



**METROPOLITAN WASHINGTON
AIRPORTS AUTHORITY**

**AIRPORT USE AGREEMENT
AND
PREMISES LEASE**

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PREMISES LEASE**

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ARTICLE 1. - SCOPE OF AGREEMENT;
OBLIGATION TO LEASE PREMISES
DIRECTLY FROM THE AUTHORITY

1.01 This Agreement grants to the Airline certain rights to use facilities to conduct its Air Transportation Business at either National or Dulles, or both. This Agreement also provides for the lease to the Airline of certain Equipment and Premises at the Airport(s) for the same purpose. In consideration of these benefits, the Airline agrees to abide by all of the terms and conditions herein including the obligation to lease a substantial portion, if not all, of its Premises directly from the Authority, if such Premises are available, and to pay to the Authority the rentals, fees, and charges as established in this Agreement.

1.02 Signatory Airlines.

1.02.1 By executing this Agreement, the Airline becomes a Signatory Airline at both Airports if, and so long as, (i) the Airline is conducting its Air Transportation Business at both Airports, and (ii) except as provided in Sections 1.03, 1.04, and 1.05, the Airline leases and continues to lease for the Period of this Agreement directly from the Authority those Premises shown on Exhibits N-B and D-B, as they may be amended, for the conduct of its Air Transportation Business at each Airport.

1.02.2 By executing this Agreement, the Airline becomes a Signatory Airline at only one Airport if, and so long as, (i) the Airline is conducting its Air Transportation Business at that Airport, and (ii) except as provided in Sections 1.03, 1.04, and 1.05, the Airline leases and continues to lease for the Period of the Agreement directly from the Authority those Premises shown on either Exhibit N-B or D-B, as applicable and as such may be amended, for the conduct of its Air Transportation Business at that Airport.

1.02.3 Nothing in this Section 1.02 shall imply or be construed to confer upon the Airline a right to discontinue its lease of Premises.

1.03 If the Airline is conducting its Air Transportation Business as a Signatory Airline at one Airport (the original Airport), it may commence to conduct its Air Transportation Business as a Signatory Airline at the other Airport, provided that, no later than ninety (90) days after commencing the

conduct of its Business at the other Airport, the Airline agrees to lease for the then remaining Period of this Agreement a substantial portion, if not all, of its Premises at that Airport directly from the Authority, to the extent such Premises are available. After said ninety (90) days, if the Airline has not agreed to lease such Premises directly from the Authority, the Airline shall be considered a non-Signatory Airline at that Airport. Notwithstanding that the Airline is a non-Signatory Airline at the other Airport, it shall remain a Signatory Airline at the original Airport.

1.04 If at any time the Airline is operating at the Airport in one or more types of space that is not Premises, and space of that type or types that is adequate for the Airline becomes available for lease as Premises directly from the Authority at the Airport where the Airline is conducting its Air Transportation Business, and such Premises are offered for lease to the Airline, the Airline agrees that no later than thirty (30) days after notice from the Authority of the availability of such Premises, it shall lease for the then remaining Period of this Agreement on the terms and conditions then applicable to leases of such Premises to a Signatory Airline, a substantial portion, if not all, of its space of that type or types at that Airport directly from the Authority.

1.05 Notwithstanding Sections 1.01 through 1.04, if the Airline is a Low Volume Airline at an Airport, it may become a Signatory Airline without leasing Premises directly from the Authority.

1.06 The terms of this Agreement apply to the use of facilities and lease of Equipment and Premises at either Airport except to the extent that a particular provision is identified as applicable to only one of the Airports. If the Airline operates at only one of the Airports, it is subject to the provisions of this Agreement as they apply to the Airport at which it conducts its Air Transportation Business.

ARTICLE 2. - PERIOD OF AGREEMENT

2.01 Effective Date. The Effective Date of this Agreement shall be January 1, 1990, or if executed by the Airline after February 28, 1990, the date on which the Agreement is executed by both the Authority and the Airline.

2.02 Expiration Date. This Agreement shall expire on September 30, 2014, unless sooner terminated as provided in this Article 2, or Article 10, Article 13, or Article 14 of this Agreement.

2.02.1 This Agreement shall terminate as to all Signatory Airlines effective at midnight September 30, 1990, if, prior to August 1, 1990, at least fifty percent (50%) in number of major or national domestic airlines and foreign flag airlines at each Airport representing more than fifty percent (50%) of the true origin and destination passenger activity at each Airport for the twelve (12) month period ending September 30, 1989, have not become Signatory Airlines. Notwithstanding the foregoing, the Authority has the right to continue the Agreement in effect in accordance with its terms by giving notice thereof to the Airline. Notice, to be effective, must be in writing and mailed to all Signatory Airlines prior to August 31, 1990, provided, that in such event the Airline may elect to terminate this Agreement by notice to the Authority prior to October 1, 1990.

2.02.2 Notwithstanding any other provisions, the Authority may, in its sole discretion for any reason, terminate this Agreement effective at midnight December 31, 2004, or September 30 of any year thereafter during the Period of this Agreement, provided that the Authority gives one hundred eighty (180) days written notice to the Airline which states the Authority's reasons for the termination and, further, the Authority terminates the Agreement of all Signatory Airlines effective on the same date. The Authority shall not terminate the Agreement of any Signatory Airline under this provision unless similar and simultaneous action is taken and effected to terminate the Agreement of each Signatory Airline.

2.03 Prior Agreements and Leases.

2.03.1 At midnight, December 31, 1989, all Prior Agreements and Leases not then terminated or expired shall be deemed terminated as of that date, except that the Surviving Agreements, or provisions thereof, listed in Exhibits N-K and D-K shall continue in effect until they expire or are terminated by the Authority or the Airline in accordance with the provisions included in any such Surviving Agreements.

2.03.2 The joint lease agreement listed in Exhibit D-K, Item 2, (Amendments to Contracts DTFA15-85-C-50015, DTFA15-85-C-50006, and DTFA15-85-C-50020) shall expire on December 31, 1990, and the airlines who are parties thereto and the Authority shall have no further obligations thereunder.

2.03.3 The contract listed in Exhibit N-K, Item 3, (Contract No. DOT-FA-NA-5135, as amended) between the Authority and Eastern Air Lines, Inc., and all rights thereunder shall expire on the Substantial Completion Date of Eastern's Permanent Premises in the New North Terminal if not otherwise terminated as provided for therein.

ARTICLE 3. - DEFINITIONS AND INTERPRETATION

3.01 Definitions. Except as otherwise clearly indicated by the context, the following words, terms, and phrases wherever used in this Agreement shall for the purposes of this Agreement have the following meanings:

Additional Projects shall mean capital expenditures for construction, acquisitions, and improvements related to the Airports, other than small capital items includable as O&M Expenses in accordance with Authority policy and other than those Projects included in the Capital Development Program.

Administrative Cost Center shall mean the Cost Center described in Exhibits N-E and D-E.

Agreement shall mean this Airport Use Agreement and Premises Lease between the Authority and the Airline, as the same may be amended or supplemented from time to time.

Air Transportation Business shall mean that business of a Scheduled Air Carrier operated by the Airline at either or both of the Airports.

Air Transportation Company shall mean (i) a Scheduled Air Carrier or (ii) a company engaged in non-scheduled common carriage by air of persons, property, and/or mail.

Aircraft Parking Positions shall mean those portions of the Ramp Areas at each of the Airports, other than Dulles Jet Apron Positions, that are used for the parking of aircraft and support vehicles and the loading and unloading of passengers and cargo.

Aircraft Parking Position Charges shall mean those charges payable by the Airline, if applicable, for the preferential use of Aircraft Parking Positions as set forth in Section 8.04.

Airfield Cost Center shall mean the Cost Center described in Exhibits N-E and D-E.

Airfield Net Requirement shall mean at each Airport the Total Requirement attributable to the Airfield Cost Center, less (i) Aircraft Parking Position Charges and Dulles Jet Apron Fees, if any; (ii) direct utility or other

reimbursements attributable or allocable to the Airfield Cost Center; and (iii) Transfers, if any, allocable to the Airfield Cost Center.

Airline shall mean the Scheduled Air Carrier executing this Agreement.

Airline Funded Airfield Coverage shall mean for each Fiscal Year at each Airport, Debt Service Coverage allocable to the Airfield Cost Center for such Fiscal Year multiplied by a fraction, the numerator of which is the landed weight for all Signatory Airlines at that Airport for such Fiscal Year and the denominator of which is the total landed weight for all Air Transportation Companies and General Aviation at that Airport for such Fiscal Year. Airline Funded Airfield Coverage shall be calculated separately for Debt Service on Subordinated Bonds and Debt Service on Senior Bonds.

Airline Funded Coverage shall mean for each Fiscal Year at each Airport, the sum of Airline Funded Airfield Coverage for such Fiscal Year for that Airport and Airline Funded Terminal Coverage for such Fiscal Year for that Airport. Airline Funded Coverage shall not include Equipment Coverage.

Airline Funded Terminal Coverage shall mean for each Fiscal Year for each Airport for each Cost Center and Terminal Sub-Center within the Terminal Cost Center, Debt Service Coverage for such Fiscal Year allocated to such Sub-Center multiplied by a fraction the numerator of which is the amount of Premises leased to and the amount of space used as Common Use Premises by the Signatory Airlines in such Sub-Center and the denominator of which is the total amount of Rentable Space in such Cost Center and Terminal Sub-Center. The Airline Funded Terminal Coverage shall be calculated separately for Debt Service on Subordinated Bonds and Debt Service on Senior Bonds.

Airline Operating Facilities shall mean furniture, furnishings, special light fixtures, carpeting, draperies, wall coverings, decorations, decorating or other special finishing work, signs, appliances, trade fixtures and equipment that is owned, furnished, installed, and used by the Airline in its operations on the Airport.

Airline Representative shall mean that person designated by a numerical majority of the Signatory Airlines at each Airport to represent said Signatory Airlines in matters relating to the Capital Development Program and Additional Projects at that Airport.

Airline Supported Areas shall mean for each Airport the Airfield, Terminal and Equipment Cost Centers at that Airport and at Dulles shall also include the IAB, the AOB, and the Passenger Conveyance System Cost Centers.

Airline Transfer Account shall mean the account in the Revenue Fund created pursuant to Section 9.06.

Airport or Airports shall mean the real property including improvements constituting either or both Washington National Airport ("National" or "National Airport"), located in Arlington County, Virginia, and Washington Dulles International Airport ("Dulles" or "Dulles Airport"), located partially in Fairfax County and partially in Loudoun County, Virginia, as depicted in Exhibits N-A and D-A attached hereto, and as each may be subsequently improved, enlarged, or otherwise modified. Washington Dulles International Airport shall include the Washington Dulles International Airport Access Highway.

Airside Operations Buildings (or "AOB") shall mean the facilities (other than the Existing or New Midfield Concourses) located on the Dulles Jet Apron and used to support the servicing of aircraft.

Airside Operations Buildings (or "AOB") Rentals shall mean those rentals payable by the Airline for its use, if any, of the Airside Operations Buildings in accordance with Paragraph 8.08.3.

Airside Operations Buildings (or "AOB") Cost Center shall mean the Cost Center described in Exhibit D-E.

Amortization Requirements shall mean the repayment of capital costs as principal and interest, in substantially equal annual installments over a fixed term for a capital expenditure which is not debt financed, and for which Amortization Requirements are to be included in rentals, fees, and charges pursuant to Section 10.06. The Amortization Requirement for each such capital expenditure shall be computed using an amortization period as reasonably determined by the Authority, and an interest component equal to the Thirty-Year Revenue Bond Index, published by the "Bond Buyer," on the date nearest the date on which said capital expenditure is placed in service; provided, however, if the asset in question could not legally be financed with the proceeds of tax-exempt Bonds, the interest component shall be fifty (50) basis points above the then current yield for a United States Government obligation with a maturity comparable to the period of amortization.

Authority shall mean the Metropolitan Washington Airports Authority.

Authority Capital Fund shall mean that fund created pursuant to Section 9.06.

Authority's Architects and Engineers shall mean the architects and engineers employed by the Authority, or who are under contract to the Authority.

Aviation Cost Center shall mean the Cost Center described in Exhibits N-E and D-E.

Base-of-the-Tower Facilities shall mean the facilities for the conduct of business by an Air Transportation Company appurtenant, as of January 1, 1990, to Aircraft Parking Positions A-1 through A-18.

Board shall mean the Board of Directors of the Metropolitan Washington Airports Authority.

Bonds shall mean Senior Bonds, Subordinated Bonds, and Other Indebtedness.

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

Capital Development Program shall mean the construction, acquisitions and improvements to the Airports, as more particularly described in Exhibits N-I and D-I attached hereto, including the Dulles Stage II Development Plan.

Cargo Cost Center shall mean the Cost Center described in Exhibit D-E.

Chargeable Landings shall mean those aircraft landings for which landing fees shall be due and payable by the Airline, as set forth in Section 8.02. Such landings shall include all landings of aircraft that come to a complete stop on the Airport, with the exception of emergency landings.

Common Use Charges shall mean those charges, if any, payable by the Airline to the Authority for the use of Common Use Premises at each Airport, determined in accordance with Paragraph 8.03.5.

Common Use Premises shall mean those areas at the Airport which two or more Scheduled Air Carriers are authorized to use, as shown on Exhibits N-B and D-B attached hereto. For purposes of calculating rentals, fees, and charges hereunder, such Common Use Premises shall be deemed Rentable Space; provided, however, no leasehold interests shall accrue to or be acquired by any authorized user thereof.

Construction Documents shall mean those plans and specifications prepared for inclusion in construction bid documents for the Capital Development Program.

Contract Security shall mean a security for payment as set forth in Section 8.13.

Cost Centers shall mean those areas or functional activities established by the Authority at each Airport, as set forth in Exhibits N-E and D-E attached hereto, and as may be amended by the Authority.

Current Cost Estimate shall mean, as of any date of calculation, the projected total costs in then current dollars of one or more or all of the Projects in the Capital Development Program (as the context shall determine) as estimated by the Authority's Program Manager. Any Current Cost Estimate shall incorporate actual costs for completed Projects; substitute bid amounts for estimates when available; include the financial impacts of change-orders accepted by the Authority; and, reflect any other changes that the Authority reasonably believes will change said projected total costs from the amounts shown in Exhibits N-I and D-I.

Debt Service shall mean, as of any date of calculation for any Rate Period, the amounts required pursuant to the terms of any Indenture to be collected during said period for the payment of Bonds, plus fees and amounts payable to providers of any form of credit enhancement used in connection with Bonds.

Debt Service Coverage shall mean, as of any date of calculation for any period, an amount equal to twenty-five percent (25%) of the portion of Debt Service attributable to Senior Bonds and Subordinated Bonds, plus such other amounts as may be established by any financing agreement or arrangement with respect to Other Indebtedness.

Debt Service Reserve Fund shall mean any fund of that name created and established pursuant to any Indenture.

