration or other proceeding, at law or in equity, or before or by any Governmental Authority, pending nor, to the best of the Guarantor's knowledge, threatened against the Guarantor, that would (i) have a material adverse effect on the ability of Guarantor to perform its obligations hereunder or (ii) affect the validity or enforceability of this Payment Guaranty.

Section 10. Guarantor's Financing Obligations. Guarantor shall, to the extent consistent with applicable Law and at the sole cost and expense of the Lessee, cooperate with the Lessee with respect to documentation reasonably necessary for the Lessee to obtain, maintain and replace financing for the performance of the obligations of the Lessee under the Lease Agreement. Guarantor's cooperation shall include reviewing, approving and executing documents that substantiate the terms of this Payment Guaranty (including any consents and agreements necessary to confirm that the debt evidenced by the relevant financing constitutes Leasehold Mortgage Debt) and responding to reasonable requests for available information and material to furnish to any proposed Leasehold Mortgagee to facilitate financing to the extent permitted by applicable Law and contractual obligations with third parties and to the extent Guarantor considers reasonable under the circumstances; *provided, however*, that nothing herein shall obligate Guarantor to consent to service of process, to become subject to any legal process in any jurisdiction other than in the Commonwealth, or to enter into any agreement inconsistent with this Payment Guaranty or not governed by the Laws of the Commonwealth. Any agreement entered into under this Section 10 shall be subject to review for form and legality by the general counsel of Guarantor. In addition, Guarantor shall, promptly upon the request of the Lessee or any Leasehold Mortgagee, execute, acknowledge and deliver to the Lessee, or any of the parties specified by the Lessee, standard consents and estoppel certificates with respect to this Payment Guaranty that may be qualified to the best of the knowledge and belief of a designated representative of Guarantor. Nothing herein shall require Guarantor to incur any additional obligations or liabilities or to take any action, give any consent or enter into any document inconsistent with or in violation of any applicable Law or the provisions of this Payment Guaranty.

Section 11. Guarantor's Right to Purchase Leasehold Mortgage. The parties hereby agree that Guarantor shall have the right to purchase the Leasehold Mortgage in the same circumstances and on the same terms as apply to such right of purchase in favor of the Authority under Section 18.8 of the Lease Agreement, as if each reference to the Authority in such Section 18.8 (other than with respect to the recognition of the Leasehold Mortgage under Section 18.7 of the Lease Agreement) were a reference to Guarantor, each reference therein to the Authority's Option were a reference to the Guarantor's Option, and each reference therein to the Guarantor were a reference to the Authority.

Section 12. Notices. All notices and other communications hereunder unless otherwise stated herein shall be in writing and shall be hand-delivered, or mailed by certified or registered mail, as follows:

If to the Guarantor or the Authority:

Government Development Bank for Puerto Rico
Roberto Sánchez Vilella Government Center De Diego Avenue, Stop 22
Santurce, Puerto Rico 00940
Attention: President
Telephone: (787) 722-8460
Telecopy: (787) 721-1443

With a copy to:

Government Development Bank for Puerto Rico
Roberto Sánchez Vilella Government Center De Diego Avenue, Stop 22, Fourth Floor
Santurce, Puerto Rico 00940
Attention: General Counsel
Telephone: (787) 729-6438
Telecopy: (787) 728-6646

If to the Lessee:

Aerostar Airport Holdings, LLC
P.O. Box 363507
San Juan, Puerto Rico, 00936-3507
Attention: President

with copies to:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
Attention: Richard S. Lincer, Esq.
Telecopy: (212) 225-3999

and:

Aeropuerto de Cancún, S.A. de C.V.
Road Cancun – Chetumal, km. 22
Municipality of Benito Juarez
Cancun, Quintana Roo 77500
MEXICO
Attention: General Counsel
Telecopy: (55) 52 84 04 54

with copies to:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
Attention: Jorge Juantorena, Esq.
Telecopy: (212) 225-3999

and:

Highstar Capital IV, L.P.
Highstar Capital IV I-A, L.P
Highstar Capital IV Prism, L.P.
277 Park Avenue, 45th Floor
New York, NY 10172
Attention: General Counsel
Telecopy: (646) 857-8848

with copies to:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
Attention: Richard S. Lincer, Esq.
Telecopy: (212) 225-3999

or at such other addresses as any party shall furnish to the other in writing. For the avoidance of doubt, a duplicate copy of all notices to the Guarantor under this Payment Guaranty shall be delivered to the Authority, and a duplicate copy of all notices to the Authority under the Lease Agreement shall be delivered to Guarantor. A notice, other communication or approval shall be deemed to have been sent and received (i) on the day it is delivered, or if such day is not a Business Day or if the notice is received after ordinary office hours (time of place of receipt), the notice, other communication or approval shall be deemed to have been sent and received on the next Business Day, or (ii) on the fourth Business Day after mailing if sent by United States registered or certified mail.

Section 13. Authority Dissolution. In the event of and notwithstanding:

(a) a final dissolution of the Authority, so that no Person is available to respond, defend or make any appearance to defend a Claim, or

(b) the Authority entering into an Insolvency Proceeding,

the Lessee may make any then unpaid and any subsequent Claims on account of the Guaranteed Obligations directly against the Guarantor under, and in accordance with, the provisions of the

Lease Agreement and Guarantor shall stand in the place of the Authority under the Lease Agreement with respect to such Claims.

Section 14. No Waiver. No delay or omission in exercising any right, remedy, power or privilege accruing upon any default, omission or failure of performance hereunder shall impair any such right, remedy, power or privilege that may be exercised from time to time and as often as may be deemed expedient.

Section 15. Amendments. This Payment Guaranty may be amended, changed or supplemented only by a written agreement signed by each of the parties hereto.

Section 16. Counterparts. This Payment Guaranty may be executed simultaneously in several counterparts (including facsimile transmission), each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

Section 17. Governing Law. This Payment Guaranty shall be governed by the laws of the Commonwealth of Puerto Rico, without giving effect to any conflict-of-law provision.

Section 18. Term of Payment Guaranty. This Payment Guaranty shall become effective upon Closing on the Closing Date. This Payment Guaranty shall continue in full force and effect until the Reversion Date or, if later, the date of the final payment and satisfaction in full of the Guaranteed Obligations for any bona fide, specified Claim brought by the Lessee against the Guarantor prior to the Reversion Date in accordance with the provisions hereof.

Section 19. Following Termination of this Payment Guaranty. Any rights of subrogation of the Guarantor against the Authority that shall remain or exist following the End Date shall be subordinate to any amounts due and payable from the Authority to the Lessee on account of Guaranteed Obligations.

Section 20. Amounts Received by Guarantor. In the event that, prior to the payment and satisfaction in full of all Guaranteed Obligations and the expiration or termination of all obligations of the Authority to make any payment to the Lessee under the Lease Agreement, any amount is received by the Guarantor from the Authority on account of the payment by the Guarantor of the Guaranteed Obligations under Section 1, whether by subrogation or otherwise, the Guarantor will promptly following receipt thereof pay such amount to the Lessee for application to any Guaranteed Obligations to the extent then owing and without any set-off, deduction or counterclaim to any obligation that Guarantor may have against the Authority.

Section 21. No Assignment by Either Party. Except as provided in Section 6 above, this Payment Guaranty shall not be assigned or assignable by any party without the prior written consent of the other parties hereto; *provided* that the Lessee may assign this Payment Guaranty to any Transferee approved by the Authority and Guarantor in accordance with Section 17.1 of the Lease Agreement, and the Lessee shall have the right, at its sole cost and expense, to grant one or more Leasehold Mortgages, subject to and in accordance with Article 18 of the Lease Agreement; *provided further* that each Leasehold Mortgagee, Guarantor and the Lessee shall enter into a consent agreement in a form reasonably acceptable to all parties whereby all parties consent to the assignment by the Lessee of the benefits of this Payment Guaranty to an agent in connection with the financing of the Leasehold Mortgage; *provided* that such consent agreement

shall be in a customary form and shall include the rights and protections provided to the Leasehold Mortgagee in the Lease Agreement. Nothing herein shall obligate Guarantor to consent to service of process, become subject to any legal process in any jurisdiction other than in the Commonwealth, or enter into any agreement inconsistent with the terms of this Payment Guaranty or not governed by the laws of the Commonwealth.

Section 22. Inurement and Binding Effect. This Payment Guaranty shall inure to the benefit of the parties and their respective permitted successor and assigns and be binding upon the parties and their respective successors and assigns.

Section 23. Continuing Guarantee; Liability in respect of Successor. The guarantee in Section 1 is a continuing guarantee, and shall apply to all Guaranteed Obligations whenever arising. If the Authority shall consolidate or amalgamate with, or merge with or into, or transfer all or substantially all its assets to, another Person, the Guarantor will continue to be obligated hereunder in respect of the Guaranteed Obligations, whether or not the Guaranteed Obligations are assumed by such Person, and each reference herein to the Authority shall thereafter instead be a reference to such Person.

Section 24. Severability. If any term, provision, covenant or condition of this Guarantee, or the application thereof to the Guarantor or the Lessee or any circumstance, is held to be unenforceable, invalid or illegal (in whole or in part) for any reason (in any relevant jurisdiction), the remaining terms, provisions, covenants and conditions of this Guarantee, modified by the deletion of the unenforceable, invalid or illegal portion (in any relevant jurisdiction), will continue in full force and effect, and such unenforceability, invalidity, or illegality will not otherwise affect the enforceability, validity or legality of the remaining terms, provisions, covenants and conditions of this Payment Guaranty.

Section 25. Waiver of Sovereign Immunity. The Guarantor acknowledges that under its enabling act, it is not entitled to raise the defense of sovereign immunity with respect to claims arising out of this Guarantee. Under its enabling act, the Guarantor does not have sovereign immunity (and any defense based thereon) as to it and its property in respect of the enforcement and execution of any award or other relief (pecuniary or otherwise) rendered against it in accordance with the provisions of this Guarantee.

Signature Pages Follow

IN WITNESS WHEREOF, the parties have caused this Payment Guaranty to be signed, sealed and delivered on the day and year first above written.

GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO

By: _____

Name:

Title:

ACKNOWLEDGED:

PUERTO RICO PORTS AUTHORITY

By: _____

Name:

Title:

AEROSTAR AIRPORT HOLDINGS, LLC

By: _____

Name:

Title:

By: _____

Name:

Title:

SCHEDULE 16

ALLOCATION OF LEASEHOLD FEE AND ANNUAL AUTHORITY PAYMENT

Year	Leasehold Fee	Annual Authority Payment	Annual Authority Revenue Share	Total
1	$15,375,000	$2,500,000	-	$17,875,000
2	15,375,000	2,500,000	-	17,875,000
3	15,375,000	2,500,000	-	17,875,000
4	15,375,000	2,500,000	-	17,875,000
5	15,375,000	2,500,000	-	17,875,000
6	15,375,000	-	$1,000	15,376,000
7	15,375,000	-	1,000	15,376,000
8	15,375,000	-	1,000	15,376,000
9	15,375,000	-	1,000	15,376,000
10	15,375,000	-	1,000	15,376,000
11	15,375,000	-	1,000	15,376,000
12	15,375,000	-	1,000	15,376,000
13	15,375,000	-	1,000	15,376,000
14	15,375,000	-	1,000	15,376,000
15	15,375,000	-	1,000	15,376,000
16	15,375,000	-	1,000	15,376,000
17	15,375,000	-	1,000	15,376,000
18	15,375,000	-	1,000	15,376,000
19	15,375,000	-	1,000	15,376,000
20	15,375,000	-	1,000	15,376,000
21	15,375,000	-	1,000	15,376,000
22	15,375,000	-	1,000	15,376,000
23	15,375,000	-	1,000	15,376,000
24	15,375,000	-	1,000	15,376,000
25	15,375,000	-	1,000	15,376,000
26	15,375,000	-	1,000	15,376,000
27	15,375,000	-	1,000	15,376,000
28	15,375,000	-	1,000	15,376,000
29	15,375,000	-	1,000	15,376,000
30	15,375,000	-	1,000	15,376,000
31	15,375,000	-	1,000	15,376,000
32	15,375,000	-	1,000	15,376,000
33	15,375,000	-	1,000	15,376,000
34	15,375,000	-	1,000	15,376,000
35	15,375,000	-	1,000	15,376,000
36	15,375,000	-	1,000	15,376,000
37	15,375,000	-	1,000	15,376,000
38	15,375,000	-	1,000	15,376,000
39	15,375,000	-	1,000	15,376,000
40	15,375,000	-	1,000	15,376,000
Total	$615,000,000	$12,500,000	$35,000	627,535,000

SCHEDULE 17

AIRLINE CAPITAL IMPROVEMENT CONTRACTS

1. Letter Agreement, dated December 16, 2011, by and between the Authority and US Airways, Inc.

2. Letter Agreement, dated February 28, 2012, by and between the Authority and JetBlue Airways Corporation.

3. Letter Agreement, dated April 20, 2012, by and between the Authority and Delta Airways.